Russell Anderson, CFE

Head of Fraud and Compliance Solutions

LIMRA and LOMA

Dennis Lamm

Senior Vice President, Customer Protection

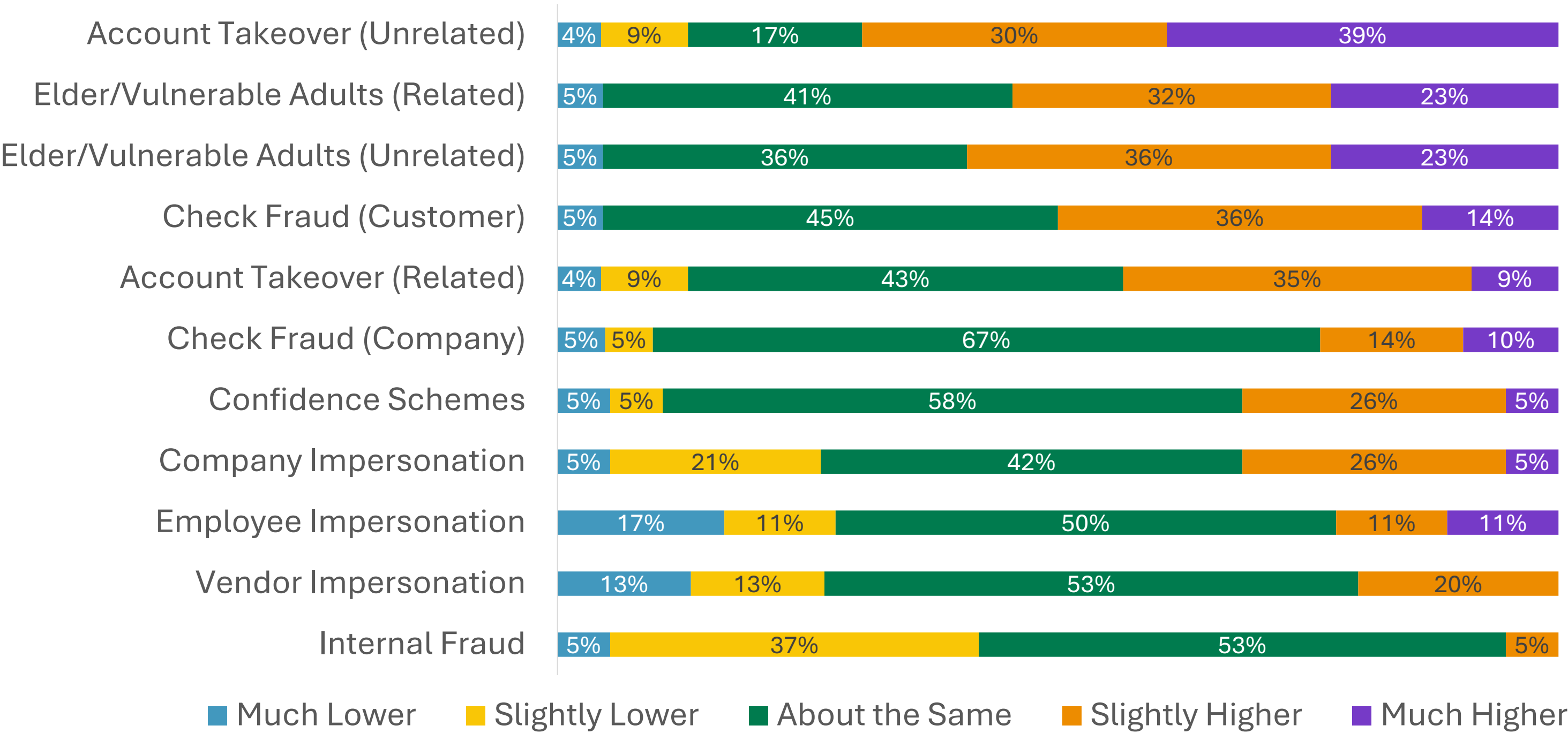Fidelity Investments

Kristina Mulholland, CFE, CAMS

Sr. Director, Financial Crimes & SIU

John Hancock Life Insurance Company

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Common Fraud Schemes Threating Retirement Plans

Is Your Company Experiencing Less, About The Same or More Fraud?

