

# **Avoiding False Identification, Counterfeiting, and Other Scams**



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In this Training on Demand course, you'll learn about some of the many forms of fraud that target you, your credit union, and its members. You'll also discover methods for preventing, detecting, and responding to dishonest activities.

## Objectives

**Money and members:** These two things are the lifeblood of any credit union. Unfortunately, both of these elements are also frequent targets of scammers, con artists, and other dishonest individuals. Moreover, whenever a criminal targets you, one of your credit union's members, or any of the funds flowing into or out of your credit union, the effects can touch everyone involved with the organization—employees and members alike.

In this course, you'll explore the various ways in which dishonest individuals try to exploit credit unions, their employees, and their members. By the time you complete the program, you will be able to:

- Describe techniques for recognizing counterfeit cash and fraudulent checks, and explain what to do when you encounter these items;
- Recognize examples of false identification and understand what to do when presented with fake ID;
- Identify and properly respond to other common external scams that target credit unions and their employees;
- Summarize the measures credit unions can take to protect members from fraud; and
- Explain methods for preventing, detecting, and addressing internal threats to the security of your credit union.



## Counterfeiting Facts and Figures

When it comes to financial fraud, counterfeiting is one of the oldest scams around, dating back to the invention of money itself. Because they handle large amounts of cash each day, all credit unions are at risk of receiving counterfeit currency. However, this risk may not be as prevalent as you think—nor does it always involve the people you'd typically expect. Consider the following facts:

- According to the U.S. government, approximately \$103 million in counterfeit money was seized between October 2007 and August 2008 alone. It's important to remember that the United States Treasury prints billions of dollars' worth of cash each month. Given this production statistic, counterfeit bills account for only about one one-hundredth of a percent of the total amount of U.S. currency in circulation worldwide.
- Because it makes up a small percentage of the overall supply of U.S. bills, counterfeit cash does not pose a threat to the stability of the American dollar. However, it causes plenty of financial headaches for the thousands of individuals and organizations across the globe who unwittingly receive these bills—and trends indicate counterfeiting is on the rise. Federal authorities estimate that the number of fraudulent U.S. bills produced in 2008 was 5 percent greater than in 2007.
- People using counterfeit money rarely choose to pass these bills at credit unions, banks, or



other financial institutions. Rather, they use this money at retail establishments or in cash-based transactions with other private citizens. Then, when the innocent businesses or individuals attempt to deposit the cash they've received, their financial institution has the unfortunate task of informing them that the money is fake—if, that is, the employees of the institution are properly trained at spotting counterfeits.