

Issues & Answers



October 2024

In This Issue

- Page 1** President's Message
- Page 3** DC Visit Recap
- Page 4** EDP: Build Your Career
Events Calendar
- Page 5** ABA Programs Open for Participation this Fall
- Page 6** WBA Member News
- Page 7** Industry News
- Page 10** Compliance as a Cornerstone for Marketing Acquisition
- Page 12** How to Detect Counterfeit Checks

Bipartisanship Critical for Advocacy Success



*By Glen Simecek,
President & CEO,
Washington Bankers
Association*

As we head into the fall election season, an already divided public is expected to become hyper-partisan. Far too many party partisans will spend their time attempting to demonize the other side; unfortunately, it's enough to drive moderate voters to tune out entirely or base their decision on hyperbolic campaign ads rather than informed analysis.

If the fringes of both parties could stop taking up all the oxygen, it would be easier for the moderates on both sides to discuss working together to fix the challenges facing our state.

That's why WBA has always taken pride in maintaining a commitment to bipartisanship in our engagement with elected officials. When making decisions about WashBankPAC contributions, we spend little time worrying about the initials behind the candidates' names. Instead, we ask whether a person is committed to the free market system, understands banks'

unique and vital role in their communities, and is willing to listen to our perspective on important issues.

In today's political climate, we have to double down on that commitment to bipartisanship.

If things develop as forecasted in November, Democrats will hold onto strong majorities in both chambers of the Legislature. They may even approach super-majority numbers. Beyond the sheer numbers, the majority caucuses are expected to become even more progressive with the retirement of some prominent moderate members.

Potentially more troubling is that when the 2025 Legislature is gavelled into session, very few lawmakers in Olympia have ever had to develop a budget with anything other than significant revenue growth. That could be the case next year; state revenue collections are forecast to continue growing, albeit slower than at any time in the last decade. Additionally, several initiatives on the ballot, especially measures to rescind the capital gains tax and the Climate Commitment Act, can potentially remove billions from the state's coffers.

Unfortunately – and unsurprisingly – some

Continued on page 2



Issues & Answers – October 2024

The official publication of the Washington Bankers Association is sponsored by Vericast and WBA Professional Services.

WBA Staff

Glen Simecek, President & CEO
(206) 447-1700,
glen@wabankers.com

Duncan Taylor, SVP/Chief
Operating Officer
(206) 344-3492,
duncan@wabankers.com

Kyle Hayden, Controller
(206) 344-3476,
kyle@wabankers.com

Sherry Krainick, Director of
Education & Operations
(206) 447-1700,
sherry@wabankers.com

Megan Managan, Director of Public
Affairs
(206) 344-3472,
megan@wabankers.com

2024-2026 Board of Directors

Chair: Brent Beardall, President &
CEO, WaFd Bank

Immediate Past Chair: Mark
Mason, Chairman, President &
CEO, HomeStreet Bank

Secretary/Treasurer: Bryan
McDonald, President & COO,
Heritage Bank

**ABA GR Committee
Representative:** Eric Pearson,
CEO, Community First Bank

Education Committee Chair: Matt
Deines, President & CEO, First Fed
Bank

WBA PROS Chair: Cindy Purcell,
EVP/Chief Strategy &
Administration Officer, Banner
Bank

Directors

Jay Coleman, SVP & Regional
Credit Officer, KeyBank

Clayton DeHaan, Director, PNW
Region Executive, Bank of America

Jack Heath, President & COO,
Washington Trust Bank

Lisa Hefter, President & COO,
Peoples Bank

Susan Horton, Chairman, President
& CEO, Wheatland Bank

Jon Jones, CEO, Washington
Business Bank

Joe Kiley, President & CEO, First
Financial Northwest Bank

Greg Oakes, President & CEO,
Cashmere Valley Bank

Kerri Schroeder, Managing Director,
PNW Region Chairwoman &
Region Manager, JPMorgan Chase

Don Stafford, Market Executive,
Wells Fargo

Laurie Stewart, President & CEO,
Sound Community Bank

Clint Stein, President & CEO,
Umpqua Bank

Dave Swartley, SVP/Managing
Director State Government
Relations, U.S. Bank

Contact Us

Contact the Washington Bankers Association at 601 Union
Street, Suite 1720, Seattle, WA 98101

Call us at (206) 447-1700 and visit us on the
web at wabankers.com.

Connect With Us

Connect with the WBA online by following us on our social
media accounts.

On the Cover

Pumpkin patches are a massive draw for visitors to the Snohomish
farmlands each autumn, filled with specialized varieties and other farm
fresh vegetables.