Scheme	Much Lower	Slightly Lower	About the Same	Slightly Higher	Much Higher
Account Takeover (Unrelated)	4%	9%	17%	30%	39%
Elder/Vulnerable Adults (Related)	5%		41%	32%	23%
Elder/Vulnerable Adults (Unrelated)	5%		36%	36%	23%
Check Fraud (Customer)	5%		45%	36%	14%
Account Takeover (Related)	4%	9%	43%	35%	9%
Check Fraud (Company)	5%	5%	67%	14%	10%
Confidence Schemes	5%	5%	58%	26%	5%
Company Impersonation	5%	21%	42%	26%	5%
Employee Impersonation	17%	11%	50%	11%	11%
Vendor Impersonation	13%	13%	53%	20%	
Internal Fraud	5%	37%	53%	5%	

Legend: ■ Much Lower ■ Slightly Lower ■ About the Same ■ Slightly Higher ■ Much Higher

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ATO Fraud is a Significant and Growing Threat to The Retirement Industry

Incidents Occurred	2020	2021	2022	2023	2024
Total Account Values Targeted	$338,001,000	$692,528,000	$760,574,000	$993,807,000	$1,316,454,000
Total Disbursements Requested	$33,538,000	$111,839,000	$76,587,000	$150,192,000	$140,827,000
Average Account Value	$218,000	$339,000	$255,140	$276,518	$231,444
Average Disbursements Requested	$58,000	$175,000	$82,797	$122,207	$82,163
Access Rate	58%	62%	59%	63%	60%
Days from Incident to Detection	20.6	18.3	17.4	14.7	10.7

Headlines

- Incidents Occurred **up 58% in 2024*** over 2023
- Avg. Incidents Per Company Per Month **up 40%**
- Values Targeted in 2024 Exceeded **$1b**
- **$140M in Fraudulent Disbursements** Attempted
- **60% of Accounts Accessed** to Some Extent
- It takes **10.7 Days to Detect** the Average ATO Attack

* Not All 2024 Incidents Have Yet to be Detected

Average Incidents	2020	2021	2022	2023	2024
Per Company Per Month	5.5	5.8	7.5	9.2	12.9
Most Popular Incident Date	Mon (21%)	Tue (22%)	Mon & Tue (20%)	Mon (21%)	Tues (20%)
Least Popular Incident Date	Fri (15%)	Fri (16%)	Fri (15%)	Fri (16%)	Fri (15%)

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Fraudsters Continue to Favor the Customer Portal

Percent of Incidents Occurred

Access Point	2020	2021	2022	2023	2024
Customer Portal	45%	56%	59%	64%	66%
Contact Center	48%	39%	36%	33%	35%
Processing Center	12%	9%	8%	9%	10%

Headlines

- Customer Portal Targeted ~Twice as Often
- Takes 12 Days on Average to Detect
- Fraudsters Most Successful When Targeting Back Office (Less detection technology?)
- Fraudster's Somewhat Successful in Majority of Attacks

2024 Stats

Access Point	% Accessed	Average Days to Detect	Average Value Targeted	Average Disbursement
Contact Center	53%	9.1	$ 219,000	$ 81,000
Processing Center	85%	11.2	$ 204,000	$ 91,000
Customer Portal	67%	12.1	$ 245,000	$ 71,000

