

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