Photo by Megan Managan

Continued from page 1

legislators reacting to these potential developments have already declared a “budget crisis.” They seem focused on finding new sources to replace lost revenue rather than prioritizing spending.

Our legislative priorities for the coming session aren’t significantly different from those in recent years. We will continue to oppose new taxes on our industry and customers, the expansion of credit union powers, and the creation of a state bank. On a more positive note, we will support comprehensive financial education programs, and we’ve been working with the State Treasurer’s office to advance the financial education bill that they plan to reintroduce this year.

While the issues remain similar, our advocacy tactics must continue to evolve. At our recent Government Relations Committee strategy session, Paul Graves of Enterprise Washington offered some thought-provoking advice. Paul’s message was that the business community needs to unite and not let partisan ideas fracture the group because there is no longer a large enough Republican caucus to slow or stop bad ideas.

Of course, we will continue to appreciate our strong relationships with our Republican friends and work with them to support good candidates from the party. But we can’t and won’t limit our efforts to engaging our traditional allies. We must identify more moderate legislators and cultivate relationships with those on both sides of the aisle.

A big part of this process is becoming an active member of coalitions of industries that share similar goals. We already do that with the United Financial Lobby, but we can expect to see more issue-specific coalitions forming to oppose bad proposals.

Our colleagues at the California Bankers Association are making some progress with this strategy. Facing a similarly challenging electoral landscape and policy environment, they’ve done a lot of work cultivating allies and building coalitions within the broader business community in the Golden State. They’ve succeeded on several legislative topics, including climate emission, privacy, and more. They’ve also made a point of trying to build bridges with lawmakers who, while many have not traditionally been strong on banking issues, are at least open to having the conversation.

Finally, as we talk with these legislators, we also must find ways to frame the issues in terms that are more likely to resonate with their priorities. Talking about issues like we always have may not be the most effective way to advance our agenda.

None of this will be easy. But it’s essential work for our association.

Follow Us!



Facebook.com/
WaBankers



@WaBankers
@BankersCare



LinkedIn.com/
Washington-Bankers-
Association

Bankers Visit with Regulators, Congress in D.C.

The 2024 Pacific Northwest Capitol Hill Visit brought together bankers from Washington, Oregon, and Idaho for a three-day event to advocate for the banking industry's priorities.

On the first day, after an optional tour of George Washington's Mount Vernon Estate, participants attended a welcome reception at The Dupont Circle Hotel, where they could visit with other attendees and members of the ABA team.

The second day started with a breakfast hosted at the American Bankers Association (ABA) and a series of critical briefings. The ABA and Independent Community Bankers of America (ICBA) delivered a joint session covering bank policy trends, focusing on Section 1071 updates, credit unions, bank mergers, fraud, and more. This was followed by a briefing from Justin Wein, FinCEN's senior advisor for legislative affairs, who discussed regulatory enforcement trends related to financial crimes and anti-money laundering compliance. Laurie Schaffer from the U.S. Treasury then covered key fiscal policies impacting banks, such as capital requirements and the regulation of digital assets.

Later, a session with FDIC Vice Chairman Travis Hill at the FDIC headquarters delved into deposit insurance reform and other topics the agency is focused on, such as new rules related to bank mergers. This was followed by a Federal Reserve briefing from Drew Kohan, who addressed emerging consumer financial protection regulations and their impact on community banks. The day ended with a networking dinner sponsored by the Conference of State Bank Supervisors at Iron Gate and a moonlit monument tour, a long-time favorite activity for new attendees.

On the final day, the group convened for a breakfast focused on state-specific congressional meetings. Additional briefings followed, including an update from President and CEO Kris Williams of the Federal Home Loan Bank of Des Moines, a session with Kent Stone from the Office of the Comptroller of the Currency (OCC), and a discussion with Congressman Andy Barr, who provided insights on crucial legislative efforts from the House Financial Services Committee.

The event concluded with visits to Capitol Hill, where bankers met with their representatives to discuss industry concerns, followed by a reception in the historic Mansfield Room of the U.S. Capitol.

This year's Capitol Hill Visit offered an invaluable platform for bankers to engage directly with policy-makers and advocate for their institutions and communities.



2025



BANKERS DAY ON THE HILL

February 12

Association of Washington Business Office

2025 Executive Development Program: A Stepping Stone to Banking Leadership

Are you an aspiring banking leader looking to refine your skills and gain a competitive edge in the industry? Look no further than the Washington Bankers Association's (WBA) Executive Development Program (EDP).

This comprehensive 12-month program is designed to cultivate the next generation of banking leaders by providing them with the knowledge, experience, and network they need to succeed.

Why Attend the WBA's EDP?

