



ON THE FRAUD FRONTLINES:

# A Conversation on Safeguarding Customers and Building Trust

**Joe Gregory**

Chief Strategy Officer  
OrboGraph

**Erin Gray**

IAS Director  
Arvest Bank

**Jessica Janni**

Retail Operations Manager  
Bank Midwest

Disclaimer: The views and opinions expressed by the panelists during this presentation are their own and do not necessarily reflect the views or opinions of the organizations, businesses or financial institutions with which they are affiliated. Content is intended for informational or educational purposes only.



# About

## Joe Gregory

Chief Strategy Officer, OrboGraph

- » Oversees strategic direction, product rollout, and marketing, including market initiatives for OrboGraph check automation and fraud detection
- » Started with OrboGraph in 1998, has been in the check/payment processing industry for 35+ years
- » Graduate of University of Phoenix with MBA in Marketing





# Erin Gray | Arvest Bank

## About Erin

### IAS Director

- » Serves as Director of Fraud at Arvest Bank, responsible for managing investigations, fraud governance and recoveries
- » Began her career at Arvest Bank in 1999, starting in Retail Banking and working her way up to various roles in Retail and Operations before joining the fraud team in 2011



## About Arvest

- » **Assets:** \$27 billion
- » **Headquarters:** Bentonville, Arkansas
- » **Size:** More than 200 locations in Arkansas, Oklahoma, Missouri and Kansas
- » **Deluxe partnership:**
  - Remote deposit capture
  - Payments for indirect lending/Arvest Premier Solutions
  - Check orders
  - TRIPS disputes and legal
  - Quick Switch
- » **Check processing:**
  - *Teller/Vault:* FIS ImageCentre via Alogent
  - *ATM:* FIS ImageCentre via Alogent
  - *Mobile RDC:* FIS ImageCentre via Mitek
  - *RDC:* FIS ImageCenter via Deluxe
- » **Blended fraud systems:**
  - *On-us (in-clearing):* FIS Direct Link and Early Warning
  - *Deposit fraud:* Early Warning and Nice Actimize (deposits)



# Jessica Janni | Bank Midwest

## About Jessica

Retail Operations  
Manager



- » 17 years at Bank Midwest, expert in training and operations; leads account-opening training and manages software, projects and vendor relationships to support frontline staff and customers
- » 20+ years in banking with experience in retail operations, consumer and business banking and consumer lending

## About Bank Midwest

- » **Assets:** \$1.35 billion
- » **Headquarters:** Spirit Lake, Iowa
- » **Size:** 10 locations in Iowa, Minnesota and South Dakota
- » **Deluxe partnership:** All checks and merchant services
- » **Blended fraud systems:**
  - *Verafin:* Alerts
  - *Mobile RDC:* Manual
  - *Core:* Dup Detect
  - *Positive pay:* Check and ACH with Alkami



