



## ***DCU BULLETIN***

***Division of Credit Unions***

***Washington State Department of Financial Institutions***

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April 20, 2023

No. B-23-03

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### **Wire Fraud Alert and Recommendations**

Based on reports and incidents from consumers in Washington State, the Division would like to emphasize the importance for Credit Unions to exercise a heightened level of security and due diligence with respect to processing wire transactions for members. The Federal Trade Commission recently reported that \$1.3 billion has been lost to “romance scams” alone over the last 5 years. Some victims have lost their entire life savings to scam artists.

**Circumstances** – Cybercrimes are becoming more sophisticated in nature. This creates additional risk for both financial institutions and consumers. Cybercriminals are using various forms of technology to infiltrate hardware and account information. Methods being used include social media, texting, fake internet links, hacked QR codes, ransomware, etc. These methods can all be used to access consumer accounts or to trick consumers into sending money.

**Recommendation for Credit Union Staff** – Credit unions should develop and utilize a checklist to include customer signature before processing wires. Credit union staff should ask discovery questions before processing any wires. At a minimum, questions to members should include:

- How do you know this person or business that you are sending money?
- For what purpose is this money being sent?
- Has anyone compromised your computer or any of your accounts recently?
- Have you been encouraged or coached to misrepresent any details about this wire?

**Recommendations for Credit Union Members** – Consumers can take additional steps to protect themselves from wire fraud. Some ways to help prevent wire fraud include:

- Ask credit union or bank personnel to verify the details of the wire before sending it, including who it is being sent to.
- Take the time to double, and triple check the details of the wire.
- If selling items online, do not refund payments or overpayments by wire. Wait at least a week for the funds to clear before agreeing to any payment refunds.
- Never advance money by wire in exchange for promised future money.
- Keep in mind that every transaction has the potential for fraud.

Additional guidance, resources, and reporting information can be accessed from the Federal Bureau of Investigation's cybercrimes website - <https://www.ic3.gov>.

If you have any questions or would like more information please contact Mark Vasquez, Chief of Specialty Examinations - Division of Credit Unions @ (360) 902-8753 or via email - [mark.vasquez@dfi.wa.gov](mailto:mark.vasquez@dfi.wa.gov).