The WBA's EDP offers a unique blend of academic rigor and practical application, making it an invaluable resource for bankers at all stages of their careers. Here are just a few of the benefits you can expect to reap from attending the program:

- **Develop in-depth knowledge of the banking industry:** The EDP curriculum covers various topics essential for success in today's banking landscape, including economics, regulation, competition, and leadership.
- **Learn from the best:** The program is led by a distinguished faculty of industry experts who share their years of experience and insights with students. Their perspectives will help students go beyond the words on the page to understand the dynamic impact of the industry.
- **Sharpen your practical skills:** Through interactive course sessions, case studies, and real-world simulations, you'll learn to tackle complex challenges and make sound decisions.
- **Benefit from a one-on-one mentorship program:** The EDP's unique mentorship program pairs you with an experienced banking executive who will provide guidance and support throughout the program.
- **Build a strong network:** The EDP offers nu-

Where do you and your employees fit?



merous opportunities to connect with classmates, program alums, and industry leaders, fostering valuable relationships that can benefit you throughout your career.

- **Gain a competitive edge:** The EDP's well-rounded curriculum and focus on practical skills will position you for success in the competitive banking job market.
- **Prepare for advanced educational opportunities:** The EDP is an excellent springboard for further academic pursuits, such as the Pacific Coast Banking School.

Investing in Your Future

The WBA's EDP is an investment in your future as a banking leader. The program's comprehensive curriculum, experienced faculty, and focus on practical application will equip you with the knowledge, skills, and network you need to excel in your career.

For more information about the WBA's EDP and how to apply, please visit the Washington Bankers Association website at wabankers.com/edp.

Events Calendar

October 29 – Understanding Bank Performance
January 8-10 – CBA Bank President's Seminar, *Laguna Beach*
January 8 – Understanding Bank Performance
January 21 – 2025 Executive Development Program

February 12 – 2025 Bankers Day on the Hill
February – Virtual Commercial Lending Development Program
March 17-19 – 2025 ABA Washington Summit, *D.C.*
March – 2025 Management Development Program

To register or to learn more about any of the listed events, please visit www.wabankers.com/calendar.

Banks Never Ask That Returns This Autumn

Every day, thousands of people fall victim to fraudulent emails, texts and calls from scammers pretending to be their bank. And in this time of expanded use of online and mobile banking, the problem is only growing worse. In fact, the Federal Trade Commission's report on fraud estimates that American consumers lost a staggering \$10 billion to phishing scams and other fraud in 2023—an increase of 13.6% over 2022.

It's time to put scammers in their place.

Online scams aren't so scary when you know what to look for. We've joined with the American Bankers Association and banks across the country in a nationwide effort to fight phishing—one scam at a time.

We want every bank customer to become a pro at spotting a phishing scam—and stop bank impostors in their tracks. It starts with these four words: Banks Never Ask That. Because when you know something sounds suspicious, you'll be less likely to be fooled.

These four phishing scams are full of red flags:

- Text Message: If you receive a text message from someone claiming to be your bank asking you to sign in, or offer up your personal information, it's a scam. Banks Never Ask That.
- Email: Watch out for emails that ask you to click a suspicious link or provide personal information. The sender may claim to be someone from your bank, but it's a scam. Banks Never Ask That.
- Phone Call: Would your bank ever call you to verify your



account number? No! Banks Never Ask That. If you're ever in doubt that the caller is legitimate, just hang up and call the bank directly at a number you trust.

- Payment Apps: Beware of text messages from someone claiming to be your bank saying your account has been hacked. The scammer may ask you to send money to a new account they've created for you, but that's a scam! Banks Never Ask That.

You've probably seen some of these scams before. But that doesn't stop a scammer from trying. For tips, videos and an interactive quiz to help you keep phishing criminals at bay, visit www.BanksNeverAskThat.com.

Visit the ABA's website to sign up for this year's campaign and get graphics, customizable press releases and more that you can share with your customers.

Washington Banks Now Accepting Entries for Lights, Camera, Save! Teen Video Contest

Banks throughout Washington are currently accepting submissions for Lights, Camera, Save!, a national video contest organized by the American Bankers Association Foundation that encourages teens to create short films that communicate the value of sound money management.

To participate, students (ages 13-18) must create a 30-second or less video on using money wisely and submit a link to the video along with a completed entry form to the bank by Dec. 1, 2024. The contest is open to filmmakers of all experience levels.

In Washington, the participating banks include Coastal Community Bank, Mountain Pacific Bank, Sound Community Bank, and GBC International Bank. Each will host local contests from Oct. 1 – Dec. 1, 2024, and conduct a preliminary round of judging to select a winner to compete nationally for several cash prizes, including \$5,000 for first place, \$2,500 for second place, and \$1,000 for third place. National contestants will face off head-to-head in the first round of nation-



al judging on ABA's Instagram page, determining which videos advance to the second round of national judging.