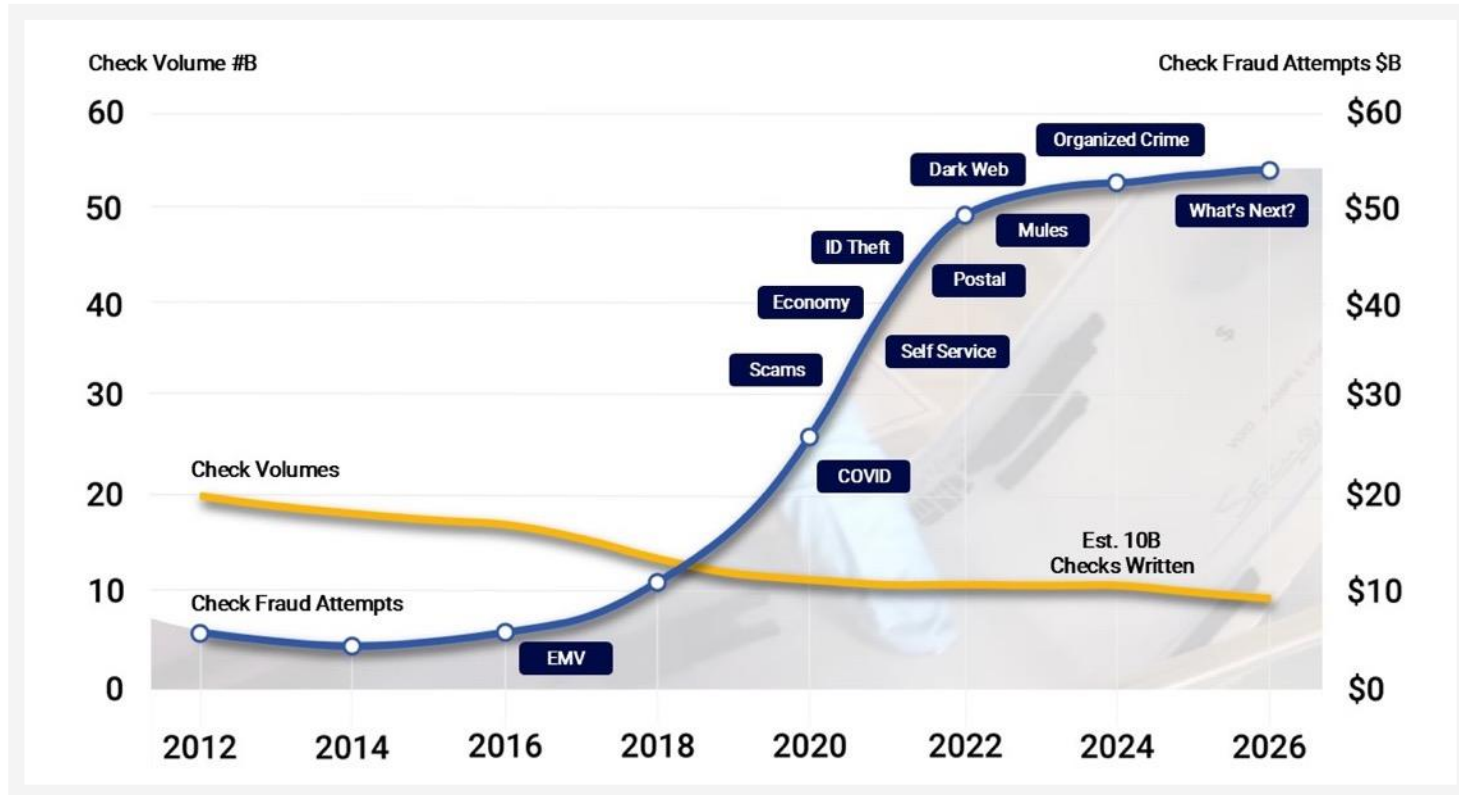
## AGENDA

- » The Evolving Check Fraud Landscape
- » Fraud in Digital & Electronic Payments
- » How Fraud Affects the Customer
- » Frontline Empowerment
- » Looking Ahead



ORBOGRAPH DATA

# Check Fraud Attempts Today



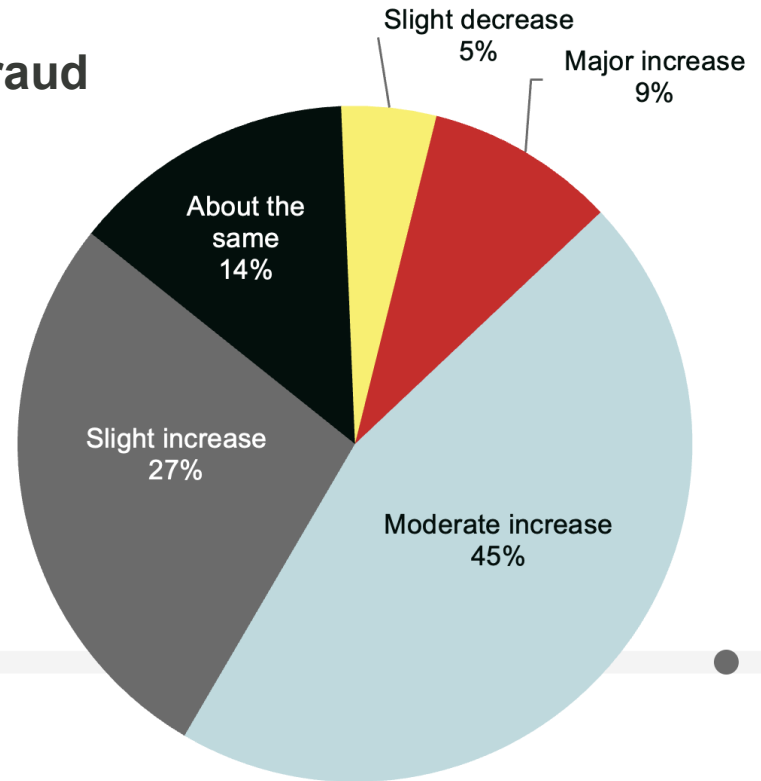


ORBOGRAPH DATA

# Check Fraud Attempts Today

## Actual increase/decrease in check fraud attempts from 2024-2025

- Major increase: 26% or more
- Moderate increase: 16% to 25%
- Slight increase: 6% to 15%
- About the same: -5% to 5%
- Slight decrease: -15% to -6%





