

DATE: November 30, 2020
BULLETIN: 2020-KDCU-CUB-24
TO: Kansas Chartered Credit Unions
SUBJECT: Holiday Fraud

HOLIDAY FRAUD

Now that you have completed your trip over the river and through the woods – virtually, of course – to grandmother’s house, it is time to think about those holiday criminals lurking in the cybershadows. This year, the usual fraudulent schemes will be compounded by COVID-related changes in behavior and scams. Of course, today is also Cyber Monday so it is likely your members will be spending time online – exposing their personal information on secure and non-secure networks.

With shoppers leaving brick-and-mortar stores behind due to health concerns, online shopping is bound to increase. Fraudsters will always seek to capitalize on uncertainty and fear – such as shoppers doing more online in a pandemic. [Previous KDCU bulletins](#) have covered fraud and cybersecurity so now would be a good time to review. Many credit union members rely on their financial institutions for good information.

What to look for? As the saying goes, it would be the “usual suspects.” A recent [Forbes article](#) provides good information for credit unions and their members:

- Authentic websites. Remind members to double-check the website on which they are shopping, e.g., look for slight spelling changes which could lead to a copycat website, does the secure padlock appear, etc.
- Phishing emails. Phishing is a 24/7/365 sport for cybercriminals. Beware of lookalike domains and emails and beware of being redirected to a different website. Is it legitimate? Is the email really from Santa Claus?
- Data breach. If there are two words which should strike fear into credit union management’s heart, it is “DATA BREACH.” When a credit union experiences a compromise, and member data is stolen, it is a tremendous reputational risk. Credit unions will ask their members to use secure passwords and be careful online, but it is more important for credit unions to protect their members’ personal information – that is what they expect. This is an area KDCU examiners will always review.

During this time of year, it is even more important for credit union staff to be alert to a member being victimized online. Free toys? Gift exchanges through social media? Merchandise sellers wanting to be paid with gift cards? Your members will appreciate good information and reminders from their credit union. The [FBI](#) also provides holiday scam information and advice.

NOTE: In accordance with Governor Laura Kelly’s [Executive Orders](#), KDCU Administrator Vickie L. Hurt continues to review the feasibility of resuming the on-site examination program. This is being done in coordination with the NCUA.