Videos will be judged on their quality, message, and content, as well as on the criteria set forth by the contest's official rules.

To learn more about Lights, Camera, Save!, visit lightscamerasave.com.



Chase Volunteers In Pioneer Square

In late summer, the Chase Washington Business Banking team volunteered as part of a clean-up crew in Pioneer Square.

Despite wet weather, community members and small businesses helped make the area more welcoming and clean through the Alliance for Pioneer Square.



Cashmere Valley Bank Hosts Customer Appreciation Events

Cashmere Valley Bank recently hosted various customer appreciation events in Central Washington branches.

In Wenatchee, the bank welcomed customers and residents for an ice cream social.



SaviBank Participates in Anacortes Cancer Walk

SaviBank's Anacortes team recently participated in the annual Anacortes Cancer Walk.

The 10-mile event is held each August, and the funds help local cancer patients.

The bank's team had the highest fundraising total, with nearly \$9,000 raised for the effort.



First Financial Northwest Bank Participates in Community Event

The Bothell First Financial Northwest Bank team recently participated in a local community fair.

The group provided goodie bags to all of the vendors and met with members of the business community and residents to share information on financial education.

Chase Participates in Insights Tour

During the recent Chase for Business series, the bank highlighted the upcoming Insights Tour.

The event will bring together business owners for a free opportunity to learn about industry trends, network, and receive a personalized marketing plan.



Bank of America Volunteers at Boys & Girls Club in Federal Way

The local Bank of America team volunteered at the Boys & Girls Club in Federal Way late this summer, providing students with school supplies, clothes, shoes, and free haircuts.

It's the third year the group from the bank has participated in the event.



Olympia Federal Savings Volunteers at Hands On Children's Museum

The Olympia Federal Savings team recently volunteered at Hands On Children's Museum.

The group helped prepare for the Summer Splash Gala, a major fundraising event for the Museum.

Continued from page 6



Peoples Bank Sponsors Sherwood Community Days

Peoples Bank sponsored the recent Sherwood Community Days hosted by Sherwood Community Services.

Banker Daysi and her son brought games and fun for those on the newly renovated campus to play.



Washington Trust Bank Attends Habitat for Humanity Groundbreaking

The Washington Trust Bank team in Burien recently attended the groundbreaking ceremony for Miller's Creek in Burien.

The project, organized by Habitat for Humanity, is working to provide affordable

homeownership in the community. The project will include 40 new homes in King County, priced between \$300,000 and \$400,00.



First Financial Northwest Bank Auction Team Supports Auction

The First Financial Northwest Bank auction team recently volunteered and supported running the auction for the Mill Creek Community Golf Tournament.

The bank provides non-profits with specialized and free auction services to help make their fundraising events go smoothly.



WaFd Foundation Announces Donations

The WaFd Foundation made various donations across the bank's nine-state footprint this summer.

The donations will help organizations in the communities where the bank operates to help communities be stronger.

One of the donations was \$2,000 to the Edmonds Food Bank, which will help people get food they otherwise couldn't afford.



KeyBank Provides \$180,000 Grant to Rainier Scholars

KeyBank announced this summer it made a \$180,000 grant to Rainier Scholars to help serve underrepresented students of color in the Tacoma area.

Industry News

New Hires

Mark Borrecco
Chief Banking Officer at Banner Bank

Board of Directors

Lori Mattson
Yakima Federal Savings

Manuel Pedrosa
Yakima Federal Savings

Retirements

Leslie Hays
Kitsap Bank

Have Industry News to share with WBA? Email megan@wabankers.com or call (206) 344-3472.

Continued on page 8

Continued from page 7

The funds will help Rainier Scholars, a Tacoma-based nonprofit, grow and provide students with academic, social, and emotional support to excel in school and earn college degrees.

Over three years, the program plans to welcome additional students, develop a curriculum to help as they advance from middle to high school and establish a second entry point for 7th graders.

“At KeyBank, our mission is to help our communities thrive, and we know that an important building block is helping underserved youth realize their full potential and develop the skills that will lead to successful and fulfilling careers,” says South Puget Sound Market President Brian Marlow. “An educated workforce is at the heart of a prosperous regional economy.”



Chase Presents Program to National Asian Pacific Center on Aging

This summer, Chase presented a workshop to the National Asian Pacific Center on Aging, working with a group of seniors to share ways to stay safe from identity theft, scams, and financial exploitation.



SaviBank Sponsors Golf Tournaments

This summer, SaviBank sponsored two golf tournaments in Bellingham.

