



Check Fraud Accounts for Nearly 20% of SARs Filings in 2023

Thomson Reuters reports that the number of suspicious activity reports (SARs) — the documents that financial institutions must file with the federal government's Financial Crimes Enforcement Network (FinCEN) upon detection of behavior by employees or customers that may be associated with money laundering, fraud, or other types of criminal activity — is steadily rising.

This is significant because SARS is regarded as one of the most accurate measures of the prevalence of financial crime in any given year in the United States. Not surprisingly, the number of SARs have been steadily rising.

In mid-2023, a Thomson Reuters Institute special report on the surge in SAR filings predicted that approximately 3.75 million SARs would be filed in 2023, a 4.5% increase over 2022 SARs and an historic record. While that prediction was fairly accurate, it fell a bit short — the final SARs tally for 2023 ended up being 3,809,823 SARs, a 5% increase over 2022 and yet another record in terms of filing volume.

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Check Consortiums: The Advantages of Open Models for Fraud Detection

Consortiums have been a major resource in the fight against check fraud. Many financial institutions are leveraging consortiums like Advanced Fraud Solutions TrueChecks and Early Warning Systems as part of their deposit fraud detection. An article from Global Fintech Insights...

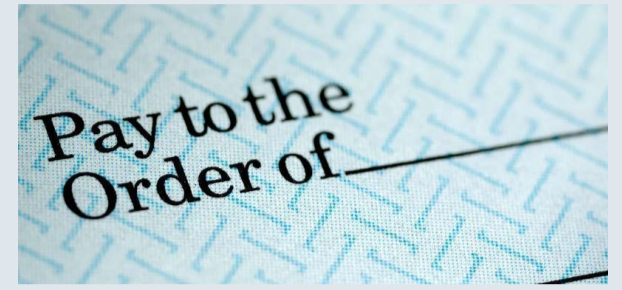
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Another Publication Attempts to Discredit Checks — Are They to Blame for the Inherent Issues?

Evan Sparks, editor-in-chief of the ABA Banking Journal and senior vice president for member communications at the ABA, poses the question: Is it time to kill the paper check? Conversely, has this sentiment led to the increase in check fraud?

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Supercharging Positive Pay Systems to Combat Check Fraud?

Positive pay is not a new innovation for fighting check fraud. Many financial institutions offer this service through Treasury Management; with the increase in check fraud, many businesses have deployed this solution to mitigate check fraud losses...

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75% of Organizations Still Use Paper Checks According to New PYMNTS Report

PYMNTS recently reported that, despite growing adoption of digital solutions, many businesses still continue to choose paper checks as their preferred method of B2B payment. In fact, according to PYMNTS' "Getting Paid: Digital Payments for Improving Cash Flow and Customer Experience," 75% of organizations still use paper checks, despite their relative high costs and inefficiencies. This is a slight decline from a 2022 report from PYMNTS that noted "81% of businesses still pay other firms via paper checks, making it the most common B2B payment method, even amid companies' digitization efforts."

Despite the benefits provided by electronic payments, checks continue to thrive in B2B payments for several reasons:

- Established payment that requires no procedural changes
- Both sides of transaction must utilize other payment channels, whereas check payments are universal
- "Float time" helps SMBs manage their accounts
- Paper trail for all payments
- Credit card payments come with 3-5% fee



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Industry Insights: OrboGraph's James Bi Breaks Down mRDC Check Fraud on Wespay Podcast

In the latest episode of the Wespay Payments Perspective Podcast, OrboGraph's own James Bi, Marketing Manager and Check Fraud Detection Specialist, joins host Jeff Duffy to discuss mRDC and how fraudsters are leveraging this deposit...

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Paper Checks Continue to Persist in Healthcare Payment Reimbursements

Healthcare is a complex industry. From the delivery of care for patients to insurance paying the healthcare provider, there are dozens of systems utilized by each party. The result is that, even though there have been innovations across the entire spectrum, paper still persists -- including paper checks...

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Nearly 20,000 Stolen Checks Worth Over \$485M Found on Telegram

In order to commit check fraud, the first step for a fraudster is simple: obtain a legitimate check. Sure, a fraudster can purchase blank check stock, but they still need to acquire the routing and account numbers to print onto the check stock. This is why the majority of stolen checks...