Data from FraudShare as of 2/3/25

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Detection Method Matters

Headlines

- Employees Reclaim Top Detection Method
  - driven by increase attacks on small to mid members?
- Customers Are Worst Detection Methods – 81% Access Rate and 26 Days to Detect
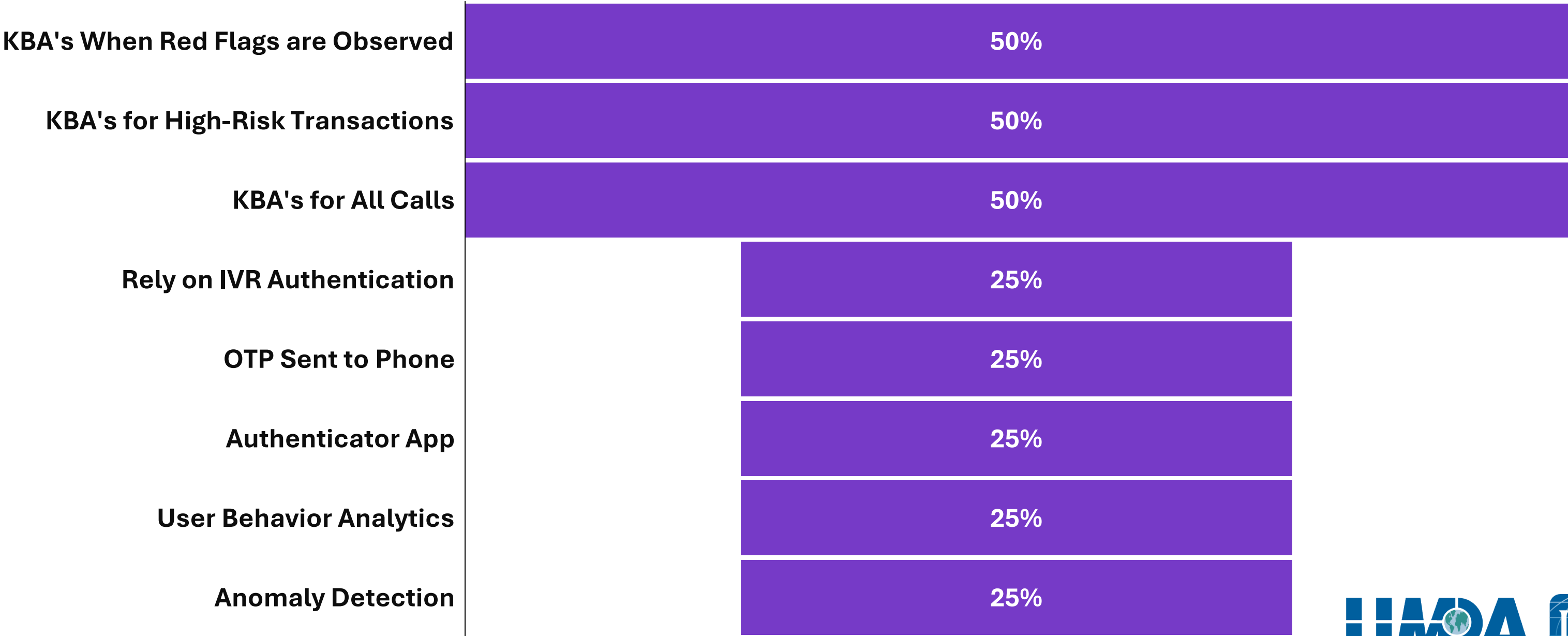- Technology Works - 3rd Party Solutions Lowest Access Rate and Quickest to Detect

	Percent of Incidents Detected					2024 Stats	
Top Detection Methods	**2020**	**2021**	**2022**	**2023**	**2024**	**% Accessed**	**Avg. Days to Detect**
Employee	32%	24%	24%	21%	27%	61%	17.7
3rd Party Solutions	22%	20%	25%	27%	25%	43%	5.1
Internal Report	12%	23%	18%	17%	25%	63%	20.7
Customer	23%	26%	29%	27%	23%	81%	25.8

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Call Center Authentication Methods

