Recognizing Check Fraud

TEAM CREDIT UNION FRAUD

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Project Description: Recognizing Credit Union Fraud

Information About the Organization

American Credit Union is a financial institution that offers a full banking experience from basic savings accounts to business accounts to mortgage loans. The credit union has over 90 branches, located in five states: Utah, Nevada, Arizona, Idaho, and New Mexico.

Information About the Site Client

The client sponsoring this project is the Fraud Manager. He is located at the corporate offices in Salt Lake City, Utah. The Fraud department monitors members' accounts for fraud. It receives notification of fraud through a variety of methods, one of which is through branch employees. The branch employees consist of the tellers, loan officers, assistant branch managers, and branch managers.

The Fraud department helps branch employees deal directly with members who have been victims of fraud, and together they investigate fraudulent check and card transactions.

Primary Client Responsibilities

- Manage the daily operations of a team of fraud investigators.

- Develop and implement new approaches and procedures to effect continuous improvements in the efficiency and effectiveness of the department.

- Assist senior manager in developing solutions to identify and mitigate emerging fraud trends.

- Monitor queue and track inbound case volume, escalations and alerts. Keep agents aware of outstanding cases to be worked and ensure agents are meeting their targets.

Information About the Project

During a recent meeting to review new hire onboarding training, the Fraud Manager expressed concern about the increasing number of unreported fraud cases that happen during basic transactions in the branches. With the ever-increasing ways to commit fraud and the trends constantly changing, it has become more important for branch employees to identify check fraud and respond appropriately. However, branch employees are not aware of what patterns to look for and what actions to take.

To address this concern, the Fraud Manager asked that we focus our efforts on equipping new branch employees with the tools they need to recognize check fraud and decide on the appropriate action to take.

Performance Analysis

Gap Analysis

	Target Population	Performance	Standard
Desired Performance	What we want our branch employees: • Member Service Representatives (Tellers) • Financial Service Representatives (Loan Officers) • Member Experience Officers (Teller/Loan Officer) • Assistant Branch Managers • Branch Managers	to do is recognize potentially fraudulent checks and take action	• that reduce the credit union's losses • maintain or improve customer satisfaction ratings • obtain crucial evidence
Actual Performance	What our branch employees	are doing now is failing to recognize signs and patterns of fraud	that result in significant losses to the credit union and its members.

Organizational Analysis

One of American Credit Union's goals is return on assets (ROA), which measures how efficiently and responsibly the credit union utilizes its members' funds. The credit union has an ROA goal of 1.18%. If employees are unable to recognize fraud and

fraud loss continues to increase, it will impact the bottom line and the members. Each member is a part owner of the credit union; with decreased earnings the member experience will be impacted. Not only could the results lead to lower dividends, higher interest rates, and a reduction of products and services, but they could impact the quality of service members receive in the branches and online.

When employees do not know the appropriate actions to take after recognizing fraud, it increases the likelihood that the suspect is able to walk away with crucial evidence, such as the check and identification that the suspect presented. The ability to secure the evidence not only prohibits the suspect from using the materials to commit further fraud, it strengthens the credit union's case during the fraud investigation.

Cause Analysis

Our cause analysis is based on interviews with the client and SME as well as survey responses from the fraud investigators and branch employees. We have determined that the primary cause of the performance gap is that the branch employees do not know how to recognize fraud correctly. For example, the branch employees report instances of suspicious activity that are not fraud, they do not recognize and report signs of fraud before processing fraudulent transactions, or don't recognize and report fraudulent transactions at all. The branch employees have received training on the basics of fraud during their new hire orientation training and during a follow-up training that they must complete within 30 days, but because of the low frequency of occurrence of fraud (approximately 1% of transactions) once on the job and the high amount of information received during their new hire orientation training, branch employees are not correctly recognizing and reporting fraud .

From the interviews and surveys, we also identified additional potential causes of the performance gap. For example, the branch employees are not consistently receiving thorough feedback about the fraud cases they report and may not know when they are not recognizing fraud correctly. This issue is currently being resolved by the Fraud Manager and branch managers. Only knowledge and skill causes will be addressed by training; other causes identified are the client's responsibility to address. Based on this cause analysis, we find that by providing training to the branch employees about recognizing fraud we can help close the performance gap. The two tables below were used to help clarify the causes of the performance gap.

Data Sources	Data Gathering Methods	Findings
Client (Fraud Manager)	Interview	Many calls come into the fraud department investigators that aren't actually fraud. Branch employees are not distinguishing actual fraud from merely unusual transactions. Some branch employees are not asking enough questions of customers or checking for all the signs of fraud before calling the fraud department in order to determine if the check is fraudulent. New fraud techniques make recognizing fraud more difficult; for example, fraudsters now realize that it is easier to pass checks with stubs off as legitimate. Approximately 1% of total transactions are fraud losses. The frequency with which tellers experience fraudulent transactions can vary based on branch employees' working hours, branch location, and even which employee's line the fraudster chooses. Branch employees need to be able to identify specific fraud indicators before contacting the fraud department rather than just calling with a suspicion. Additionally, branch employees should not continue with a transaction they believe is fraudulent. Check fraud should be the focus for recognizing fraud because it is more preventable than credit card fraud. The current training has only minimal information on check fraud.

SME (Assistant Fraud Manager)	Interview	Employees who have been with the credit union for several years seem to do well at recognizing and reporting check fraud. However, more tenured employees do not seem to be facilitating the in-branch training. Less-seasoned tellers are less informed and then they train the new tellers during in-branch training.
		When the fraud department is alerted to an actual fraud by a branch employee, the fraud department thanks the branch employee for sharing the information and for being diligent. However, there is not a major recognition or notification to the employee's branch management in most cases.
		The only guidance about recognizing check fraud the branch employees receive is what they learn at the branch. The fraud department will go out and present at branch meetings when invited, but there is no further training branch employees receive.
		The fraud department will answer questions and provide guidance when they receive calls related to check fraud.
		The knowledge management system, Knowledge Center, has some red flags and tips for identifying check fraud.
		If the branch employee's manager submits a CrimeBuster form, the fraud department will send the employee a card from the team and a Fraud Buster badge.
		The only formal training is the new hire course fraud segment. The training covers different types of check fraud, such as scams, new

account, kiting, altered checks, and ONUS. It also covers warnings and restrictions. The fraud team does not provide an assessment to determine if the new employees learned the information that was presented.

In the SME's opinion, there are multiple reasons that branch employees may not be recognizing fraud correctly. They include:

- lack of training at the branch level.

- lack of training throughout the year.

- uninformed employees passing on bad practices.

- management's lack of involvement in developing new tellers.

- management's failure to advise employees of current fraud trends.

- management's failure to remind employees to remain vigilant for fraud.

Getting branch employees to recognize fraud helps to protect the members and the credit union from losses.

The SME is not currently aware of any data to show that branch employees are not recognizing fraud correctly. However, the SME reports that many cases the fraud department reviews have elements of a teller not recognizing the red flags or failing to follow policy.