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How Financial Institutions Can Detect TikTok's "Infinite Money Glitch"

TikTok trends are all the rage now. Along with YouTube, these platforms have contributed to poor advice or "tips" going viral -- particularly when it comes to the financial realm. This has culminated in a viral trend where individuals unwittingly commit check fraud -- dubbed the "Infinite Money Glitch"...

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The "Open Banking Era" Begins as Financial Data Rights Rule Finalized

As we noted previously, Open Banking is a hot topic for financial institutions. It allows consumers to share their financial data with third-party providers and enables access to a wider range of financial services. It's popular all over the world, but only recently emerged in the United States...

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Fed Expands FedDetect to Cover Commercial Checks, But Is It Enough to Stop Check Fraud?

Via a recent press release on BusinessWire, the FED has announced an expansion of its FedDetect Duplication Notification for Check Services to include commercial checks, giving financial institutions early notice of potential duplicate Treasury checks even with...

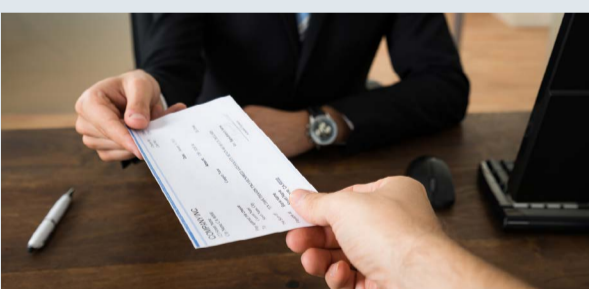
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Jack Henry's 2024 Strategy Benchmark Report: 75% of FIs Indicate Check Fraud as a Major Concern

Our friends at Jack Henry & Associates have recently published the 2024 Strategy Benchmark report. The reports notes that "80% of all financial institutions plan to increase technology spend over the next two years, but credit unions are more bullish..."

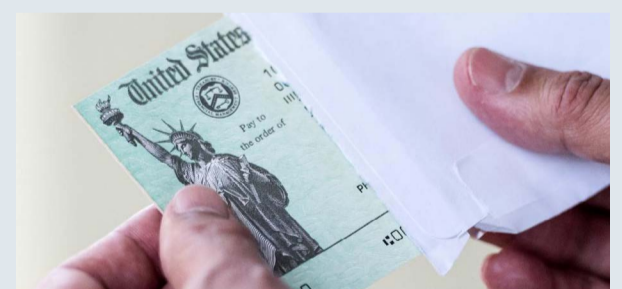
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Paying with Checks: Reviewing Advantages and Disadvantages

While thought of as "old school," there are still advantages to using checks. For many, checks still offer respite from carrying physical money. At the same time, growing fraud makes caution necessary. Alternative Payments offers a comprehensive look at the advantages and disadvantages to paying...

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Millions in IRS Refund Checks Stolen and Altered?

When you think about different types of checks, which do you believe is most desirable to fraudsters? The answer is treasury checks. When a fraudster is able to steal a treasury check, they can simply alter the payee and deposit the check into a drop account -- typically by mRDC...

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Is Check Fraud Putting mRDC at Risk?

Mobile Remote Deposit Capture (mRDC) has been around for decades, and it's the most convenient method for individuals and some businesses to deposit checks. However, mRDC comes with inherent risks. Financial institutions do not know who is making the deposit. Furthermore, FIs are only...

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Collapse of Synapse Highlights Need for Neobanks and Traditional Banks to Choose Stable Partners

The American Prospect features a rather alarming story illustrating the higher risk faced by neobanks as compared to conventional FIs, and the dangers of partnering with unstable companies. One example is the failure of Synapse...

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Learn the Lingo: The Fraudster Glossary

Eric Huber is the Cybercrime Research & Analysis Leader at TD Bank, and now curator of Fraudsterglossary.com, a growing glossary of terminology and slang used by fraudsters to communicate on internet sites like Telegram. As of this posting, there are 188 entries-- both words and phrases...

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