Bethpage®
Federal Credit Union

Fraud Campaign
2018

Types of Fraud Impacting Bethpage

Debit Card

- "Card Cracking"
  - Members open accounts and willingly give up their debit card(s) and usually mobile/online banking information.
  - Fraudsters then deposit fraudulent checks across the account(s) and withdraw available funds at a branch, ATM or purchase gift cards at merchants, like Stop & Shop, Walmart, etc.
  - When the checks return, and the accounts are drawn negative, members become responsible for the balance.
- POS fraud – *not* authorized transactions
  - Skimming
    - Members use their ATM/debit card at an ATM, gas station or other POS terminal where there is device/camera.
    - Magstripe information and PIN number are captured, and then later used to fraudulently withdraw from the account, primarily at ATMs.
    - CardNav alerts would help here.
  - Merchant Compromise/ Data Breach
    - POS terminal or network malware installed to collect info, like card numbers, magstripe info, expiration date and CVV code.
    - CardNav alerts would help here.
  - Payment or Rider Apps
    - Debit cards are used for multiple payments on apps, like Venmo, PayPal, etc. (may use account number = ACH)
    - Debit cards are used for multiple transactions on rider apps, like Uber or Lyft.
    - CardNav alerts would help here.
- POS Disputes – authorized transactions
  - Free trials
  - iTunes, Microsoft, PlayStation, Google
  - Hotel, house or car rentals

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Types of Fraud (cont.)

Checks – In branch or ATM/Digital

- Money Orders (Western Union, Postal Money Orders, MoneyGram)
- Checks from scams
- Ties into card cracking
- Kiting

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Types of Fraud (cont.)

In-Branch

- Card Cracking
- Check Cashing
  - Members visit multiple branches over several days cashing fraudulent checks.
  - Checks are returned and members are responsible for the loss.
  - Difficult to track if employees are not reviewing account history or last contact status.
  - ID not always on orange bar, may be on the ID tab.
- Withdrawals
  - Members or fraudsters withdraw funds from bad checks, fraudulent external deposits, etc.
  - Branches should follow certain procedures.
  - Difficult to track if employees are not reviewing account history or last contact status.
  - ID not always on orange bar, may be on the ID tab.
- Using multiple SSN, IDs, address information, etc.
  - "Potential new" members visit branches to open new accounts, presenting ID and social security info.
  - When their name is searched, existing accounts, often flagged for fraud, are uncovered. A SSN may have been changed by a few digits, or birthday may be different.
- IRAs
  - Members request to open an IRA and deposit a check from an IRA at another FI.
  - Withdraw funds before the check can clear or be returned.
  - Checks return, and member is responsible for the loss.

Types of Fraud (cont.)

Account Takeover – Digital/Contact Center

- Account information is changed so fraudster can access account
  - Phishing
  - Pharming
  - Contact Center
  - IT Support scams
- Funds are then sent out via:
  - Wire
  - Bill Pay
  - P2P
  - ACH
- Members with HELOCs are often targeted, as are the elderly or those who don't use digital channels often.

Types of Fraud (cont.)

Scams

- Social Media
- Investment scams
- Digital Currency scams
- Secret Shoppe
- Job scams
- Sweetheart scams
- IRS scams
- Tech Support scams
- Letgo, Craigslist etc.
- Sales Calls
- Prizes/Sweepstakes scams

Types of Fraud (cont.)

ID Theft

- Accounts or loans opened using a real person's information
- Deposit Accounts
- Loans, especially Auto and LOC/Credit Card
- CDs
- Tax Return

Synthetic ID - Digital

- Accounts opened using fake information
- Deposit Accounts
- Loans
- CDs

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Content Inventory (Website)

Main Categories of Fraud-Related Information

- Learn How to Protect Yourself Against Fraud
- Common Practices of Identity Thieves
- Check Scams
- Email Scams
- Credit Card ID Theft Protection
- Social Media Fraud
- Current Scams
- Account Security and Protection Tips

Content Inventory (cont.)

- Common Practices of Identity Thieves
  - What is Identity Theft?
  - How Does an Identity Thief Acquire Information About You?
  - Preventing Identity Theft
  - Identity Fraud v. Theft
  - What an Identity Thief Can Do
  - How to Recover
- Check Scams
  - Types of Potential Check Scams
  - Mystery Shopper Check Scams
  - How do these scams operate?
  - Who is at risk?
  - What can you do to protect yourself?
- Email Scams
  - Warning Signs
  - Fraudulent Email Examples
- Credit Card ID Theft Protection
  - Mastercard ID Theft Protection
  - Getting Started

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Content Inventory (cont.)

- Social Media Fraud
  - Examples of Social Media Fraud
  - Warning Signs
- Current Scams
  - Fraudulent Calls
  - Street Recruiting
- Account Security and Protection Tips
  - Emails from Bethpage
  - Security and Alert Tools
  - CardNav by CO-OP
  - Mastercard ID Theft Protection

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Fraud Campaign Framework

We care about what you care about.®

Types of Fraud

- What are the right types to investigate?
- Top 5 types? 10?
- Definition

Content Topics

- **Education** – information about & warning signs of types of fraud
- **Recovery/Intervention** – Steps to take/info to have if victim of fraud
- **Prevention** – Getting back on track & avoiding instances going forward

Communication Channels

- Email
- Social Media
- Website
- My Money 101
- Balance
- Video
- In-person seminars
- Onboarding kit

Tools/Sources of Info:

- CardNav
- Mastercard/MasterPass
- Alkami
- Balance
- My Money 101
- Social Media
- Help Center/S3
- Branches/Internal references
- Training (L&D, BAI)

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Recommendation

- Phase 1 (Short Term)
    - Address immediate concerns (e.g., debit card recovery)
    - Utilize existing tactics
- Phase 2 (Longer Term)
    - Develop a comprehensive campaign based on priority categories
    - Analyze data for segmented approach
    - Strategize most impactful tactics per segment

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