SCAM DETECTION AND MITIGATION FOR FINANCIAL INSTITUTIONS

SUCCESSFUL **DECEIT AND VICTIM** CONTROLLED MANIPULATION ACCOUNT **Criminals use** deceit and manipulation to convince victims to provide Criminal uses deceit or Victims allow account Scam payment is sent to a Money mule disburses manipulation to hook victims. access or initiate a financial the funds to another mule money mule account or other information or This could include phishing, transaction at the direction of account the criminals control. account or an account send money. spoofing or impersonation. the criminals. criminals control. Phishing and **Scam Threat Account Takeover Scam Payments Mule Accounts** Impersonation Fake websites, apps Account opening, **Detection** Online access detection and Transaction monitoring and and phone / text / email transaction monitoring and user authentication customer alerts Layer communications external notifications Identify and take down • Multi-factor authentication • Third-party data • Use technology to detect fake websites and mobile with customized anomalies and unusual from credit bureaus, applications messaging patterns consortiums, public records Register authorized • Biometric authentication • Employ real-time payment phone numbers to (e.g., fingerprint, voice, scoring using rules and • Scam intelligence prevent spoofing facial recognition) thresholds Activity and payment Register fake email Behavioral biometrics Tailored warnings for monitoring **Detection Tool** / domains to detect abuse (e.g., keystrokes, mouse scams based on payment Relationship risk level **Technique** movements, mobile Encourage reporting of screen swipes) mapping between phishing emails, spoofed Employees specialized identities, accounts and calls/texts and fake · Device fingerprinting in fraud and scam devices (graph analytics / websites prevention link analysis) IP address and geolocation Recall / recovery requests from other financial institutions

The scams mitigation toolkit was developed by the Federal Reserve to help educate the industry about scams and outline potential ways to help detect and mitigate this fraud type. Insights for this toolkit were provided through interviews with industry experts, publicly available research, and team member expertise. This toolkit is not intended to result in any regulatory or reporting requirements, imply any liabilities for fraud loss, or confer any legal status, legal definitions, or legal rights or responsibilities. While use of this toolkit throughout the industry is encouraged, utilization of the toolkit is voluntary at the discretion of each individual entity. Absent written consent, this toolkit may not be used in a manner that suggests the Federal Reserve endorses a third-party product or service.