MIXED MESSAGING

# Check Fraud Losses Today...

Fraud losses soared over **\$16.6 billion in 2024**.

— *FBI Internet Crime Report 2024*

The 2024 Check Fraud Report highlights a significant rise in check fraud across the United States, with an estimated **\$21 billion in losses in 2023 alone**.

— *Insikt Group*

FinCEN reported 680,000 instances of known check fraud in 2022, and those trends continued into 2023, with experts estimating a whopping **\$24 billion in losses**.

— *CSI's 2024 Banking Priorities*

... check fraud within the United States has seen a **90% increase** in related suspicious activity reports from 2021 to 2023. This escalation corresponds to an **estimated \$21 billion in losses** last year, spurred by an expanding local cybercriminal ecosystem.

— *H1 2024 Check Fraud Report: Geographic Trends and Threat Actor Patterns*

Check fraud continues to be a growing threat, particularly for businesses. In 2023 and 2024, check fraud accounted for a significant portion of payment fraud losses, with **financial institutions losing over \$1.3 billion** in the U.S. alone.

— *"The Rise of Check Fraud: What You Need to Know," Adams Bank & Trust*





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### Check Fraud Summary: 2023 – 2025

YEAR	% OF ORGS AFFECTED	ESTIMATED LOSSES (US)	KEY TRENDS
2023	47%	\$1.3B	Mail theft, RDC fraud, synthetic identity fraud
2024	63%	Projected \$30B	BEC, AI-enhanced scams, lower recovery rates
2025 (predicted)	68%+	<b>\$35B+</b>	AI-driven forgery, deepfake check fraud

— Valid Systems



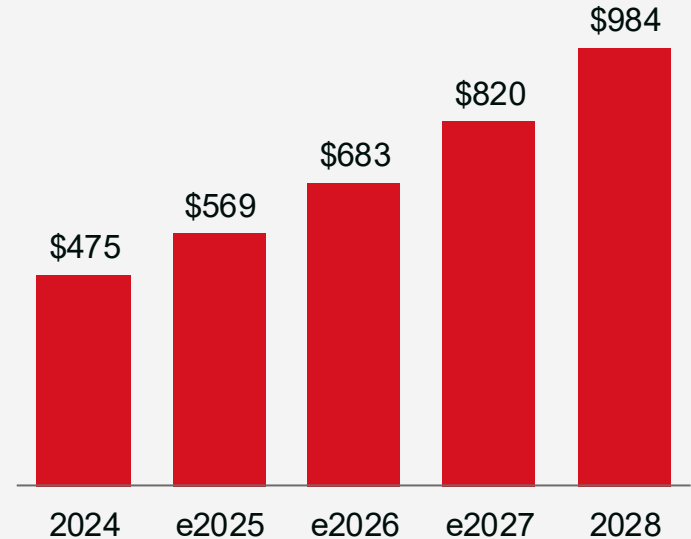


## PROJECTED INVESTMENTS

# Check Fraud “Solutions Market”

- » Datas Insights predicts major investments in the check fraud solution market, with projected growth at an annual rate of **20%**
- » This assumes check fraud attacks and losses continue to grow at current rates while overall check volume continues its slow decline
- » By 2028, the market is expected to approach **US\$1 billion** in the U.S. across all solution provider types