		There is not currently any data about how many reports received by the fraud department are not actually fraud.
		There is not currently a formal process for branch employees to follow to identify specific indicators of fraud. There are too many types of fraud and so much variation within those types that having a formal process is difficult to have. We do have guidelines and red flags to watch for on Knowledge Center.
		There is no formal process in place at the branches for branch employees to escalate a situation to the fraud department. It is advisable to have employees address the situation with their managers first, but this is not a requirement.
Fraud Investigators	Survey	Most claims that are filed are fraud. However, most phone calls the fraud department receives are for non-fraud cases that could be handled by local branch management.
		One hundred percent of the fraud investigators responded that branch employees do not recognize fraud correctly.
		One hundred percent of the fraud investigators responded that branch employees do not report fraud correctly.
		Survey results confirmed that currently there is no formal process to follow once fraud is identified other than to get a manager and then escalate to the fraud department. No indication was made as to when or how the branch employees should know when to contact their manager or escalate to the fraud department.

		If a branch employee files an affidavit on a non-fraudulent check, the fraud department uses it as a training opportunity for the branch manager and the employee.
		If an investigation takes place and an error happened during the transaction(s) in question, the fraud department notifies the branch management for training opportunities. It is not the fraud department's responsibility to discipline employees but to report employee errors and negligence.
Branch Employees	Survey	Sixty-eight percent of branch employees reported that they report check fraud to the fraud department less than once a month. Sixteen percent report fraud once a month, 12% report once every 2 weeks, and 4% report once a week.
		Sixty-eight percent of branch employees reported that they receive feedback from the fraud investigator or fraud department after they report fraud.
		Fifty-six percent of branch employees reported that they receive feedback from management about their personal or the branch's fraud reporting.
		Ninety-six percent of branch employees reported there are tools available to them to help them recognize check fraud.
		When asked what the most critical indicators are to look for to recognize check fraud, branch employees responded with a wide variety of answers. Some responded with seven points of negotiability;

only one person correctly put eight. Other responses included irregularities in the check, misspellings, suspicious behavior, check amounts too high when compared to previous account activity, alterations, signature, messy checks, the triangle, extra requests attached or enclosed with the check - instructions for how to handle, send money back, fonts, and security features. No employee listed all of the above responses; each employee listed between two and five of them.

After a branch employee believes he or she has identified fraud, there are not set procedures to follow. Thirty-two percent of branch employees reported that they ask the customer questions, 44% responded that the get help from a manager or lead, and 20% responded that they call the fraud department for help. Other responses included calling the other financial institution to determine if the check is legitimate and stalling for time with an excuse (calling IT, check scanner isn't working).

Forty-four percent of branch employees reported there are neither rewards for correctly reporting fraud nor repercussions for incorrectly reporting fraud. Twenty percent reported that there are incentives such as certificates, candy, and feeling good for helping protect members. Thirty-six percent said there are repercussions, such as a conversation with the manager, write-ups, and termination. One response specifically referred to the fraud buster badges but said they are not being given out.

Employees were asked if they feel they have sufficiently learned, either on-the-job or in training at American Credit Union, how to recognize check fraud. On a scale of 1 to 100 with 1 being "No" and 100 "Yes" and 50 being "Somewhat", the average response was 81 with a range of 40-100.

	Information	Instruments	Motivation
Environmental factors	**Data** Sixty-eight percent of branch employees report that they have received feedback about either their fraud reporting or the branch's fraud reporting from the fraud department. Branch managers are consistently given feedback about their branch's fraud reporting from the fraud manager and investigators, but only 56% of branch employees reported receiving feedback about fraud from their managers. The Fraud	**Resources** American Credit Union utilizes a knowledge management system with recent articles to keep associates updated on trends in the field, including fraud-related trends. Ninety-six percent of branch employees reported that there are tools available to them to help them recognize check fraud. There is currently no formal system for the branch employees to follow to	**Incentives** Incentives and repercussions are inconsistent. Forty-four percent of branch employees report receiving neither repercussions nor incentives. Twenty percent of branch employees report receiving incentives only. Thirty-six percent of branch employees report receiving repercussions only. The fraud department does have fraud buster badges

	Manager is currently working with the branch managers to make sure the feedback given to the branch managers is used to help the employees grow. There is no specific data documented for individual employees' performance regarding fraud recognition or reporting.	recognize and report check fraud.	that they can send to branch employees for correctly reporting fraud. If there is a significant problem with a specific employee and his or her fraud reporting practices, or lack thereof, then disciplinary action up to and including termination might occur.
Individual factors	**Skills and Knowledge** The branch employees had minimal training about fraud during their initial training. The branch employees don't use what they learned during initial training frequently on the job. There are more fraud scenarios and information about recognizing fraud than	**Capacity** The branch employees have the capacity to recognize fraud.	**Motives** Employees are motivated to help customers quickly and efficiently, and they want to provide exceptional service. Some survey respondents reported helping the member as their only reason to report fraud as there are no other incentives or repercussions.

	can be taught in the initial training session.

Branch employees' reports of what they look for to recognize check fraud were varied. Some employees responded that they look for the seven points of negotiability but there are eight points. | | |

Job Aid / EPSS Analysis

Question	Yes	No	How do you know? What evidence (data/findings) can you provide to support your answer?
1. Is it important for people to practice the task to mastery? Or can people perform the job task without a significant amount of practice?	X		Recognizing check fraud and responding appropriately are skills that will require practice in a safe environment. The interaction must appear normal to the member so as not to alert him or her that the potential fraud has been identified. There are also several types of check fraud the employee will need to detect. Practicing multiple times with different kinds of checks will improve employees' recognition of fraud.

2. Is it important for people to obtain both: - Coaching (including error detection and correction) as they perform a task? - Delayed feedback (about the extent to which performance met standards and how to improve it) after they perform a task?	X		Branch employees will need coaching to ensure that they are recognizing fraud. They will need to initially be guided on what to look for on a check to determine if it is fraudulent. Delayed feedback will be helpful for employees to know if they handled the situation correctly, what they could have done differently, and what they can do better.
3. Is it important to provide learners with a safe, controlled environment in which they can make mistakes as they learn?	X		It is anticipated that learners may stumble through initial attempts at identifying fraud and taking appropriate actions. It is best that these initial efforts take place in a safe, controlled environment. If a learner misses a fraudulent check in a controlled environment it will not produce a loss for the credit union and the member.
4. Is there an expectation of interactive learning?	X		Right now the training is very lecture heavy. One aspect that has been mentioned is making the training more interactive.
5. Are people required to perform the task quickly and smoothly in the workplace?	X		There is an expectation to help members quickly and efficiently. When handling potential check fraud employees can slow down a bit, but they still don't have a lot of time to spend with each member. Also, the more quickly they identify fraud and take appropriate action, the less likely the person is to get away with the evidence.

6. Are people required to perform the task in situations that are unpredictable?	X		The situation will vary and the way the check presenter responds will be unpredictable. There are multiple ways to commit check fraud and the ways are evolving. It is hard to predict how and when fraud will occur.
7. Does one or more of the following reasons for NOT relying on a job aid alone exist in the on-the-job environment: • A physical barrier that makes it difficult to use a job aid on the job • A social barrier that makes it difficult to use a job aid on the job	X		There is a slight physical barrier. All job aids are stored electronically on an Intranet site. Job aids are not printed because fraud trends change so often they quickly become outdated, giving employees incorrect information. The barrier is that the teller only has one monitor and must switch back and forth between the job aid and reviewing the account. This is a slight inconvenience and could prolong the process of verifying the account and check enough that the suspect is alerted to a suspicion and leaves with the check and ID.

