

THE CREDIT UNION COLUMN

FRAUD

It seems that too much of this column space each year is given to the subject of fraud prevention. Unfortunately the ongoing discussion is necessary because of the constant barrage of new and innovative fraud techniques coming to our attention.

We are very proud of the fact Boulder Dam Credit Union has one of the lowest fraud loss ratios in the industry, and we would like to think that is a direct result of our own due diligence, as well as that of our members.

The reality is we can only minimize fraud losses if we all remain vigilant in protecting our privacy as well as using all the security innovations possible. Frequently changing passwords, hanging up on unwanted calls, and watching for irregularities at ATMs and point-of-sale devices are all great ways to avoid being a victim. But, the reality is you can take every precaution possible and still be vulnerable at times.

From our perspective, we promise to use every tool and technique available to control if not eliminate risks. Unfortunately, these controls at times can create minor inconveniences for our members. When they do, we hope our members understand the balance between convenience and risk management is very difficult to maintain

LIFE SAVINGS/LOAN PROTECTION INSURANCE

In most financial institutions, when you borrow money for a car, boat or other consumer product, the financial institution will try to sell life insurance protection for the loan in the event you pass away during the term. At Boulder Dam Credit Union we don't try to sell you this product, we pay for it on your behalf. Loan Protection Insurance is life insurance which covers the insurable balance of your Credit Union loans up to \$20,000, excluding real estate, in the event of your death before age 70. (Please refer to certificate of insurance for plan specific details.)

Likewise, every member (subject to restrictions at age 70) has Life Savings Insurance on their savings accounts that provides up to \$2,000 of matching life insurance for the amount kept on deposit in a savings account with the Credit Union. This coverage is also provided at no additional cost to our members and has provided hundreds of members with unexpected benefits during very difficult times.

Are we different than all the rest? Yes! Stop in and find out other reasons why!

CURRENCY TRANSACTION REPORTS

Federal law requires that all financial institutions, including Credit Unions, report currency (cash or coin) transactions over \$10,000 handled by, or on behalf of, one person, as well as multiple currency transactions that, when combined, total over \$10,000 in one day. These transactions are reported on Currency Transaction Reports (CTRs). The federal law requiring these reports was passed to protect the financial industry from potential money laundering or other financial crimes. To follow the law, all financial institutions must obtain personal identification about the individual conducting the currency transaction, such as their Social Security number, as well as a driver's license or other government issued document. This requirement also applies to an individual whether or not they have an account relationship with the financial institution.

The filing of a CTR does not automatically initiate an investigation and, in fact, millions are filed annually with no repercussions. If you are making a cash transaction of more than \$10,000, and you are doing it for lawful means, you have no reason to be concerned or feel threatened by the filing of a CTR.

However, "structuring transactions" (breaking up a cash transaction into smaller amounts) to avoid a CTR filing IS against the law; the government actually considers it a crime if an individual purposefully separates his or her currency into several transactions in an attempt to avoid CTR reporting. Remember, currency transactions over \$10,000 which are reported on a CTR do not necessarily indicate criminal activity, but breaking transactions up to avoid CTR reporting looks suspicious and may be a sign of unlawful activity.

WORDS OF WISDOM

Adopt the pace of nature: her secret is patience.

- Ralph Waldo Emerson



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Funds on deposit are insured up to \$500,000 per account. This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. Accounts with this institution are not insured by any state government.