**Check Fraud Solutions Market Spending**  
(US\$ millions)



Source: Datas Insights



# Real-World Insights

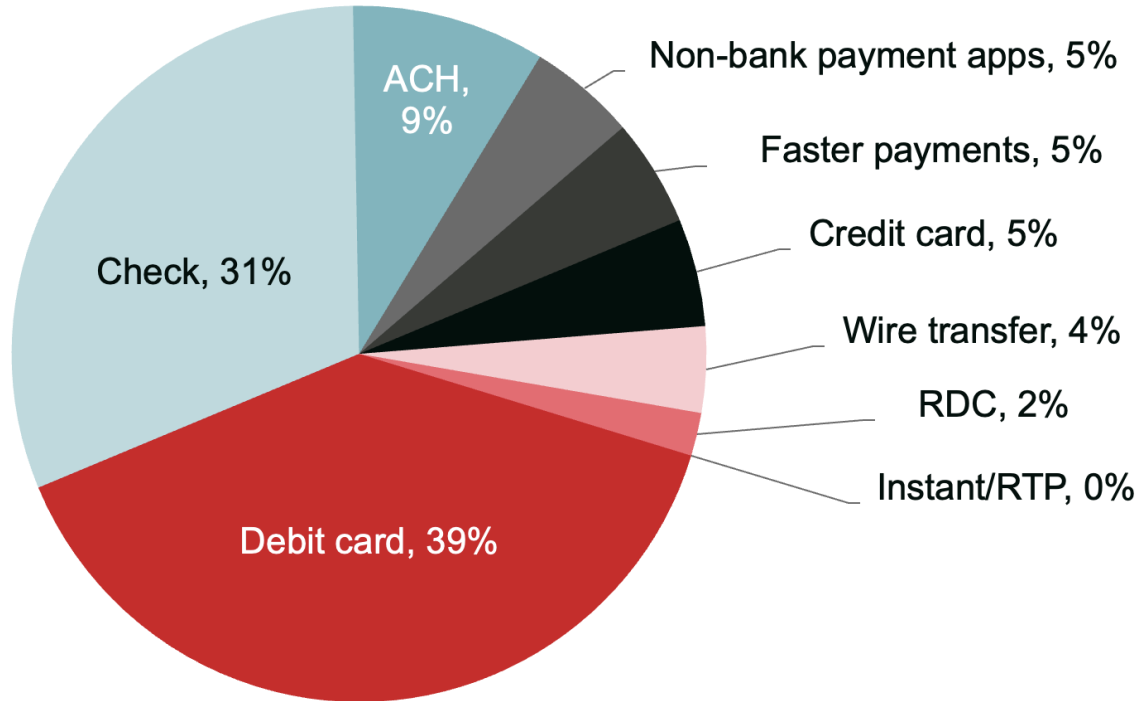
- » What are bankers being told about check fraud by industry sources?
- » What is the “check experience” like at Arvest?
- » How do you manage multiple check workflows with various vendors and a wide range of fraud positions?





## LOSS COMPARISON

# Fraud Loss Expense by Payment Type





# Frontline & Customer Experience

## **Fraud handled by frontline staff**

- » Online and in-branch account opening
- » Major fraud schemes at your institution
- » Frontline fraud examples
- » Challenges for frontline staff

## **Customers impacted by fraud**

- » Customer impact at front line
- » Customer impact overall
- » Reputational risk