Summary: State the Case for Training

Fraud in the banking industry is a serious problem that is on the rise. According to the American Banking Association, losses due to fraud reached $2.2 billion in 2016, and approximately 35 percent of those losses were due to check fraud (Kovaleski, 2018). ACU is not exempt from this problem; currently it loses approximately $40 million each year due to check fraud. As ACU continues to grow, its exposure to attempted check fraud will increase, making it vitally important for branch employees to recognize and appropriately respond when such attempts occur. While check fraud attempts occur relatively infrequently, their financial impact can be very significant depending on the size of the transaction. Branch employees facing a fraud situation often have to make difficult decisions without alerting the suspect, and they are not allowed the opportunity to practice in a safe environment and receive appropriate coaching.

The design team considered both standalone job aids and standalone EPSS as solutions to close the performance gap before making the determination that training is required. The team reached this conclusion for the following reasons:

- The recognition of check fraud involves a series of complex cognitive operations. Employees must first identify clues indicating that the transaction may be fraudulent. Then, based on the nature of the transaction they must make decisions about the appropriate actions to take.

- Handling check fraud also requires dynamic interpersonal communication. When an employee identifies indicators of fraud, he or she will need to engage the member in a conversation that will yield information while not alerting the member that the potential fraud has been detected.

- Recognizing check fraud and having the related conversation are skills that will require practice, coaching, and delayed feedback in a safe environment. The interaction must appear normal to the member so as not to alert him or her that the potential fraud has been identified.

While the cause analysis has identified other potential reasons for the performance gap, the instructional design team believes that training is the best and most appropriate way to address the skill gap.

Task Analysis

Data Sources

Selected Task Analysis	Rationale	Data Sources

Procedural task analysis with:
• if-then tables
• complex decision tables
• cautions, hot tips, notes, and highlighting
	• The task involves a series of sequential steps and decision-making skills.
	
	• If-then tables represent simple decision-making processes.
	
	• Complex tables represent involved decision-making processes.
		• Interviews
		   o Client: Shawn, Fraud Manager. 5 years with ACU, previous experience in law enforcement
		   o SME: Kara, Assistant Fraud Manager. 18.5 years with ACU
		   o SME: Stacey, Account Fraud Investigator. 14.5 years with ACU.
		
		• Surveys
		   o SMEs: Fraud Investigators
		   o Target audience: Branch Employees

Task Characteristics

Task Characteristic	Description
Major tasks	1. Review check for authenticity and negotiability 2. Review account warnings and information 3. Review person's behavior 4. Ask probing questions

	5. Excuse yourself without creating suspicion
	6. Decide if this is a fraudulent transaction
Goals for each major task	1. Determine if the check is fraudulent
	2. Determine if the account shows signs of fraud
	3. Determine if the person is acting suspiciously
	4. Obtain more information about the check
	5. Copy or retain check and ID for evidence
	6. Take the appropriate actions if fraud is suspected
Cues	1. Check with alterations, inconsistencies, missing security features, or signs of fraud in the eight items of negotiability
	2. Warnings present on the account
	3. Suspicious behavior from the person presenting the check
Resources	1. Knowledge management system
	2. Member's account information
	3. Check
	4. Person presenting the check
	5. Manager
Standards that the completed task should meet	1. Detect fraudulent checks
	2. Review account warnings
	3. Follow check hold policies
	4. Review account notes
	5. Complete a Suspicious Activity Report
	6. Copy check and ID as evidence

Prerequisite skills	1. Completing a check transaction in the teller transaction system
	2. Reviewing account warnings, notes, and history
	3. Inspecting a check for the eight points of negotiability
	a. Payer
	b. Date
	c. Payee
	d. Written Amount
	e. Financial Institution Information
	f. Signature
	g. MICR Line
	h. Endorsement
	4. Identifying suspicious behavior
	a. Recognizing behavioral tactics used to distract employees
	b. Filling out a Suspicious Activity Report
	5. Verifying primary forms of ID
	a. Driver's License/Driving Privilege Cards
	b. Passport
	c. State Identification Card
	d. Mexico and Guatemala Matricula Cards
	e. US Military ID

Critical Tasks the Training Will Address

- Identifying where to look on a check for fraud

- Deciding if the check is fraudulent

- Obtaining a copy of the check and ID presented

- Avoiding tipping off the person when fraud is suspected

Key

- Green: Tasks that do not require training and are already understood by the performers from their prior knowledge and experience

- Blue: Tasks that can use a job aid for reference

- Orange: Tasks that will be the focus of the training

- 👀 Caution

- ✳ Hot Tip

- ☝ Note

## Completed Task Analysis

1. Determine that this is a check transaction

    a. Greet the person by asking, "how may I help you?"

    b. Obtain the check from the person

2. Determine if ACU is the paying financial institution

If the paying financial institution	Then	And
is ACU	ask if the person presenting the check has an account with ACU	- if it is a member, go to their account and run the ONUS script. - if it is a non-member, go to the account

		number in the MICR line of the check.
is not ACU	• ask the person presenting the check for his/her account number. ✋ **Note:** Only members can complete check transactions from other financial institutions.	• continue to next step.
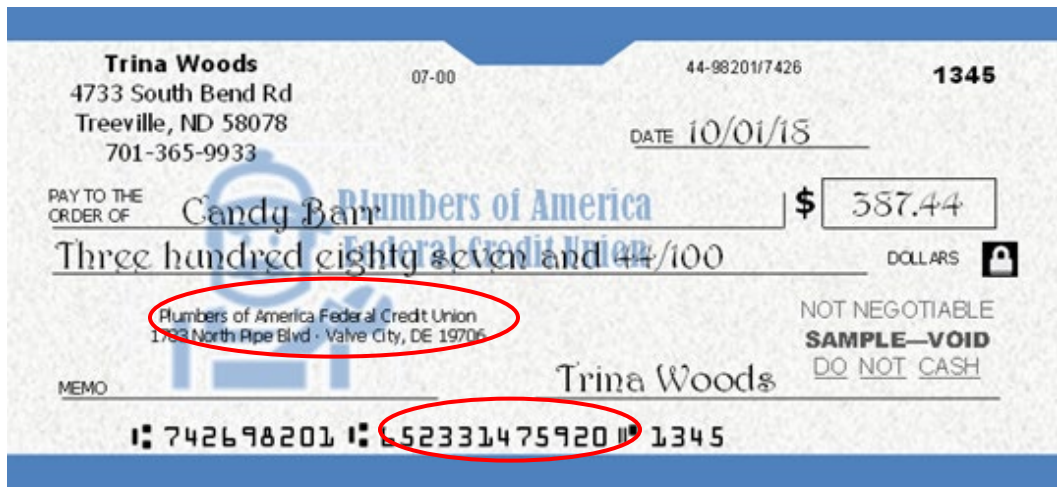
3. Review the account
    a. Review account warnings (if any are present)
       ✴ **Hot Tip:** Always follow hold procedures and warnings unless reviewed by a manager

If the account warning states	Then, extra caution is needed and
New Account	a check hold may be required. ✴ **Hot Tip:** Fraud is common on accounts open less than 90 days.

