

## **Fraud Tactics and Mitigation Measures Over Time**

### **Pre-2000**

- **Payments industry development**
  - Predominately paper-based (checks) payments with gradual adoption of ACH and debit/credit card use
- **Common fraud tactics**
  - Check forgery, counterfeit currency, basic card theft
- **Fraud mitigation measure**
  - Teller verification, signature matching, manual fraud checks, magnetic stripe card reissuance

### **Early 2000s**

- **Payments industry development**
  - Slow but steady growth in card-based payments; ATM networks expand; online banking adoption begins
- **Common fraud tactics**
  - Card skimming at ATMs, phishing emails, basic account takeover
- **Fraud mitigation measure**
  - Introduction of Chip-and-PIN pilots (limited adoption), Secure Sockets Layer (SSL) encryption for online banking, multi-factor authentication for select institutions

### **Mid-2000s**

- **Payments industry development**
  - Increased use of the ACH network improved cash flow management and made account reconciliation with electronic records easier
- **Common fraud tactics**
  - Large-scale breaches due to poor data storage practices
- **Fraud mitigation measure**
  - PCI DSS compliance push, improved network monitoring, federal guidance for prepaid card anti-money laundering measures

## 2010–2015

- **Payments industry development**
  - Mobile banking resulted in widespread adoption of multi-factor authentication and remote corporate payments approvals
- **Common fraud tactics**
  - Synthetic identities, laundering using prepaid/stored value cards
- **Fraud mitigation measure**
  - Stricter Know Your Customer (KYC) rules and early adoption of fraud analytics

## 2016–2020

- **Payments industry development**
  - E-wallets and contactless payments slowly gain ground; faster payments initiatives begin
- **Common fraud tactics**
  - Targeted malware, coordinated fraud rings exploiting slower security updates
- **Fraud mitigation measure**
  - Tokenization in payments, EMV chip full rollout, stronger identity verification at account opening

## 2021–present

- **Payments industry development**
  - Gradual move toward instant payments (FedNow announced, launched in 2023); digital wallets gain wider acceptance
- **Common fraud tactics**
  - AI-driven fraud, deepfake identity theft targeting slower moving institutions
- **Fraud mitigation measure**
  - AI-based fraud detection, biometric verification, enhanced device fingerprinting