The first was the DVSAS Golf Tournament of Hope, where the bank sponsored a hole and was the title sponsor of the Aslan Golf Classic.

The Aslan Classic helps the Bellingham Schools Foundation.

Local Banks Named PSBJ's Best Workplaces

This summer, four Washington banks were named to the Puget Sound Business Journal's Best Workplace list.



The event features employers nominated in size categories, including 1st Security Bank of Washington, Kitsap Bank, Heritage Bank, and Pacific Crest Savings Bank.



U.S. Bank Hosts Women of Seattle Employee Group Event

The U.S. Bank Seattle BGR resource group recently hosted an event for women in the area.

The group came together for lunch and connections, discussion provided topics, and sharing information.



Cashmere Valley Bank Sponsors Kittitas County Fair Shuttle

The Cashmere Valley Bank team sponsored this year's Kittitas County Fair & Rodeo shuttle stop in Ellensburg.

The bankers shuttled attendees between the parking lot to the fairgrounds and back, providing a faster and cooler way to get to the fair this year.

Chase Participates in Habitat for Humanity Ground-Breaking

Habitat for Humanity Seattle-King County hosted a groundbreaking ceremony for the Miller's Creek Community this summer.

Members of the JPMorgan Chase team were on hand to

Continued on page 9

Continued from page 8



celebrate the event, which will include affordable housing for those in the community.



SaviBank Hosts Customer Appreciation Day

This summer, the SaviBank Anacortes branch hosted a customer appreciation day.

The team provided pizza and popsies for local customers and celebrated their

commitment to the community.



Baker Boyer Bank Sponsors Tennis Tournament

Baker Boyer Bank sponsored the Labor Day Tournament at the Yakima Tennis Club.

The bank's own Jill Christianson and Molly Neal participated in the tournament.

Chase and U.S. Bank Celebrates Tabor 100 23rd Annual Gala

The Chase and U.S., Bank Seattle teams, recently attended the Tabor 100 23rd Annual Captains of Industry Gala.

The organization celebrated 25 years of advocating for entrepreneurs, small businesses, economic development, and social equity for African Americans and the community.

Tabor announced the 2024 Crystal Eagle Award recipients and students who earned scholarships during the event.



1st Security Bank Celebrates Light Rail Opening

At the end of August, 1st Security Bank of Washington participated in the opening ceremony celebration of the newest light rail stations opening in Lynnwood.

The bank hosted a booth at the event, which welcomed four new stations to the transit line, expanding rail service in Puget Sound.



Community First Bank Participates in Books & Vines Event

Community First Bank in the Tri-Cities recently participated in the Children's Reading Foundation of the Mid-Columbia's annual Books & Vines event.

The organization works to encourage children to love reading at a young age and provides book donations.



U.S. Bank Supports Dress for Success Seattle

Seattle's local U.S. Bank team recently joined Dress of Success for an evening celebrating the program.

The event included a Flamenco dancer who had used Dress for Success to help her achieve her goals.

Continued on page 13

WBA Endorsed Provider: Vericast

Compliance as a Cornerstone: Exploring It's Effect on Acquisition Marketing Strategies

In the rapidly evolving landscape of financial institution acquisition marketing, the spotlight is increasingly shining on compliance as a cornerstone. As institutions pivot toward deposit-focused strategies, understanding and navigating the intricate web of regulations becomes paramount. In this exploration, Stephenie Williams, Vericast's vice president of product and strategy, outlines the critical compliance factors that financial institutions should consider and their implications for acquisition marketing.



Q: As financial institutions pivot toward deposit-focused acquisition marketing, what critical compliance factors should they keep in mind?

A: A primary compliance concern related to deposit-based marketing has to do with the prohibition against unfair, deceptive or abusive acts or practices, pursuant to the Dodd-Frank Act and known as “UDAAP”.

One focus of UDAAP is whether an act or practice is unfair. Something is “unfair” when it causes or is likely to cause substantial injury to the consumer. This doesn’t mean physical injury — it could be financial injury. The key is that the injury is not reasonably avoidable by the consumer, and the injury is not outweighed by countervailing benefits to the consumer or the competition.

While compliance requirements can be complex, they must be a paramount consideration for financial institutions looking to minimize the risk of even unintended violations. This is especially true when it comes to targeting. This is where you need to look closely at the attributes used for targeting.

Q: What should you look for when it comes to attributes used for targeting?

A: Certain attributes you would typically avoid in-

clude age, gender, national origin, marital status, and the like, although exceptions may apply, such as if you are marketing an age-based account or you are specifically marketing to meet Community Reinvestment Act (CRA) goals. Financial institutions should work with their legal and compliance departments and ensure that their marketing partners are doing the same, so that any attributes used for targeting comply with UDAAP.