67% of Companies Rely on Standard Identifiers (Name, SSN, DoB) to Authenticate Customers Calling in to Call Centers
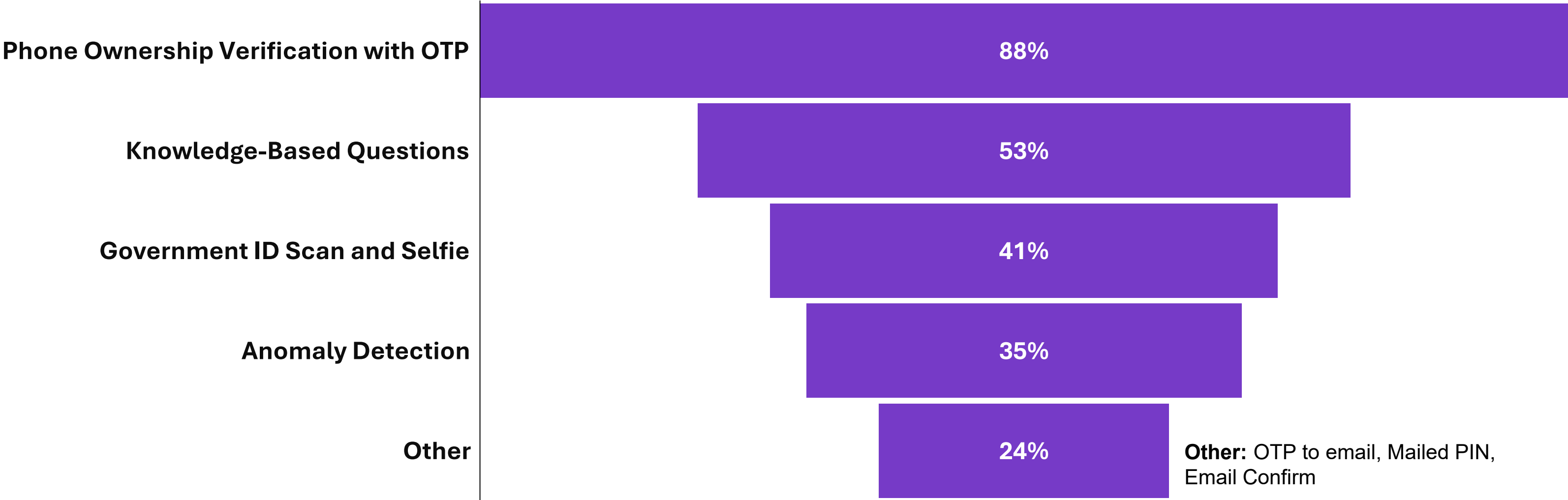
Common Authentication Methods for Call Centers

Method	Percentage
KBA's When Red Flags are Observed	50%
KBA's for High-Risk Transactions	50%
KBA's for All Calls	50%
Rely on IVR Authentication	25%
OTP Sent to Phone	25%
Authenticator App	25%
User Behavior Analytics	25%
Anomaly Detection	25%

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Online Account Registration Authentication Methods