Hold	review the account before continuing with the transaction. A check hold may be required.
Recent Transactions	review the transaction history for the following: 1. funds that have not cleared 2. similar deposit and withdrawal amounts in even numbers 3. increasing deposit amounts ✖ **Hot Tip:** These are signs of check kiting.
Code Word	ask the member for his/her code word. If the person presenting the check is a non-member, dismiss this warning. 👀 **Caution:** A code word does not take the place of identification. A member can place this on their account if he or she is worried about unauthorized access.
Lost/Stolen ID	verify that the member's ID matches the information on the account.
Fraud/Forgery	additional identification may be required.
Update Address/Phone	verify member's identification before updating information.

    b. Review account information
        i. Review notes

        ii. Review transaction history

4. Review check for authenticity and for signs of fraud in any of the eight items of negotiability

a. Review payer information

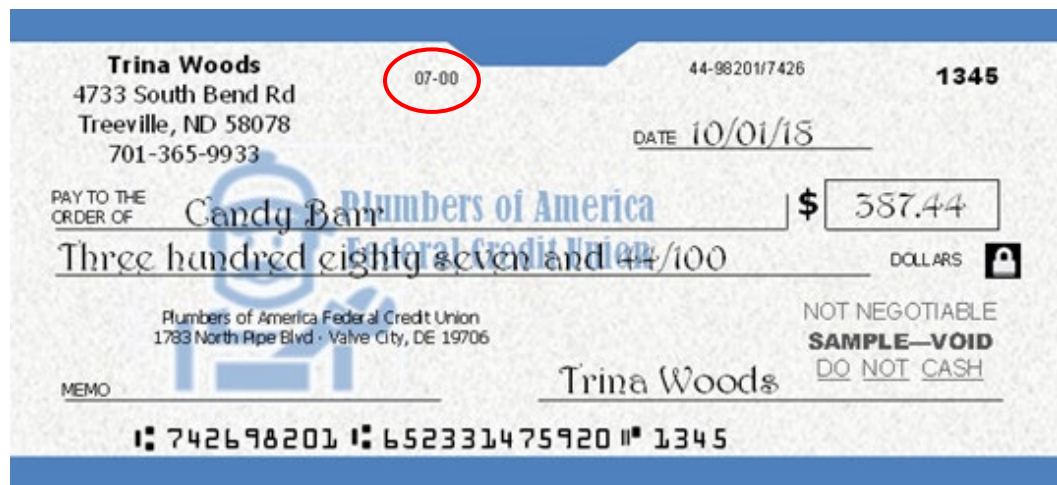👀 **Caution:** Is the payer a familiar, stable corporation (i.e. Wal-Mart)? Personal checks are less reliable.

👀 **Caution:** Are the payer and the payee the same? This is a potential sign of kiting.
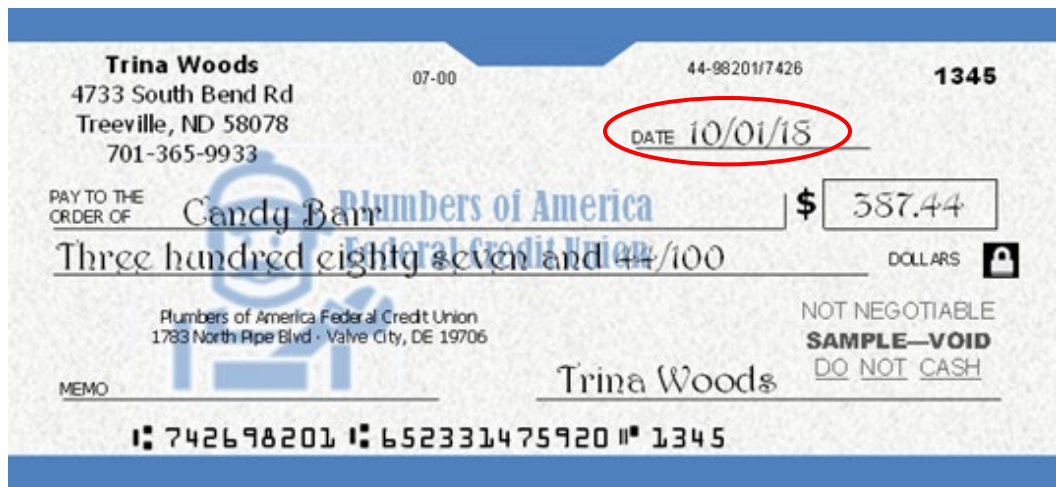

b. Review the account open date

✍ **Note:** The payer opened this account in July of 2000.

✳ **Hot Tip:** Has the account been open less than 90 days? Fraud is common on accounts open less than 90 days.

c. Review Date

👀 **Caution:** Is the date past six months? Suspects may try to reuse older checks previously deposited through mobile banking.

d. Review payee

👀 **Caution:** Does the payee match the account and ID (if provided)?

If the account and ID	Then
match the check	• continue to step e.
do not match the check	• tell the person you are unable to continue with the transaction due to the mismatch. ○ If there are issues, continue to step 4.
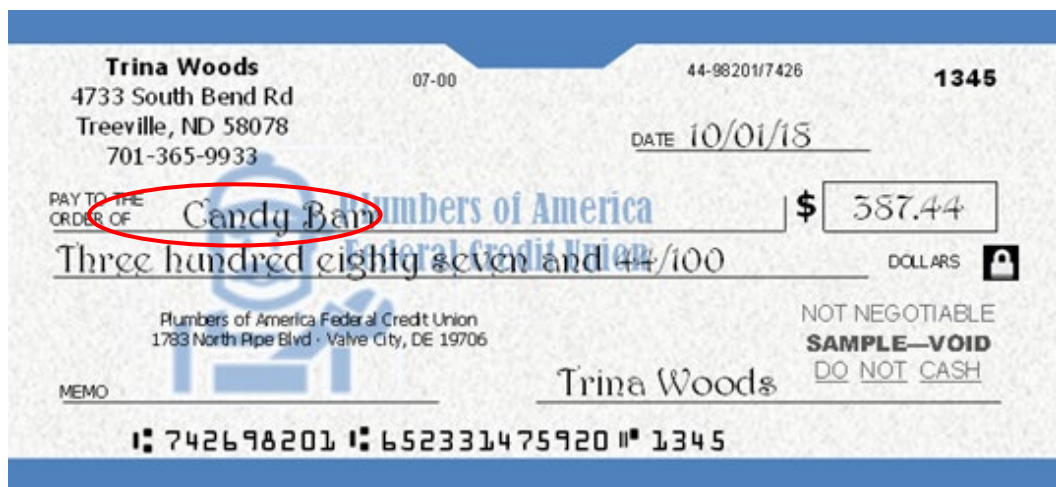
e. Review the check for signs of alteration or forgery