# Frontline Empowerment

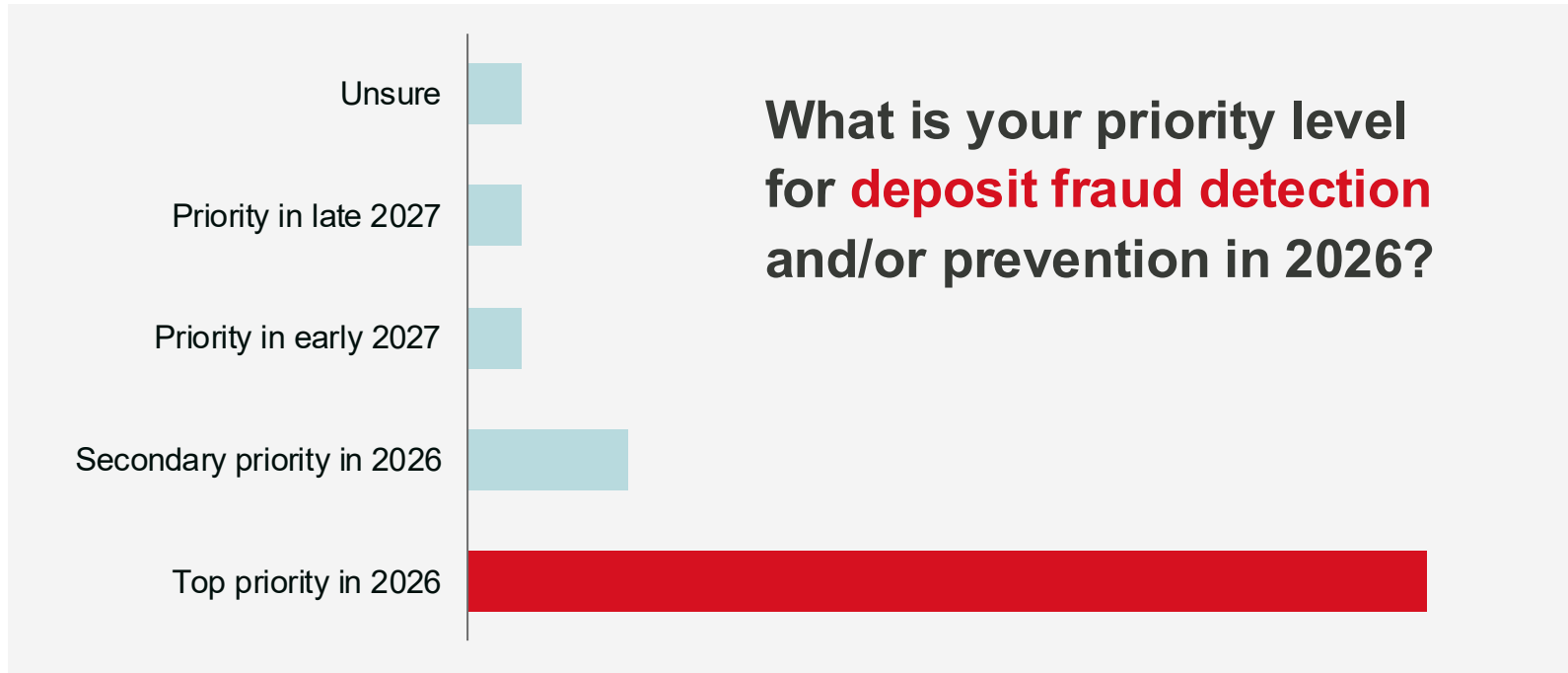
- » **Strengthening fraud defenses with limited resources**
- » **Training and empowering frontline staff to spot & escalate suspicious activity quickly & effectively**
- » **Community education (e.g., fraud seminars)**





ORBOGRAPH DATA

# Channel Interaction





ARE THEY WORKING?

# High Security Products and Services

**Foil Hologram**  
Cannot be reproduced by copiers or scanners.



**Personalized Microprint**  
Your name and check number, in tiny letters, appear as a solid line until magnified. Cannot be reproduced by a copier.

**Heat Sensitive Ink**  
Ink area fades when warmed. If copied, color will not fade or be absent entirely.

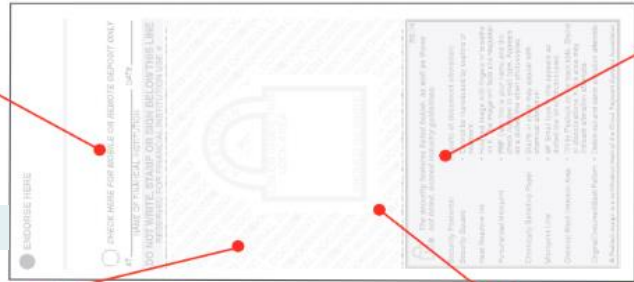
**Fraud Warning**  
Indicates high security features are present to deter fraudsters.

LOOK FOR FRAUD-DETERRING FEATURES INCLUDING THE SECURITY SQUARE AND HEAT REACTIVE INK. DETAILS ON BACK.

