

Case Study

Placing a Hold on Check Fraud

Nasdaq Verafin Helps Veridian Credit Union Prevent
over \$1.2 Million in Check Fraud Losses





Veridian Credit Union

Headquarters: Waterloo, IA

Assets: \$3.3B*

Core System: Fiserv XP2

Rapid growth causes challenges throughout an organization. This is particularly the case for a financial institution and its fraud detection efforts.

In 1990 Veridian Credit Union was a \$200M-in-assets community credit union servicing people living or working in Waterloo and Cedar Falls, Iowa. By 2009, the credit union's assets grew to \$1.69B. Today, Veridian has grown to \$3.3B-in-assets with 30 branches located across Iowa and Nebraska — servicing over 200,000 members.

Now the second-largest credit union in Iowa, and fifty-seventh largest in the U.S., Veridian's product offerings have kept pace with the institution's exceptional growth.

Trina Becker, Manager of Loss Prevention, has been with Veridian for 28 years in a variety of roles, including Manager of Collections. During her time at the institution, Becker has been on the front line of its expansion and has experienced first-hand the challenges of protecting the credit union and its members from fraud loss.

"Our growth hugely impacted how we approach fraud prevention. It caused us to look at it differently. We were moving into new areas, dealing with new people, and knew that bigger fraud challenges were coming."

One of the biggest challenges is detecting and preventing check fraud, which Becker describes as her team's most significant area of concern.

"We cash a large number of checks each day and counterfeits can be hard to detect. As we go into new markets, we hire new staff that may not have as much experience detecting fraudulent checks. The standard hold per the regulations is only two-days, if we suspect fraud it can be longer but we have to work fast to avoid a loss."

This is an area where Nasdaq Verafin's latest deposit fraud analytics are having a major influence.

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- Trina Becker,
Manager of Loss Prevention

losses. Along with improved training helping our tellers catch things on the front line, Verafin's alerts have played a significant role in our ability to stop that activity."

Expanding on the software's impact, Becker continues, "Without Verafin, our fraud detection would totally rely on our front line staff and we would be seeing larger losses. In the past, we relied completely on a hold being placed on a check. If the hold was not placed or if the hold was not long enough, we were taking the loss."

The FRAMLx software is also helping Becker and her team successfully uncover online account fraud.

Nasdaq Verafin's online account fraud alerts contain a wealth of information pertaining to the member's typical patterns of online behavior and activity. Perhaps most valuable to Becker is the addition of rich IP data, such as the IP address and the IP provider's physical location.

"The IP address and location information is really, really important. We see a lot of international and out-of-state activity. To be able to see the location [in the alert] is a huge time saver for us. If the member lives in Iowa but the IP logging into their account is in Germany, at a glance we can see an obvious red flag that immediately tells us we need to investigate."

Importantly, the team's investigative efforts are enhanced by Nasdaq Verafin's fully integrated case management functionality.

"Verafin's case management system is awesome. It's so easy to use; we can upload files into it and keep everything together — all of the information for an investigation is in one place. I really love it."

One particular area where the case management functionality is proving valuable is when the team is working with law enforcement. "One big benefit is when we have to provide a case and documentation to the police — everything is right there. We can also create a case report that we give them, providing a nice overview. They really like those."

Inevitably, rapid growth can bring serious growing pains. However, with the help of Nasdaq Verafin's FRAMLx software and the company's approach to continuous improvement, Becker and the team at Veridian are confident they have the tools they need to ensure the institution is ready for the fraud challenges that lie ahead.

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Contact us today to learn more about Nasdaq Verafin's Fraud Detection and Management, AML/CFT Compliance and Management, High-Risk Customer Management, Sanctions Screening and Management, and Information Sharing solutions.

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1.877.368.9986 | info@verafin.com | www.verafin.com