If the check has	Then you can suspect	And you should
a matte or crooked MICR line	it was printed on an inkjet printer	continue to step 5.
pen marks without ink	the check may have been washed	
inconsistent printing (fonts and line thickness)	parts of the check have been altered or forged	
a numeric amount does not match the written amount or is squeezed in	the amount of the check has been altered	
misspellings	it is a forged check	

f. Review the financial institution printed on the check

👀 **Caution:** Bermuda triangle (financial institution location, payer location, your location): If these three locations are different, it is a possible red flag of fraud.
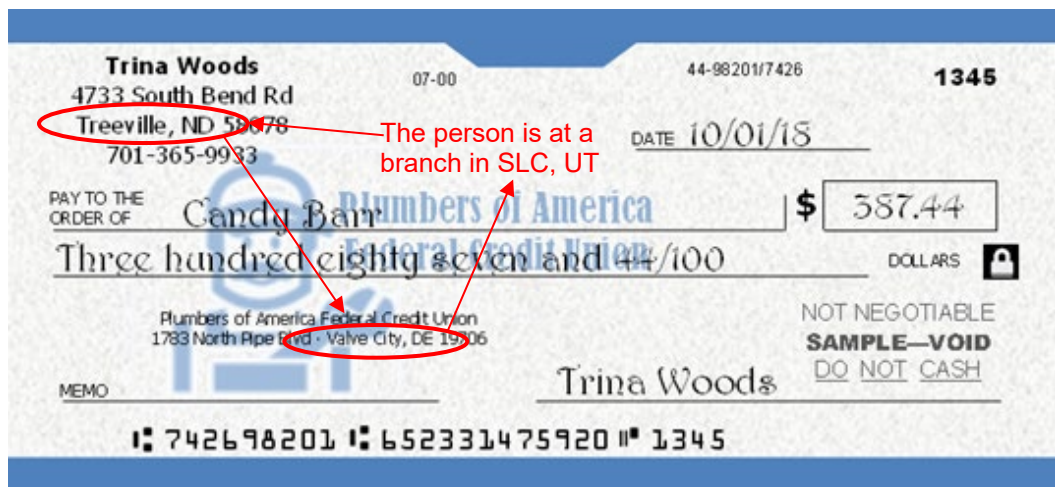
g. Review signature

If the check is from	Then compare the signature	To determine if
a member	to other checks the member has written	they were signed by the same person.
a non-member	to the payer's name on the check	the payer's signature matches the name.
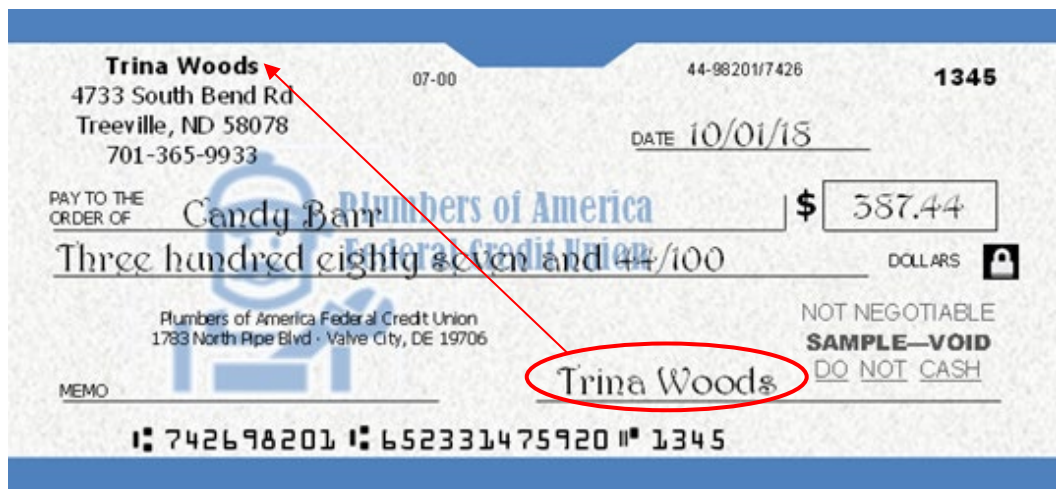
h. Review endorsement

👀 **Caution:** Is it a third-party endorsement? The suspect may have signed the check over to themselves. Review the account for available funds.

i. Review check type

👀 **Caution:** Is it a personal check? These are less reliable than cashier's checks and money orders.

🎆 **Hot Tip:** A check stub included with the check deposit does NOT validate the check.

j. Verify security features on the check

If the following security feature is listed on the back of the check	Then
heat sensitive ink	rub or hold finger over heat sensitive ink. It should disappear for a moment
watermarks or holograms	move check in light to view watermarks or holograms
patterned or colored background	look closely for erasures and splicing
fluorescent ink	put the check under the blacklight - some areas will glow
microprinting	look closely at the small print to see if it's legible. Inkjet printers blur small print. Misspellings are common in small print.
Pantograph/void	"VOID" printed on check indicates it is has been copied or is a sample

5. Review person's behavior

a. Determine if they are acting suspiciously

If the person is	Then
rude	study the person's physical features to put in a Suspicious Activity Report.
overly polite	
nervous	
name dropping	
not suspicious	continue to next step.

6. Ask probing questions to determine validity of check

👀 **Caution:** Did they receive it from someone they don't know or a new side-job? They should only accept money from people they know and well-established businesses.

👀 **Caution:** Did they sell something online? This is a common way to commit online fraud.

👀 **Caution:** Did the person ask for them to send some money back and keep the rest? This is known as a Nigerian scam.

7. Excuse yourself without creating suspicion
   a. Stay calm

   b. Keep a straight face

   c. Tell the person you need to get approval for waiving a check hold

   d. Take the check and ID into the admin room

   e. Call your manager

8. Decide if this is a fraudulent transaction

Inputs	Process	Decision Rules	Outputs
• Check presented	• Review evidence	Did one of these items exist?	• Copy ID and check

• Member's account
 	
• Person's behavior
 	
• Person's responses to questions
	with manager	• Did the check look altered or forged?
		  o Crooked or matte MICR line
		
		  o Pen marks without ink
		
		  o Inconsistent printing or writing
		
		  o Misspellings
		
		• Were the security features missing?
		  o Heat sensitive ink
		
		  o Watermarks or holograms
		
		  o Microprinting
		
		  o Security threads or fibers
		
		  o Void present
		
		• Were there signs of fraud in any of the eight items of negotiability?
		  o Payer
		
		  o Date
		
		  o Payee
		
		  o Written Amount
		
		  o Financial Institution Information
			o Send to your email
			
			• Call Fraud
			  o Present evidence
			
			  o Follow Fraud's instructions
			
			• File a Suspicious Activity Report

		o Signature	
		o MICR Line	
		o Endorsement	

List (3-5 things) of What Is Critical, Difficult, and Complex

- It is difficult to quickly recognize the signs of fraud on a check.

- It is critical to review the account warnings and notes.

- It is complex because fraud schemes are constantly evolving.

- It is complex because there are many places to look for fraud on the check, account, and through the person's behavior.

- It is critical to respond appropriately when the teller suspects fraud, so they do not alert the suspect to their suspicion and the evidence is retained.

Learner Analysis

Brief Description of the Learners

The target audience is comprised of approximately 1,035 employees at American Credit Union (ACU) who hold the following job titles: Member Service Representative, Financial Service Representative, Member Experience Officer, Assistant Branch Manager, and Branch Manager. The learners (branch employees) are distributed across ACU's 95 branches, which are located in Utah, Nevada, Arizona, New Mexico, and Idaho. Their tenure with ACU ranges from three weeks to over 15 years.