**Microprint Signature Line**  
Signature line is tiny letters that appear as a solid line until magnified.



**Mobile Deposit Reminder**  
Track and date mobile deposits to prevent depositing checks twice.



**Warning Box**  
Back of check lists security features that may be in place and how to detect fraud.

**Check Back Pattern**  
Deters cut-and-paste alteration attempts.



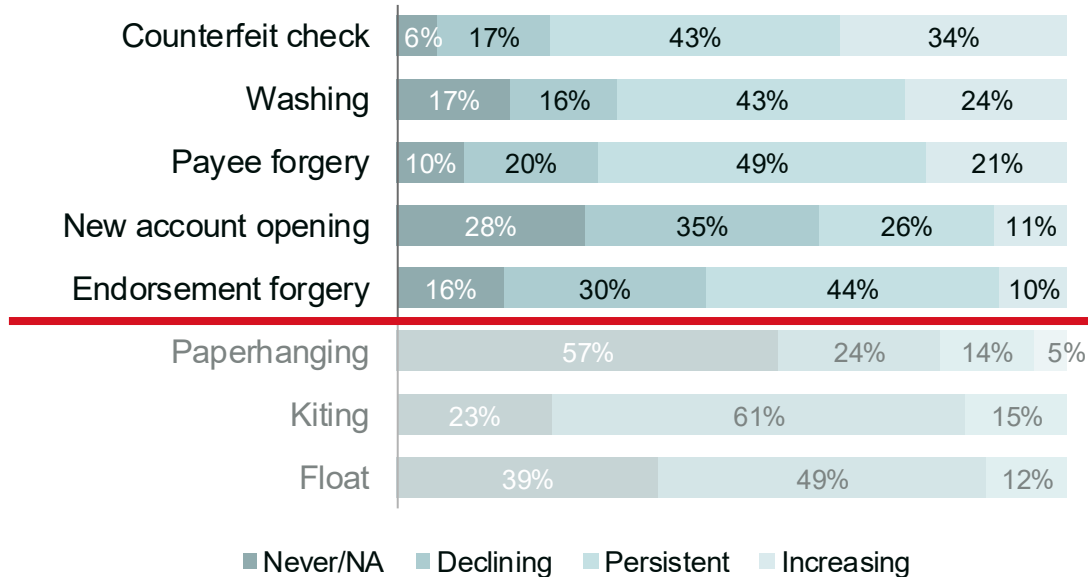
**Chemical Wash Detection Area**  
Chemical alteration attempts result in stains or discoloration in padlock area.





