

Fraud Terms

Find here a glossary of the most used common terms.

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- ▶ **Alteration:** The use of chemicals and solvents to remove or modify handwriting and information on the check. When specific items on the check are altered, such as the payee’s name or the amount, it is called spot alteration; when attempts are made to erase information from the entire check, it is called check washing.
- ▶ **Check Kiting:** The illegal act of opening accounts at two or more institutions and using “the float time” to make use of non-existent funds to create fraudulent balances. This fraud has become easier in recent years due to new regulations requiring banks to make funds available sooner, combined with increasingly competitive banking practices that strive to make funds available to customers as quickly as possible. Check kiting is a felony and when it occurs perpetrators are prosecuted to the fullest extent of the law.
- ▶ **Counterfeiting:** The act of fabricating a check using readily available desktop publishing equipment consisting of a personal computer, scanner, sophisticated software and a high-grade laser printer usually with the intent to defraud. It can also mean simply duplicating a check with advanced color photocopiers.
- ▶ **Forgery:** An illegal modification or reproduction of a check, document, signature, or legal tender; an item is considered forged if it is claimed that it was made by someone who did not make it.
- ▶ **Identity Theft:** The use of personally identifiable information about another person, such as a Social Security Number or Cédula, without the authority to use that information, with the intent to defraud and attain the other person’s assets illegally, and for the perpetrator’s personal gain.
- ▶ **Paperhanging:** One who writes bad checks against his own or others closed accounts and presents it to a victim for payment. This also occurs when someone reorders checks on closed accounts. If you suspect Paperhanging, verify that the issuing bank is still in operation and the check is valid.
- ▶ **Dumpster Diving:** The act of rummaging through another person’s garbage to steal personal information.

- ▶ **Phishing:** A fraudulent email that appears to be coming from “trustworthy” organization requesting your personal information.
- ▶ **Pretexting:** A form of social engineering in which an individual lies to obtain privileged data. A pretext is a false motive. It often involves a scam where the liar pretends to need information in order to confirm the identity of the person he/she is talking to.
- ▶ **Skimming:** The theft of credit/debit card information used in a legitimate transaction through the use of a small electronic, storage device (skimmer) when processing your card.
- ▶ **Smishing:** A “phishing” scam that is sent over text messages to your mobile phone. Its purpose is to steal your personal information or infect your device with malware.
- ▶ **Spoofing:** A fraudulent business scheme where internet fraudsters send junk e-mail, also known as e-mail spam, or pop-up messages to lure personal and financial information from unsuspecting victims.
- ▶ **Malware:** Malicious computer software that interferes with normal computer functions or sends personal data about the user to unauthorized parties over the Internet in an attempt to commit fraud.
- ▶ **Spyware:** Any malicious software that is installed on a computer and designed to take partial or full control of a computer’s operation without the knowledge of its user.
- ▶ **Vishing:** A fraudulent practice of making phone calls or leaving voice messages. Its purpose is to induce individuals to reveal personal information, such as bank account details and credit card numbers.