



Fraud ALERT

To: Member Credit Unions
From: Martha Dixie, VP Operations
Date: May 6, 2010
Re: Wire Fraud Alert

Alert Regarding Fraudulent Wire Activity

Southeast Corporate has noted a recent increase in possible fraudulent wire activity. Multiple wire requests have been submitted to member credit unions that were later determined to be fraudulent by one of the parties involved. Therefore, we would like to remind you of several steps that may reduce the likelihood of your member being a victim of fraud.

- When a member asks to send a wire or Western Union payment, ask them to make sure they know the beneficiary of the wire. If they do not personally know the person they are sending money to, or are purchasing something that will be delivered after the wire is completed (i.e. purchasing a car from an online contact or someone contacted through a publication), there may be a chance that the transaction could be fraudulent.
- Beware of members who deposit a large check and subsequently request a large wire to be sent, especially if they request an international wire (particularly to Hong Kong). Fraudsters are preying on vulnerable members and getting them to deposit bad checks through various employment and pay-for-processing scams, and then immediately wiring money out.
- Establish and closely follow rigorous authentication procedures for telephone, e-mail and fax service requests. Assure your verification procedures are tightened to insure the originator of the wire actually has authorized the wire. Hopefully, your members will appreciate that you are taking steps to protect them, even if it means that their request may take a little extra time to process.

If you have any questions or concerns, please let us know by calling our Member Services staff at 800-342-0203, Option 1. Thank you.