78% of Companies Rely on More Than Standard Identifiers (Name, SSN, DoB) to Authenticate Customers During **Initial Online Account Registration**
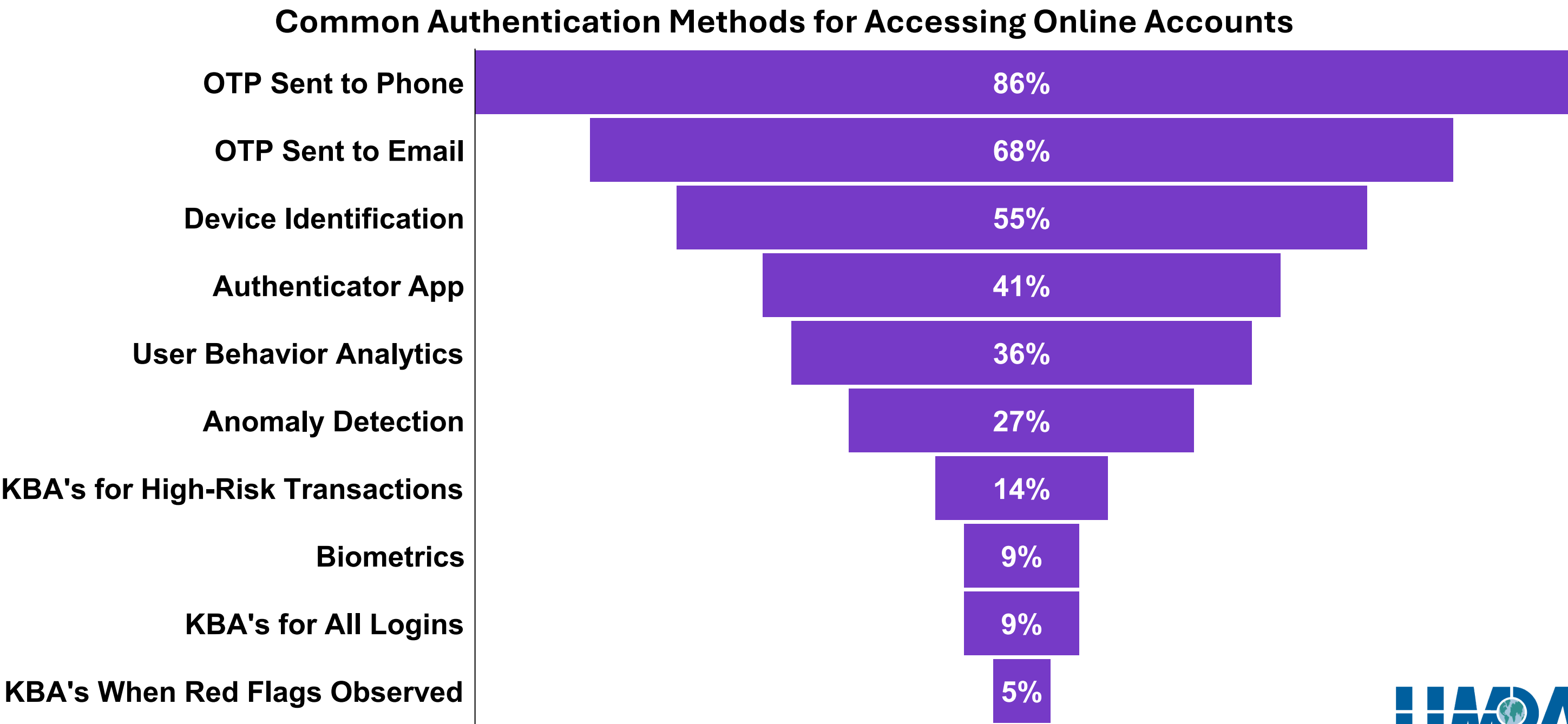
Common Authentication Methods for Registering Online Accounts

Method	Percentage
Phone Ownership Verification with OTP	88%
Knowledge-Based Questions	53%
Government ID Scan and Selfie	41%
Anomaly Detection	35%
Other	24%

Other: OTP to email, Mailed PIN, Email Confirm

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Online Account Access Authentication Methods

96% of Companies Rely on More Than Standard Identifiers (Name, SSN, DoB) to Authenticate Customers When they **Access Their Online Account**

Common Authentication Methods for Accessing Online Accounts

Method	Percentage
OTP Sent to Phone	86%
OTP Sent to Email	68%
Device Identification	55%
Authenticator App	41%
User Behavior Analytics	36%
Anomaly Detection	27%
KBA's for High-Risk Transactions	14%
Biometrics	9%
KBA's for All Logins	9%
KBA's When Red Flags Observed	5%

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We Want to Hear From You. Leave a Rating & Review.

Module Option

Agenda Option

Thank You

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