



CREDIT UNION TIMES

NEWS

Fraud Company Scores Big in Reducing Counterfeit Checks, Cards

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GREENSBORO, N.C. – In what is described as a “dramatic success story” of combating counterfeit check and plastic fraud, a new fraud prevention company based in Greensboro has hit the ground running and is reportedly saving hundreds for credit unions and banks in North and South Carolina.

Officials with **Advanced Fraud Solutions**, forecast hundreds of financial institutions in the U.S. will start using the service in the months ahead based on a track record that includes a \$4.2 million, two year savings on counterfeit checks at the \$1.1 billion Allegacy Federal Credit Union of Winston-Salem, NC.

In another testimonial of applying the software technology, the \$21 million Health Facilities Federal Credit Union in Florence, S.C. said it saved \$4,400 on the first day of installation after branch queries were made denying two counterfeit checks.

The two fraud detection services, which were installed more than two years ago at Allegacy, have now been formatted into two products called **TrueChecks™** and **TrueCards™**.

TrueChecks, which relies on what is called a “storehouse or database library” of counterfeit information previously unavailable or hard to access through traditional means, is the one “drawing the most attention,” said Lawrence Reaves, vice president of sales and marketing at AFS.

TrueChecks prevents losses from check fraud because tellers and security staff can learn quickly whether a check is fraudulent without having to lose valuable time “after the fact or after alerts are issued,” explained Reaves.

“This system is different from others because it is proactive rather than reactive,” he said, adding that “a key benefit

is the database containing a cross reference of known counterfeit information compiled over the years at CU’s and banks.”

“The value in **TrueChecks**,” he said, “is that the counterfeit check is identified at the teller who has information about the check and the nature of the counterfeit before it is accepted.”

“For example, we have identified and stopped 1,408 checks at Allegacy

over two years, and so with the average counterfeit check in the amount of \$1,000, that is \$4.2 million saved over two years.”

Moreover, said Reaves, Allegacy has “virtually eliminated counterfeit checks from their branches.”

On **TrueCards**, the system enables the CU to stop plastic card fraud by identifying “the common point of compromise independent of third party databases or waiting on

industry alerts that come after the fraud.”

It was learned that AFS helped identify such compromises in connection with the TJX

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security fraud earlier this year, and in 2006 helping save millions for CU’s in the Carolinas.

Without mentioning TJX, AFS noted that Dean Adams, the firm’s vice president of fraud services, was named “International Fraud Investigator of the Year for 2006” by the International Association of Financial Crimes Investigators for his role in identifying fraud “before the industry giants.”

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