“Attributes are a tricky area that requires focused attention — something you thought was benign could end up being an issue.”

Financial institutions and their marketing partners must prioritize UDAAP compliance when selecting attributes—the right audience is crucial, but not at the expense of the risk of treating consumers unfairly

Q: Besides consumer attributes, what other data can be used in a compliant way to enable financial institutions to find deposit-focused acquisition opportunities?

A: It is necessary to have several different views of market data. Market factors such as product penetration, consumer loyalty, and average product balances, for example, can provide insights into market opportunities before anything hits the market.



Thank You to
VERICAST
FOR SPONSORING ISSUES & ANSWERS

Q: What makes it challenging for financial institutions to handle compliance regulations when it comes to marketing?

A: There are a few common reasons for this. The most common reasons are staff knowledge of compliance interpretation and the inability to foster a “speed to market” mindset. This results in making compliance a lesser priority. Not that it isn’t important to the bank or credit union, but some financial institutions may not have the full, dedicated compliance and legal resources afforded to other larger institutions or companies.

Each time you run a marketing program; you must ensure it complies. But if you’re doing that with a less knowledgeable partner, the lead time to get to market can be extensive.

“However, if you’re working with a partner who already understands financial marketing and compliance, you can trust that your marketing partner has done their part.”

Q: What factors should banks consider when assessing compliance qualifications while selecting a marketing partner?

A: Clients should ask their marketing partner about their specific compliance protocols and monitoring practices. As a former bank marketer, I understand how important it is to trust that your compliance partner has your back. If you work with a partner who doesn’t understand compliance at a high-level, that could be a problem.

“Having designated legal resources focused on marketing compliance is critical.”

The ability to take regulatory and legislative information and digest it to improve every targeting program to ensure compliance takes investment yet makes all the difference.

Q: How is Vericast working to bring marketing and compliance together?

A: Our Checking Engine’s approach along with our Market Intelligence Platform helps banks and credit unions target in a way that doesn’t build targeting off of demographics in isolation but instead creates a market score based on the averages of the institution’s performance, market area benchmarks, consumer behaviors, and previous marketing performance.

We take a compliance-forward view when it comes to targeting along with a client- first, consultative approach. We’ve invested in our compliance-forward approach by engaging with market experts to obtain a holistic view of the market ensuring our acquisition marketing strategies are compliant while also providing a performance valuable for clients. With legal and compliance experts, many of whom are former regulators themselves, we approach compliance as a strategy not as an afterthought or checkbox for a legal requirement.

Vericast has your back with deep compliance knowledge and outstanding attention to detail to help your financial institution build a highly effective acquisition strategy. Learn more and contact us to discuss how we can help.

Stephenie Williams specializes in consumer acquisition marketing optimization for the financial services industry. Her experience spans more than twenty-five years in the financial services, retail and automotive industries. Williams has worked with companies to inform marketing with data ultimately helping clients achieve their key KPIs through the creation of business cases that facilitate the deployment of data-driven audience selection, creative messaging, and measurement to fuel an ongoing agile channel optimized marketing programs.



Understanding Bank Performance

Virtual 8-Part Series Begins October 29

Learn more at wabankers.com/ubp

How to Detect Counterfeit Checks

By Terri Luttrell, CAMS-Audit, CFCS

Check fraud is surging and technology advances aren't helping. Are traditional methods of detection enough to protect your financial institution from losses?

Why counterfeit check detection matters in 2024

Financial fraud is becoming more sophisticated in today's world, and counterfeit checks and duplicate check deposits are significant threats. The ABA Banking Journal reports that check fraud could reach a staggering \$24 billion in losses in the U.S. this year, making up 60% of all attempted fraud. This isn't just a financial issue; it's a safety one, too. Postal workers are increasingly at risk during mail theft attempts, with their lives sometimes on the line.

Businesses and financial institutions need to be on high alert to detect fraudulent checks and protect their assets and reputations. Knowing the features of counterfeit checks and using advanced detection technologies are key steps in combating check fraud.

Understanding counterfeit checks

Counterfeit checks often look just like the real deal, but they usually miss security features. The Department of Banking and Finance highlights some common physical traits of counterfeit checks. Here are five of the more frequent indicators:

1. Paper quality: Counterfeit checks often have lower-quality paper and feel slippery. Genuine checks are printed on high-quality, durable paper that doesn't tear easily and often includes embedded security features like microprinting and special fibers. Also, watch for:

- Colors that smear when rubbed with a moist finger, suggesting the check was made on a color printer or copier.
- Edges that are not perforated might indicate fraudulent personal checks.

