



Prevention TIPS

How Criminals Set Up HELOC/Wire Fraud

Criminal sets the stage:

- Criminals gather information from public land and deed records; HELOC information and signature samples
- Multiple inbound calls are made to call center
- Social engineering with call center staff for additional information used for “establishing” that the caller is a member
- Many of the calls have long delays on the criminal’s side and sometimes papers can be heard shuffling in the background
- Criminal poses as member and places a ‘service disruption’ complaint with the members’ home phone service provider
- Phone company forwards calls made to home phone number on record to the criminal.
- Some cases have involved updating phone records with the credit union through the call center

Criminal requests wire transfer:

- CU calls member’s home phone to verify the wire, but is unknowingly forwarded to bad guy
- Faxed in wire request signatures match signatures on file
- Wires are sent to either domestic or international accounts. Domestic wires are promptly forwarded to international destinations.
- Transfer attempts range from \$50k up to \$1m with 90% of the available credit line not uncommon
- Destinations include Japan, Honduras, Hong Kong, Russia, Greece, etc.

BEWARE:

The criminals have substantial account holder information. Inclusive of last transactions, family member names, account numbers, social security, etc. In many cases credit reports have been pulled on the account holders prior to the fraud.