

Glossary

A

Assist in structuring To help a member who is carrying out money laundering scheme to evade reporting requirements under federal law.

B

Bait money A bundle of bills (usually \$10 or \$20) given to robbers to help enforcement agencies in identifying stolen money. The serial numbers of the bills are noted so the bills can be identified when found.

Bank Protection Act Law enacted in 1968 which directs financial institutions to establish minimum security procedures and devices and a security training program.

Bank Secrecy Act (BSA) Law enacted in 1970 as part of a federal effort to control white-collar crime and income tax evasion.

Biometrics Use of unique personal characteristics, such as fingerprints, to identify people.

Blackmail Extortion or coercion by threats, especially of public exposure or criminal prosecution.

Bluff To deceive by pretense or mere show of strength.

Burglary Breaking and entering a building with the intent to commit theft.

C

Catastrophic Act Report An NCUA-mandated report detailing the effects on the credit union of a disastrous incident such as a flood or tornado.

Collusion Secret agreement or cooperation, especially for an illegal or deceitful purpose.

Con artist A person adept at swindling by false promises. Also known as confidence artist.

Confidence scheme A scam carried out by making false promises or threats or by creating a circumstance such that the victim mistakenly has full confidence in the legitimacy of the situation.

Counterfeit Currency, check, or bank card made to appear genuine, with the intention of defrauding an unsuspecting person.

Criss-crossing A scam in which checks and deposit slips are obtained illegally, and used to deposit and then withdraw nonexistent funds from a company's checking account.

Currency Transaction Report (CTR) A Treasury-mandated report used to detect illegal activity. The report details one or more transactions exceeding \$10,000 in one day on a single account.

D

***Decoy disturbance** A distraction caused by an accomplice that permits another thief to carry out a theft or scam.

Decryption The unscrambling of encrypted information. The opposite of encryption.

Defendant The person against whom a legal action is brought. Opposite of plaintiff.

Detection Early warning procedures that try to uncover a crime before it happens.

Deterrence Procedures and devices that create an environment that prevents or restricts criminal attempts.

Driver's License Guide A booklet that includes full-sized photos and basic information about driver's licenses from all 50 states and Canadian provinces. Used to help verify member identity.

E

Encryption The scrambling of sensitive information, such as account numbers or

access codes, to prevent unauthorized use.
Opposite of decryption.

Exempt person A business meeting specific criteria that is not required to report currency transactions.

Extortion The act of threatening—real or imaginary, directly stated or implied—for the purpose of obtaining something of value.

F

Fair Credit Reporting Act Federal law enacted in 1970 to ensure confidentiality of consumer credit information held by financial institutions and credit reporting agencies.

Federal Credit Union Act Federal law enacted in 1934 that allowed the organization of federal credit unions and established methods for their chartering, supervision, and examination.

Firewall Hardware or software that monitors and regulates the flow of traffic between two computers or networks. Serves as a sentry, analyzing data that is delivered to the protected computer or network, allowing only authorized files to enter.

Flim-flam A trick or deceit used to confuse someone and cheat him or her out of money (for example, pigeon drop, phony examiner, short-change artist).

Forgery (1) Alteration of a document or negotiable instrument with intent to defraud.
(2) Signing another's signature to a document with intent to defraud.

H

Hostage A victim of a kidnapper or extortionist taken (or made to seem as if taken) to ensure another victim will pay ransom money for release of the victim.

I

Identification Any means of verifying a member.

Identity Theft and Assumption Deterrence Act Federal law enacted in 1998 to combat theft of another person's identity with the intent to carry out illegal activity.

K

Kidnap extortion The threat that a hostage will be harmed unless a specific demand for something of value is met.

Kiting Making use of fictitious balances by drawing against uncollected funds. Or depositing and drawing checks between accounts at two or more financial institutions, thereby taking advantage of the float.

L

Larceny Unlawful taking of property with intent to permanently deprive the owner of it.

M

Money clip switch A device attached to bait money that, when removed by a teller giving money to a robber, activates a silent alarm.

Morning glory robbery Robbery that takes place during the time when a credit union is opening up for the morning and before members arrive.

N

Neural network Software program that monitors plastic card usage by cardholders. Identifies purchase patterns and detects abrupt changes in patterns.

P

Personal profile system Written record of essential information about an employee and his or her family. Information is used during emergencies to locate family members.

Plaintiff The person who brings a legal action. Opposite of defendant.

Prevention Procedures, programs, or actions taken by the credit union that must be immediately set in motion when criminal activity is detected.

R

Raised bill A bill whose appearance has been changed to that of a higher denomination, usually from \$1 to \$10 or \$20.

Robber description form A form completed immediately after a crime has been committed on which a witness details everything remembered about the appearance of a thief.

Robbery Stealing by violence or threat.

S

Security Physical safeguards, internal audits, and written procedures to insure safety of member assets, account records, and property.

Security officer (1) Person on the credit union staff assigned the responsibility for creating and ensuring observance of the credit union's security program. (2) Guard for the credit union.

Security program Organized program of policies and procedures to protect the assets and staff of the credit union.

Shortchange scam Activity where a swindler causes the teller to become confused in counting and recounting cash, resulting in

giving the swindler more bills than he or she should get.

Significant Change in Balance Report Report created daily or weekly that lists all accounts in which deposits or withdrawals over a specified amount were made.

Split deposit transaction Deposit where member presenting an endorsed check receives part of the amount being deposited in cash.

Structuring Money laundering scheme to evade reporting requirements under federal law.

Suspicious Activity Report (SAR) Report required when a credit union employee suspects that a crime has been or is being committed.

Swindle To obtain money or something of value by using fraud or deceit.

T

Takeover robbery Robbery involving two or more intruders who take over the entire lobby area of a credit union.

Theft Unlawful taking of property such as embezzlement or larceny.

U

Uncollected Funds Report A daily report listing accounts to which checks have been deposited and the amount on deposit that represents uncollected funds.

V

Verification Validation of a member's identity.