2. Watermarks: These are critical security features that are hard to fake. Authentic checks have watermarks that are visible when held up to the light. Counterfeit checks often lack these or have poor imitations.

3. Improper signature: Gone are the days of manually reviewing each check signature, but checks are often forged or signed by an unauthorized party. Automated Optical Character Recognition (OCR) can effortlessly detect fraudulent signatures and is an added layer of protection.

4. Magnetic ink character recognition (MICR) number: MICR is used for automated processing, and any inconsistency is a red flag. Missing or mis-

matched MICR numbers, bank routing numbers, or check numbers likely indicate a counterfeit check.

5. Alterations: Alterations are a common tactic in check fraud. Any signs of tampering, like altered, eradicated, or erased information, suggest the check might be counterfeit.

When a check is presented for payment, a visual inspection can often reveal suspicious checks before your financial institution incurs a loss. The key is to spot these discrepancies using a combination of technology and staff training.

Technological methods to detect counterfeit checks

Advanced technology is crucial in detecting counterfeit checks. Modern check fraud detection software enhances check verification processes with several sophisticated tools:

- **Optical character recognition:** OCR scans, checks, and verifies printed information against known standards, spotting inconsistencies in fonts, alignment, and overall presentation.
- **Machine learning algorithms:** These algorithms analyze large datasets of check images, learning to distinguish between genuine and counterfeit checks with increasing accuracy. By recognizing subtle patterns and anomalies, machine learning enhances the detection process.
- **Real-time verification systems:** Integrated systems cross-reference check details with real-time databases, ensuring that counterfeit and duplicate check deposits are flagged and investigated promptly. This minimizes fraud risk and helps maintain the integrity of financial transactions.

What financial institutions can do to combat counterfeit check fraud

Banks and credit unions are on the front lines of detecting counterfeit checks. Here are some proactive steps to take to reduce the risk of accepting counterfeit checks and prevent bank fraud losses:

1. Authenticate suspicious checks:

- Call the issuing bank to verify the account.
- Call the issuer to confirm the check's validity using phone numbers from an independent source, not just what's printed on the check.

2. Train front-line staff: Ensure your staff can identify potential fraudulent checks and know the procedures to follow if they encounter one.

Detecting counterfeit checks is crucial for financial institutions and businesses. By understanding the physical traits of genuine checks and using advanced technological tools, organizations can effectively combat check fraud.

Continued from page 9



Sound Community Bank Hosts Shred Event

Sound Community Bank recently hosted a Shred Event this summer.

The event encouraged residents and customers to drop off sensitive documents to be safely and appropriately handled.



footprint closed for an afternoon in honor of the bank's Volunteer Day.

Bankers had a wide variety of volunteering options, including Bridging a Gap, which helps bridge the gap between the school day and being at home by providing food, basic necessities, and more.

Another group volunteered with the Snohomish Boys & Girls Club, and another group spent time building furniture at the Northwest Furniture Bank in downtown Tacoma.



Chase Provides Backpacks to Local Students

Throughout the region this summer, Chase provided backpacks full of school supplies for local students.

Hundreds of backpacks were given to students who may otherwise need more

supplies to begin the school year.



Chase Hosts Financial Education Class for UW Students

As part of the Chase Back to School Series, students from the University of Washington Samuel E. Kelly Ethnic Cultural Center participated in a financial education workshop about setting goals, building budgets, and more.



SaviBank Participates in San Juan Builders Golf Tournament

SaviBank recently participated in the annual San Juan Builders Association Golf Tournament in Friday Harbor.



Yakima Federal Savings Honored by Habitat for Humanity

Yakima Federal Savings was recently honored by Habitat for Humanity Yakima Valley during the organization's Golden Hammer awards ceremony.

Johnny Prado, a banker, was named the board member of the year, and the bank was honored for sponsoring the organization for 40 years.



Sound Community Bank Participates in Pike Place Market Foundation Event

The Sound Community Bank team recently participated

Heritage Bank Hosts Annual Volunteer Day

In early September, branches across the Heritage Bank

Continued on page 14

Continued from page 13



in the Pike Place Market Foundation Sunset Supper Fund-raiser.

The event highlights the many vendors at the Market through dinner fundraisers.

SaviBank Hosts School Supply Drive

SaviBank recently hosted a school supply drive for Children of the Valley.

The bank donated supplies to the local organization that works with students and schools.

The Blackburn branch had a nearly \$1,000 donation from Sound Cedar Lumber.



KeyBank Attends PLU Night Market

KeyBank recently participated in Pacific Lutheran University's night market.

The event brings together new students, community organizations, and businesses to help students become familiar with the local landscape.



Kitsap Bank Volunteers at Backpack Brigade

Kitsap Bank's Bellevue team recently spent a morning volunteering with Backpack Brigade.

