



Bank Stops Check Counterfeits & Check Washing Attacks with FraudSWEEP

“It was the right solution for a tough problem!”

One of this bank’s best customers was under attack by fraud gangs that were counterfeiting and washing their checks. The bank needed a way to secure the payments to easily detect authorized payments and the payees on checks. The PaperPIN solution offered by FraudSWEEP was just perfect!

What do you do when gangs start counterfeiting your best customer’s checks and even matching the style and check number? On top of that, what if the gangs also steal legitimate checks from the same customer and wash the payees so they can cash them? Now you can imagine the dilemma of this community bank. The bank had a big problem that they needed to quickly solve in a way that protected the bank and its customer. Since the customer had to issue checks to vendors and employees, the solution had to be very easy to implement for both parties. PositivePAY just was not an option due to the requirement for the customer to provide the daily issued items files, along with the bank’s desire to minimize adding more tasks to its operations group.

The PaperPIN feature in the FraudSWEEP system met all the requirements! This one feature alone made the investment in the system worthwhile. The bank’s customer was very receptive to the concept of placing a unique PIN number on every check over a certain dollar amount. The PIN also included information about the payee, so if the check was washed, the bank could tell that the payee name did not match simply by looking at the PIN. This system required no software by the customer, and the FraudSWEEP system automatically flags all the items over the limit and displays what the PIN number should be and where is located on the checks.

By adding FraudSWEEP, the bank also has additional fraud detection tools that have improved the bank’s overall security procedures. The ability to request an image of the check/item right from the review screen has made it very efficient for the back office. Additionally, ACH transactions are included in the reviews which enhanced the overall protection to the bank. Every test is parameterized to let the bank determine which threats to review and the specific threshold limits.

FraudSWEEP exceeded the bank’s requirements to deal with a very tough issue, without making any extensive changes to current operating procedures.

For more information, contact us at www.vigilance-systems.com.

Bank Demographics

An established community bank located on highways that connect major metropolitan areas.

Challenges:

- Need to have a way to confirm the payments are actually authorized
- Need to be able to review for possible payee alterations from check washing
- Cannot require a daily issue file or special software by the customer
- Must be simple to review items to determine if they are valid

Vigilance Systems Solution:

The FraudSWEEP system was designed by bankers who possess in-depth operational experience and a deep understanding of payment processing and fraud threats. The FraudSWEEP system is the flagship product that arms financial institutions with a proactive deterrent and detection program against fraudulent transactions.

Benefits Achieved:

- Every check issued over a floor limit had a unique PIN number written on the check – the code also incorporates payee data to stop check washing
- The threats have been stopped for both counterfeits and check washing on this important customer
- Low cost and overhead – Staff performs reviews on the PINs - the system informs them of what should be on the check and where it should be written