Sources and Methods

Data Sources	Data Collection Method(s)
Client	Interview (face-to-face)
SME	Interview (face-to-face)
Job Incumbents	Survey (electronic)
Extant Data Review	Data Review

Data-Gathering Instruments

A survey was distributed to branch employees to solicit their input on their prior knowledge as well as their performance of the targeted skills. The ACU Fraud Manager, who is the project client, and the Assistant Fraud Manager, who is the SME, were interviewed to solicit their opinions on the target audience's prior knowledge as well as their performance of the targeted skills. Additionally, extant data regarding fraudulent checks were reviewed.

Findings and Implications: What you found out about Learners and their Instructional Implications

Relevant Skills

Learner Characteristic	Findings: What you found out about each characteristic	Data Source/Method: List a data source/method for each finding	Instructional Implications: Ideas for the instruction in the form of "therefore" statements
Prior Knowledge—what the target population already knows and does	**Complete check transactions using the teller transaction system** • Over 98 percent of survey respondents agreed or strongly agreed that they were able to complete check transactions using the teller transaction system. • The client and SME agreed that branch employees are able to key in transactions using the system, but they added that they are less proficient with knowing what to look for and	• Target audience survey • Client interview • SME interview	Therefore, the activation phase of the training will include the following components. **Previous Experience** • Branch employees will review an advance organizer illustrating the steps required to process a check in the teller transaction system. • Branch employees will review 1-2 sample valid checks to identify the eight points of negotiability.

	navigating the transaction system. **Inspect checks for the eight points of negotiability** • Over 94 percent of survey respondents agreed or strongly agreed that they were able to inspect checks for the eight points of negotiability. • The client and SME agreed with this assessment, but they added that while branch employees are able to perform this inspection, they frequently fail to do so. They attribute this performance gap (which is not measured) to branch employees choosing speed over quality.	• Target audience survey • Client interview • SME interview	**New Experience** • Branch employees will view a sample check illustrating the eight points of negotiability and how each point is related to the fraud identification process. • The instructor will lead a brief discussion about the volume of fraud at ACU and its impact on the credit union's bottom line.

Relevant Contextual Factors

Learner Characteristic	Findings: What you found out about each characteristic	Data source/method: List a data source/method for each finding	Instructional Implications: Ideas for the instruction in the form of "therefore" statements
Orienting Context—Learner motivations related to the job and any corresponding job training	Most branch employees consider themselves proficient at recognizing check fraud, and they may have little to no exposure to data showing ACU's challenges with fraudulent checks.	• Target audience survey • Extant data review	Therefore, the training will incorporate Attention strategies, such as "A1.1: Introduce a fact that seems to contradict the learner's past experience" and Relevance strategies, such as "R3.1: State explicitly how the instruction relates to future activities of the learner" (Keller, p. 4).
Instructional Context—Any factors in the learning environment that may affect learning	Learners need to be able to recognize multiple types of fraud, and they may not see any individual one with much frequency.	• Client and SME Interviews	Therefore, the training will incorporate application activities that expose learners to multiple types of fraud, and it will include a job aid that learners can use as a reference when faced with a potentially fraudulent check. The job aid will be housed in the knowledge management

			system which branch employees will be able to access when confronted with a potentially fraudulent check. It will include a check labeled with the eight points of negotiability along with reminders about account warnings and questions to ask the member/non-member.
Transfer Context—Any factors related to the workplace that could facilitate or hinder application of learned skill on the job	Learners do not receive consistent feedback on their check fraud recognition performance, whether successful or unsuccessful.	• Client and SME interviews	Therefore, the training will incorporate peer coaching to facilitate integration. After the training, the CU may want to provide feedback about the extent to which Branch Employees are successfully reporting fraudulent activities.

Mode of Delivery

Delivery Mode Sselect One or More)	Rationale

☑ Instructor-led training. Can include:
 	
    ☑ Traditional classroom
 	
    ☐ Virtual classroom
 	
☐ Self-paced training. Can include:
 	
    ☐ Print-based workbooks
 	
    ☐ Online/eLearning that learners complete individually
 	
☐ Structured on-the-job training
 	
☐ Flipped classroom
	While most branch employees feel confident about their ability to recognize and appropriately handle a fraudulent check, the data indicate that ACU is still facing a very significant check fraud problem that is costing the credit union an average of more than $110,000 per day. A traditional classroom approach will provide the opportunity for branch employees to view demonstrations that will show them which steps in the process they have been missing, and it will also provide ample opportunity to practice reviewing checks and discussing them with members/non-members in order to begin to solidify the skill.

Job-Focused Objectives

Critical Tasks that the Training Will Address (add the numbers from the task analysis)

1. Review check for authenticity and for signs of fraud in any of the eight items of negotiability (4.)

2. Ask probing questions to determine validity of the check (6.)

3. Excuse yourself without creating suspicion (7.)

4. Decide if this is a fraudulent transaction (8.)

Job-Focused Instructional Objectives

#	Performance (include TA #)	Conditions on the job	Criteria on the job
1	Branch employees will review check (4.)	**Cues** • Member or Non-member gives a branch employee a check to process **Resources** • Check • Member or Non-member • Member's account information, if any	Reviewed eight items of negotiability for fraud: • Payer information • Written and Numeric Amount • Financial Institution Information • Signature • MICR Line • Endorsement • Check date

			• Payee
			Reviewed check authenticity:
			• Security features
			• Check type
			• Check open date
			Reviewed member's account
			• Warnings
			• Notes
2	Branch employees will ask probing questions (6.)	**Cues** • Check with alterations, inconsistencies, any signs of fraud, or missing any of the eight points of negotiability • Suspicious behavior • Account warnings **Resources** • Check • Member or Non-member • Member's account, if any	• All appropriate probing questions to determine validity of the check are asked of the member or Non-member, such as: • Did they receive it from someone they don't know or a new side-job? • Did they sell something online? • Did the person ask for them to send some money back and keep the rest?

			• Is this an overpayment/more than the amount owed to you?
3	Branch employees will be able to excuse themselves (7.)	**Cues** • Check with alterations, inconsistencies, any signs of fraud, or missing any of the eight points of negotiability • Account warnings • Member or Non-member's suspicious behavior (rude, overly polite, nervous, name dropping) • Member or Non-member's responses to questions **Resources** • Check • Member or Non-member • Member or Non-member's ID	• With a calm disposition. • With a straight face. • With an appropriate excuse. • With the check and ID retained.
4	Branch employees will determine if the check is fraudulent (8.)	**Cues** One or **more** of the following: • Check with alterations, inconsistencies, any signs of fraud,	• Verify evidence of fraud and suspicion of fraud with the manager and the fraud department.

or missing any of the eight points of negotiability

- Member or Non-member's responses to questions

- Member or Non-member's suspicious behavior

- Member's account information, including account warnings (New Account, Hold, Recent Transactions, Code, Word, Lost/Stolen ID, Fraud/Forgery, and/or Update Address/Phone)

Resources
- Check

- Member or Non-member

- Member's account, if any

- Manager

- o   Copy ID and Check

- o   File a Suspicious Activity Report

- Before continuing with the transaction.

