

Fraud Alert

HELOC Scams

Home Equity Line of Credit (HELOC) scams continue to be a problem and have created severe losses for banking institutions, especially credit unions. Over the recent years, there has been a significant increase in reported losses, well into the millions, due to wire transfer losses involving HELOC accounts. According to a January 25, 2011, article appearing in CNNMoney.com, "The King of Home Equity Fraud", cyber scam artist Tobechei Onwuhara, stole a confirmed \$44 million in less than three years. However, the estimated total may be anywhere from \$80 to \$100 million.

Here's how the scam happens: Criminals pose as customers. They may get a hold of your personal information through public records. They manipulate the customer account verification process in order to get funds. This manipulation occurs by rerouting phone calls, forging signatures and figuring out passwords or using your stolen account history.

Ways to Reduce Your Risk:

1. Check your HELOC statements regularly.
2. Watch for any wire activity on your regular banking accounts as well.
3. Regularly review and examine your credit reports for any inaccurate information.
4. Complicate your passwords. Don't use a word or number easy to guess, such as your significant other's name or birthday. Change them frequently.
5. Protect your mail and be cautious of any changes.
6. Keep your documents in a safe place. Shred or destroy documents when you dispose of them.
7. Consider using a Credit Security Freeze. A credit freeze locks the data at the consumer reporting agency until a person gives permission to release the data.

If you notice suspicious activity, you should alert your financial institution and your local law enforcement.

Wyoming Criminal Intelligence Analysis Center
208 S. College Drive
Cheyenne, WY 82002
Phone: 307-777-7181
Fax: 307-777-7252



January 30, 2013