



## Check Fraud a Growing Problem

FinCen industry update

**Summary:** Thefts of mailed checks have soared since the start of the pandemic as stimulus checks attracted crooks and accelerated check fraud schemes. We discuss why and what to look for to prevent mailed check theft from affecting your customers.

Weird Al Yankovic parodied a lot of stuff in his career, mostly taking aim at popular culture and music. But he also had a spare reference to finance in one of his early and few original songs: *"The check's in the mail, would I lie to you?"*

That old evasion tactic about the check being in the mail might be a less dubious excuse lately. In fact, check fraud has been growing so quickly that the Financial Crimes Enforcement Network (FinCEN) [posted an alert](#) about it in February, in conjunction with the US Postal Inspection Service (USPIS). The problem is, to a large extent, straightforward theft: crooks steal from mailboxes of various types, then cash checks they find or duplicate stolen checks and write more. The US Postal Service (USPS) received nearly [300K complaints of mail theft](#) from March 2020 to February 2021, a 161% increase from the same period a year earlier.

### Suspicious Check Activity on the Rise

The problem is evident in financial institution reports. In 2021, financial institutions filed [350K suspicious activity reports \(SARs\) on check fraud](#), a 23% increase over 2020. In 2022, check fraud SARs surged to 680K, nearly double the 2021 total.

Of course, not every check fraud SAR represents an actual case of check fraud. It is simply a suspicious check. But the amount of suspicious activity around checks these days is enough to give a bank security analyst pause.

### The Pandemic and Stimulus Checks

Check fraud has always been an issue for financial institutions, but the problem began gaining steam during the pandemic, as people not only stayed home and relied more on the mail, but they also began receiving mailed stimulus checks from the government. Those government checks made the USPS an increasingly popular target for crooks trying to hijack payments.

The profile of these thieves varies from individuals stealing mail out of residential boxes to more sophisticated schemes organized by crime syndicates to USPS employees themselves. Last September, the Justice Department announced that it had cracked a criminal enterprise involving postal employees [that stole \\$1.3MM](#).

### How To Spot Check Fraud

The FinCEN alert aims to warn financial institutions of the increasing problem, as well as help guide them through the proper way to spot and file mail fraud SARs.

Aside from a mailed check that was never received, here are six signs of check fraud:

1. A large withdrawal from a customer account via check that goes to a new payee.
2. Customer complaints of stolen checks combined with check deposits into an unfamiliar account.
3. Check stock that is different from the usual for a known check issuer.
4. Check deposits followed by quick withdrawals to a customer account that does not typically deposit checks.
5. Signs of possible forgery such as faint, faded signatures visible beneath what appears to be a new signature.
6. A non-customer trying to cash a large check and offering a suspicious explanation.

To help consumers with mailed check problems, USPS runs a fraud check hotline at 1-877-876-2455.

Check fraud involving the mail is on the rise. Financial institutions need to be on high alert for possible scams involving mailed checks and customer accounts, and know what to look for to prevent fraudulent transactions.

## PCBB INTEGRATES CANADIAN CHECK IMAGING WITH FISERV

PCBB can offer Canadian check imaging services through the Fiserv Clearing Network (FCN). PCBB already enables international wire transfers through Fiserv's Payments Exchange platform. [Learn more](#) about how FCN customers can digitally process Canadian checks using PCBB's advanced payment option.

## ECONOMY & RATES

Rates As Of: 05/09/2023 05:34AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.31	0.21	0.89
6M	5.14	0.08	0.38
1Y	4.76	0.02	0.05
2Y	3.99	-0.02	-0.44
5Y	3.48	-0.01	-0.52
10Y	3.50	0.08	-0.38
30Y	3.82	0.14	-0.15
FF Market	FF Disc	IORR	
5.08	5.25	5.15	
SOFR	Prime	OBER	
5.06	8.25	5.06	

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