# New Tech and Regulatory Considerations

## Specific Check Fraud Events



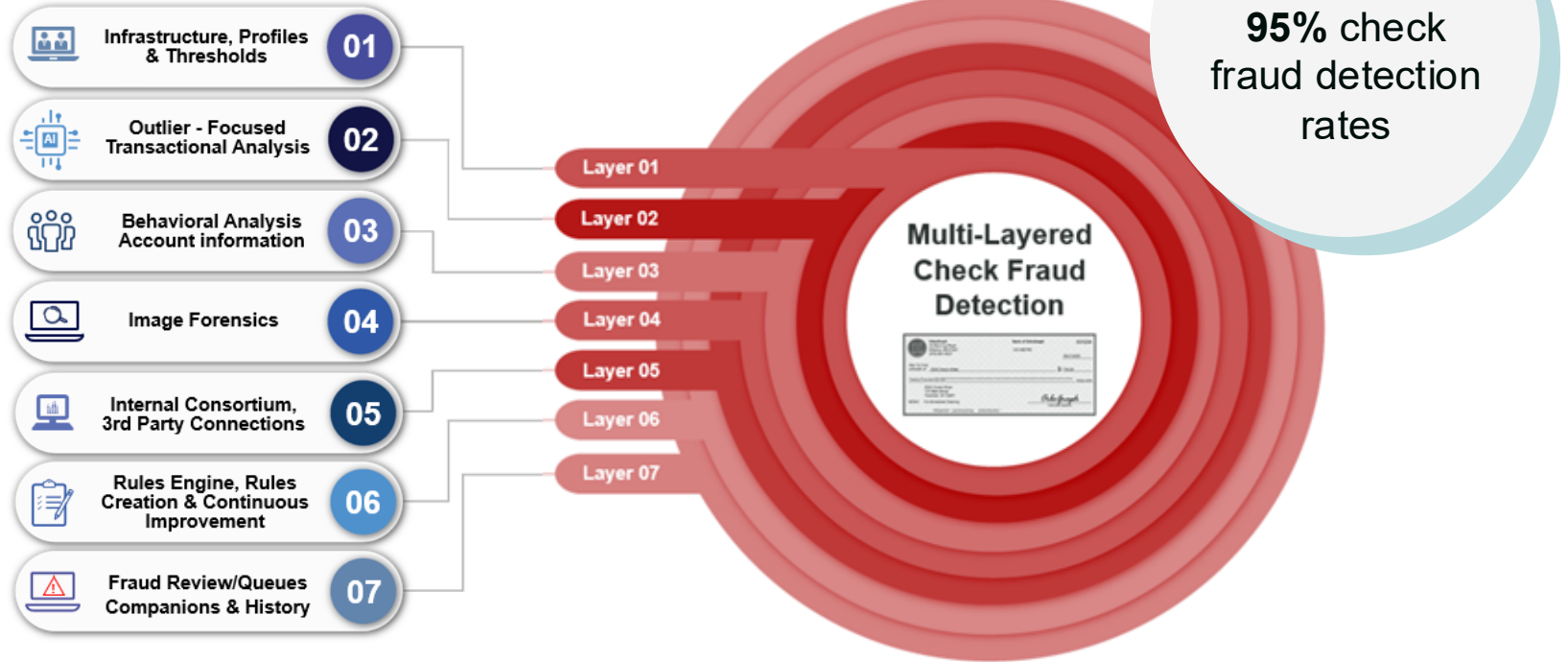
## New AI Models

(Image Forensics)

- » Check Stock Validation
- » Writer Validation
- » Payee Matching
- » Account Scoring
- » Machine Learning
- » Rules Engine Optimization



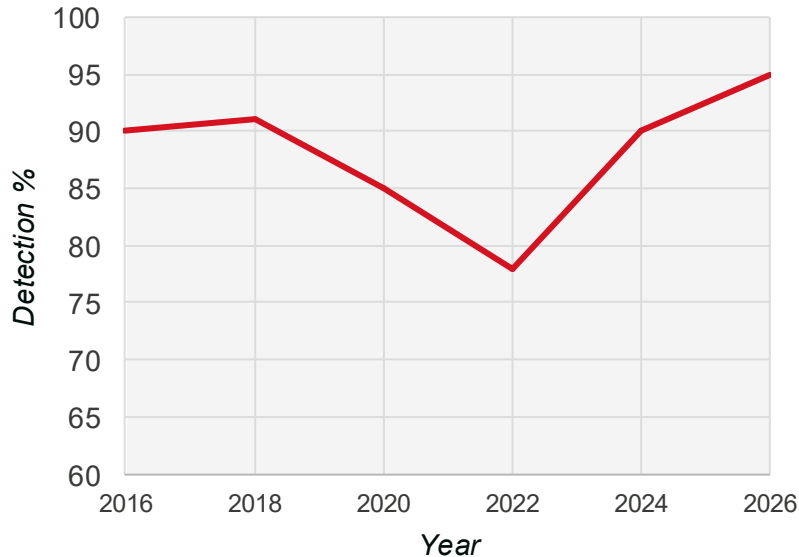
# Example of Layered Approach



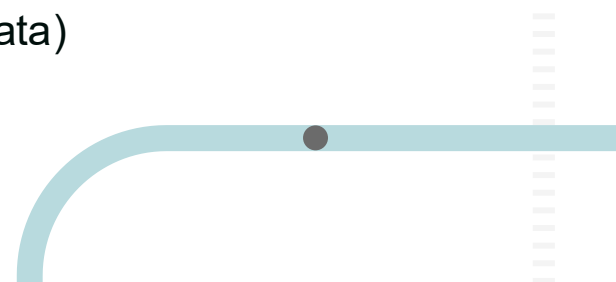


# Key Factors for Success

## Detection Rates Over Time



- » Internal bank expertise
- » Local/national fraud variations
- » Great vendor = great detection
  - Technology/AI
  - Approaches
- » Comprehensive strategy (layers)
- » Consortium evolution (sharing data)





# Largest Threats for 2026?

CHECK THEFT MALWARE  
SMISHING IMPOSTERS  
ID THEFT FAKE IDENTITY  
VISHING CALL SPOOFING  
PHISHING CHECK FRAUD

## KEY TAKEAWAYS, Q&A

# On the Fraud Frontlines: A Conversation on Safeguarding Customers and Building Trust

## EXECUTIVE SUMMARY

- » **Fraud evolves:** Financial institutions face innovative threats, especially in check and digital payments
- » **Check fraud persists:** U.S. losses could exceed \$35 billion in 2025; 68%+ of organizations may be affected
- » **Empower your frontline staff:** Training and seminars strengthen fraud defenses
- » **Regulatory changes drive new strategies:** Compliance and reimbursement processes are essential for trust recovery



# Thank You