The group prepared and packed 280 bags, which included

over 800 meals for local children.

The organization provides food to kids who can use it over the weekend when free school meals are unavailable.



U.S. Bank Volunteers at Delridge Farmers Market

The U.S. Bank team recently volunteered at the Delridge Farmers Market, a program run by the African Community Housing & Development.

The group met with local members of the community as well as other businesses to share information about the bank and the power of finances.



WaFd Bank Volunteers at Food Lifeline

The WaFd Bank team in the Seattle area recently volunteered at Food Lifeline.

The team sorted and repackaged 26,000 pounds of cabbage and 1,100 pounds of pasta, which will be distributed to families in need throughout Western Washington.



KeyBank Sponsors Trilogy 4 Kids

KeyBank announced it is sponsoring Trilogy 4 Kids this year.

The 20-year-old organization focuses on helping children with literacy throughout local communities.

Olympia Federal Savings Donations to Yelm Community Schools

Olympia Federal Savings recently donated the proceeds

Continued on page 15

Continued from page 14

of its Two Cent program to the Yelm Community Schools Pride of the Prairie Fund.

The Fund earned \$3,003, which will help support after-school activities and athletic programs.



Mountain Pacific Bank Hosts Grand Opening

Mountain Pacific Bank hosted a grand opening celebration at its new Bellingham branch.

The event included the Bellingham Regional Chamber of Commerce and Barkley Village, where the branch is located.



KeyBank Volunteers at UW Bothell Welcome Week

The local KeyBank team member volunteered at the UW Bothell Welcome Week Carnival.

The event allows students to come together, learn about the local community, and build a solid start to their college careers.

Washington Trust Bank Donates to Larson Heights Elementary

Washington Trust Bank's Moses Lake team recently donated \$500 to Larson Heights Elementary School to support the back-to-school supply drive.



The donation will allow the school to buy educational materials and nutritional guidance.

Community First Bank Participates in Women in Business Conference

The Community First Bank team recently participated in the Women in Business Conference in the Tri-Cities.



The event brought together professionals throughout the areas, led by the Tri-City Regional Chamber of Commerce.



Umpqua Bank Participates in Eastside Leadership Conference

The Umpqua Bank team in Bellevue and the Eastside recently attended the Bellevue Chamber of Commerce Eastside Leadership Conference.

This year's event included learning about the

candidates for governor, attorney general, local city mayors, and council members.



Mountain Pacific Bank Hosts Lynnwood Shred Day

This fall, Mountain Pacific Bank hosted its last community-free shred day of the year.

Shred-It brought a big truck, and local community members dropped off items to be safely shredded while donating to Girls on the Run of Snohomish County.



Cashmere Valley Bank Sponsors Yakima Sunfair Parade

Cashmere Valley Bank recently sponsored and participated in the Yakima Sunfair Parade.

During the annual event, volunteers from the bank gave out 405 hotdogs, popcorn, and drinks to those attending the parade.

Continued from page 15



Peoples Bank Volunteers at Sierra Park

Edmonds Peoples Bank team members recently volunteered on a Saturday to help remove invasive English ivy from Sierra Park in Edmonds.



Sound Community Bank Leader Earns Olympia Medical Foundation Award

Sound Community Bank President and CEO Laurie Stewart was recently honored by the Olympic Medical Center Foundation at the Harvest of Hope Gala.

She received the Rick Kaps Award, which recognized her and the bank for their community service.



Washington Trust Bank Donates to Vancouver Area Food Banks

The Washington Trust Bank team in the Vancouver area recently collected and donated 3,700 pounds of food to local food banks.

Ahead of the bank's branch opening in the area, the group is completing Random Acts of Kindness to give back to the communities where they live and work.



Liberty Bank Sponsors Coffee Oasis Hope Gala

This fall, Liberty Bank sponsored the annual Coffee Oasis Hope Gala.

Running for 11 years, the organization provides youth in Washington with a sense of home through its programs.

The annual gala, which took place in mid-September, helps raise money and awareness for the organization.

2025
VIRTUAL
ENGAGE
CONFERENCE



May 7

Learn more online:
wabankers.com/engage

Scan to visit
the Practice
Safe Checks
website!



Do you practice safe checks?



While the use of checks has declined by 25%, **reports of check fraud have nearly doubled** since 2021.

It's more important than ever to protect your financial information.

Take These Steps to Learn More:

1. Go to www.practicesafechecks.com
2. Discover how checks can put your finances at risk
3. Learn safe ways to use and send checks
4. Find out what steps to take if you suspect fraud

Remember to use your bank's payment app or online bill pay whenever possible!