Performance Assessment Instrument

Type of Performance Assessment and Rationale

Type of Assessment	Rationale
Process assessment	Recognizing check fraud requires analyzing the check(s) presented by the member or non-member, asking additional fact-finding questions, and then making complex decisions to assess the situation to determine if the check(s) is fraudulent. To assess branch employee performance a process-based assessment will be used. The main objectives are reviewing checks and having a conversation with the instructor, which will need to be observed during the assessment.

Assessment Instrument

Overview of assessment: During the practical final of the branch employees will be assessed on member service, product and service referrals, and fraudulent transactions. Each employee will help five "members" who are made up of other course members and trainers from the Training department. Trainers will have different scenarios, one of which will be a fraudulent transaction. These scenarios will be provided to each employee in a random order. When the trainer conducts the fraudulent transaction, they will use the assessment checklist provided to evaluate the criteria of each critical objective. During this time the lead instructor will act as the manager.

Resources
The assessment requires the following resources:

- Scenario

- Check for scenario

- Additional trainers – who will act as members

- Access to the training transaction system

- A variety of accounts (already setup and ready) with the following warnings:

    o   New Account

- o   Hold

- o   Recent Transaction

- o   Code Word

- o   Lost/Stolen ID

- o   Fraud/Forgery

- o   Update Address/Phone

- Assessment checklist

Roles

Three roles for the final will be filled by the instructor, trainers, and branch employees.

1. **Instructor**: the instructor will fill the role as manager during the role play. They will be available to answer any questions the branch employee may have and to assess how the branch employee will handle presenting the evidence of fraud to their manager.

2. **Trainers**: additional trainers from the Training team will act as members with the branch employees. The trainers will be the one to give the branch employee the fraudulent transaction at a random time. They will assess how the branch employee interacts with the member.

3. **Branch employees**: branch employees will fulfill two roles throughout the role play. The group of branch employees will be divided into two groups (1) members and (2) tellers. While acting as members branch employees will provide random transactions to those being tellers so they can practice member service and offering products. While acting as tellers, branch employees will process transactions received from the trainers and other branch employees.

Instructor (Manager) Instructions: Divide the branch employees into two groups. Have one group, who will act as tellers, log into the transaction system. Give the other group, who will act as members, a scenario of what brought them into the branch and a check. Have the group of members role-play with the tellers. During this time, be available to those being tellers for questions and assistance. Branch employees will be instructed to come to you when they believe they have received a fraudulent check. When they do, take them aside and use the assessment checklist to verify they have completed all critical tasks of recognizing check fraud. If the branch employee does not master the scenario, provide them with feedback on what was missed or incorrect.

Trainer (Member) Instructions: At a random time during the assessment approach the tellers with the fraudulent scenario. The only information about the scenario that will be given up front is that they would like to deposit a check. During each step of the process use the assessment checklist to verify the teller has completed all critical tasks of recognizing check fraud, asking probing questions, and excusing themselves.

Branch Employee (Teller) Instructions: A member will give you a scenario using the skills learned determine if the check is fraudulent. This includes verifying the check, reviewing the account, and asking questions. The goal is to determine if the check is fraudulent and handle the situation appropriately. If the check is believed to be fraudulent, excuse yourself and discuss the situation with the facilitator who will be playing the role of manager. Be prepared to present all the evidence and explain why the check is believed to be fraudulent. Once the teller has passed all parts of the practical final they will switch with one of the branch employees acting as a member. If another employee is speaking with the manager you may have to wait a minute which may happen when returning to the branch.

Scenarios

Scenario One: Tricia, a member, recently received a check to pay for an old car radio she sold online. The buyer sent Tricia a personal check for more than the purchase price asking her to use the additional funds to pay for shipping. Tricia has come in the branch today to deposit the check.

NOTE: The only information to be given at the beginning of the scenario is that Tricia would like to deposit a check. The teller must ask questions before receiving any additional information.

Example check for the scenario:
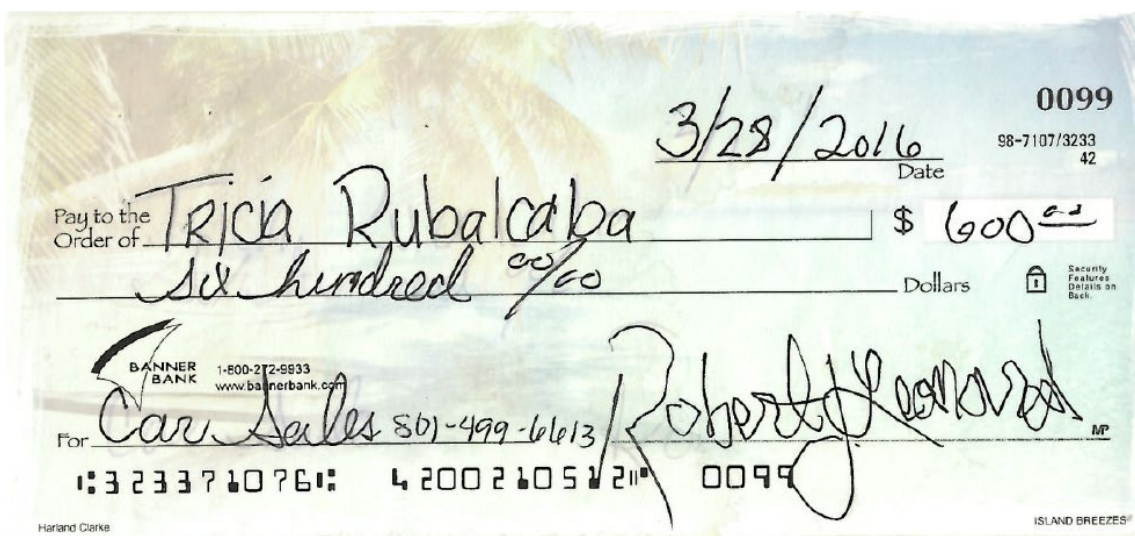
Scenario Two: Roseanne, a non-member, has come into the branch to cash a check they received from Stormy, a member.

NOTE: Stormy's account will have a New Account warning and a transaction history of repeating cash deposits and checks being cashed.

Example check for the scenario:

Scenario Three: Britnee, a member, has come into the branch to deposit her payroll check. She just started a new job online has not met her employer.

