

## BUSTATHIEF

by [Steve Brown](#)

As a banker, there are certain life skills that you need to know to look good. No matter what your position is at the bank, one day when you are out in the community, you will likely be asked about how the Fed works, counterfeit money or a fraudulent card. Given the faltering economy and the rise of technology, counterfeit, cloned, altered and forged (CAF) cards are up a reported 12% over last year. Today, we give you a quick law enforcement-level primer on how to detect a fake card beyond just matching ID and verifying the card with the processor.

1. Symmetry - First, look at the numbers to ensure they are evenly spaced and aligned. A counterfeiter typically uses an aftermarket tipper/embossing machine that handles 1 number at a time. As such, numbers are often skewed.
2. Correlation - Next, check to see if the account number matches the card name. Amex will start with a 3, Visa with a 4, MasterCard (MC) a 5 and Discover with a 6. You would be surprised how many crooks fail to do their basic homework.
3. Magnetic Strip - Some crooks are lazy or cheap and fail to coordinate the magnetic strip data with the data on the front of the card. To get around this, often times bad guys will purposely damage the strip by scratching or demagnetizing it thereby forcing the merchant to manually enter the altered numbers on the front.
4. Receipt Match - If you don't have access to a magnetic strip decoding device to check the strip, one easy way to verify the strip and number is to run a transaction and see if the last 4 numbers printed on the receipt match.
5. Hologram - check the hologram sticker on the front of Visa and MC and the top back strip on an Amex card for the foil hologram. Forged cards often have a dull, 2D look.
6. Signature Strip - The signature strip requires a different material when creating a card and is also often overlooked when forging. The strip should be there and white.
7. UV Logos - If you are in a branch and have access to a ultraviolet or black light check the UV logo on most cards. "AM EX" will appear on front of an Amex card, "MC" on a MasterCard, a flying "V" in the lower left front and a dove logo in the middle of a Visa card and "Discover" will be written across a Discover card.
8. Microprint - Most cards have a microprint verification number that can be seen with a magnify glass. This gets about 80% of all crooks and the microprint can usually be found under the account number or on back. While it varies with different cards, usually the microprint duplicates the first or last 4 numbers of the account number.
9. Behavior - Finally, nothing verifies fraud like nervous behavior of the card holder. The most common tactic is for the crook to try to confuse or distract the clerk in order to take the attention off the CAF card.

If any of the above doesn't look right, get law enforcement involved as chances are high you are dealing with identity theft and probably with counterfeiting. Credit and debit card fraud is fairly easy to detect because of the above, while prepaid cards usually have only about half of the above fraud prevention mechanics and so are harder. While this article won't make you an expert, it will give you an above average knowledge on a basic banking product to help protect your bank, your community and your reputation as a knowledgeable banker.

## **BANK NEWS**

### **SBLF**

20 new banks received their SBLF funds totaling \$253mm bringing the total to 43 community banks that have been approved and funded. While the process is a lot slower than expected, it is moving.

### **Stimulus**

The White House is rumored to be polling bankers in the formulation of a possible new proposal that will offer tax cuts to employers that hire new workers. Other items that are in the works include additional credit and tax support to help banks inject capital into domestic clean energy projects and a program whereby Fannie and Freddie would rent out foreclosed properties that they own rather than try to sell them at depressed prices.

### **Treasury/Geithner**

While rumored to be leaving at the end of the year, the NYT is reporting the Treasury Sec. will stay in post at least until the end of the President's term.

### **Prepaid Leveling**

FinCEN issued their final rule that establishes a regulatory framework for non-bank prepaid cards and requires non-banks to enhance reporting, disclosures and monitoring of large dollar transactions and other suspicious activity. The rule goes into effect in Sept. and puts non-banks under similar BSA-type regulations that banks face.

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