Example check for the scenario:
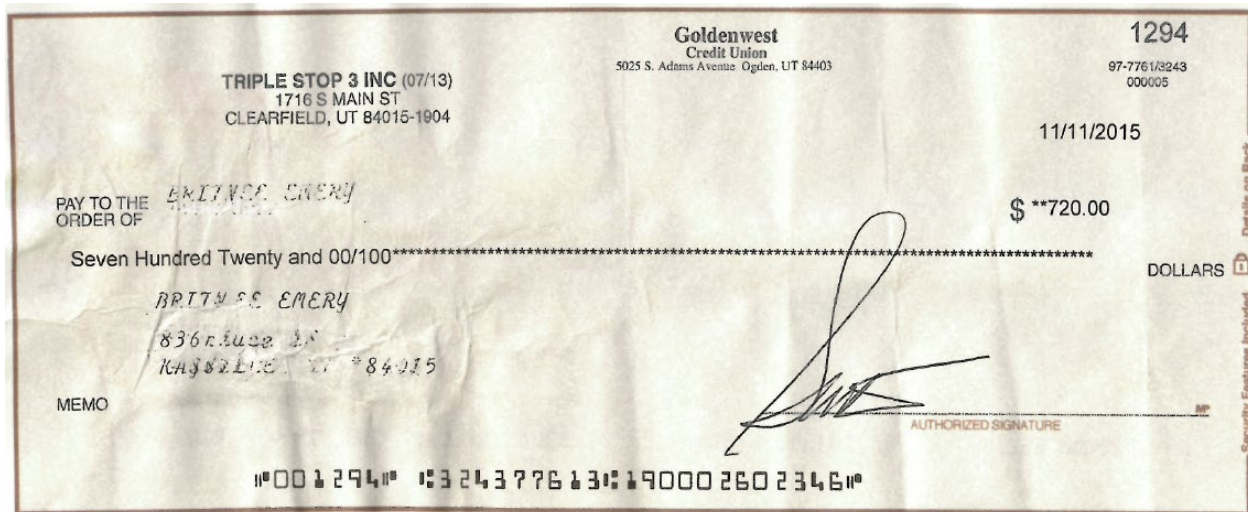
Assessment from Trainer (Member)

Assessment from Trainer (Member)			
Did the branch employee:	**Meet the criteria?**	**Points**	**Comments**
Ask probing questions to determine validity of the check Examples but not limited to: • Did they sell something online? • Did the person ask for them to send some money back and keep the rest? Was this an overpayment/more than the amount owed to you?	☐ Yes ☐ No	5	
Excuse themselves without creating suspicion Examples but not limited to: • With a calm disposition. • With a straight face.	☐ Yes ☐ No	3	
Excuse themselves with an appropriate excuse Examples but not limited to: • Need the manager waive a check hold • Need to verify the funds of the check • Need to get money from the vault to cover the check amount	☐ Yes ☐ No	3	

	Point Total		Must receive at least 8 points for mastery

Assessment from Instructor (Manager)

Assessment from Instructor (Manager)			
Did the branch employee:	**Meet the criteria?**	**Points**	**Comments**
Verify Evidence of Fraud			
Explain how at least one item of negotiability indicates fraud • Payer information • Written and Numeric Amount • Financial Institution Information • Signature • MICR Line • Endorsement • Check date • Payee	☐ Yes ☐ No	5	
Explain how at least one security feature indicates fraud • Heat sensitive ink • Watermarks or holograms • Patterned or colored background • Fluorescent ink	☐ Yes ☐ No	5	

• Microprinting • Pantograph/void			
Explain what, if any, account warnings indicate fraud	☐ Yes ☐ No	3	
Explain what notes, if any, on the account indicate fraud	☐ Yes ☐ No	3	
Explain what questions were asked to the member and the answers Examples but not limited to: • Did they sell something online? • Did the person ask for them to send some money back and keep the rest? • Was this an overpayment/more than the amount owed to you?	☐ Yes ☐ No	5	
Retain the check and ID	☐ Yes ☐ No	5	
Section Point Total			Must receive at least 23 points for mastery
Next Steps			
State the next steps in the process • Copy and email check and ID	☐ Yes ☐ No	5	

• Call Fraud • File a Suspicious Activity Report			
Grand Total Add up the totals from both sections		Must receive at least 31 points for mastery	

Mastery Level

Branch employees will pass the assessment when the receive at least 31 points, which gives them a passing score of 70 percent.

Remediation

If branch employees do not pass the test the instructor will give them feedback on what they missed. The branch employee will then randomly be given an additional fraudulent scenario. If the branch employee does not pass again, the instructor will note this on the scorecard sent to their manager. The employee's manager will provide extra coaching.

Detailed Instructional Plan

Course Information

Performance Gap(s)	Strategic Business Objective(s)
What we want our branch employees: • Member Service Representatives (Tellers) • Financial Service Representatives (Loan Officers) • Member Experience Officers (Teller/Loan Officer) • Assistant Branch Managers • Branch Managers to do is recognize potentially fraudulent checks and take action that • reduce the credit union's losses (ROA at 1.18 or higher and daily fraud loss below $100,000) • maintain or improve member satisfaction ratings • obtain crucial evidence What our branch employees are doing now is failing to recognize signs and patterns of fraud that result in significant losses to the credit union and its members.	One of American Credit Union's goals is return on assets (ROA), which measures how efficiently and responsibly the credit union utilizes its members' funds. The credit union has an ROA goal of 1.18%. If employees are unable to recognize fraud and fraud loss continues to increase, it will impact the bottom line and the members. Each member is a part owner of the credit union; with decreased earnings the member experience will be impacted. Not only could the results lead to lower dividends, higher interest rates, and a reduction of products and services, but they could impact the quality of service members receive in the branches and online. When employees do not know the appropriate actions to take after recognizing fraud, it increases the likelihood that the suspect is able to walk away with crucial evidence, such as the check and identification that the suspect presented. The ability to secure the evidence not only prohibits the suspect from using the materials to commit further fraud, it strengthens the credit union's case during the fraud investigation.

Delivery Mode Select One or More)	Rationale

☑ Instructor-led training. Can include:
 	
    ☑ Traditional classroom
 	
    ☐ Virtual classroom
 	
☐ Self-paced training. Can include:
 	
    ☐ Print-based workbooks
 	
    ☐ Online/eLearning that learners complete individually
 	
☐ Structured on-the-job training
 	
☐ Flipped classroom
	While most branch employees feel confident about their ability to recognize and appropriately handle a fraudulent check, the data indicate that ACU is still facing a very significant check fraud problem that is costing the credit union an average of more than $110,000 per day. A traditional classroom approach will provide the opportunity for branch employees to view demonstrations that will show them which steps in the process they have been missing, and it will also provide ample opportunity to practice reviewing checks and discussing them with members/non-members in order to begin to solidify the skill.

Sequencing of Objectives

#	Performance (include TA #)	Conditions on the job	Criteria on the job
1	Branch employees will review check (4.)	**Cues** • Member or Non-member gives a branch employee a check to process **Resources** • Check • Member or Non-member • Member's account information, if any	Reviewed eight items of negotiability for fraud: • Payer information • Written and Numeric Amount • Financial Institution Information • Signature • MICR Line • Endorsement • Check date • Payee Reviewed check authenticity: • Security features • Check type • Check open date Reviewed member's account

			- Warnings - Notes
2	Branch employees will ask probing questions (6.)	**Cues** - Check with alterations, inconsistencies, any signs of fraud, or missing any of the eight points of negotiability - Suspicious behavior - Account warnings **Resources** - Check - Member or Non-member - Member's account, if any	- All appropriate probing questions to determine validity of the check are asked of the member or Non-member, such as: - Did they receive it from someone they don't know or a new side-job? - Did they sell something online? - Did the person ask for them to send some money back and keep the rest? - Is this an overpayment/more than the amount owed to you?
3	Branch employees will be able to excuse themselves (7.)	**Cues** - Check with alterations, inconsistencies, any signs of fraud, or missing any of the eight points of negotiability - Account warnings	- With a calm disposition. - With a straight face. - With an appropriate excuse. - With the check and ID retained.

		Member or Non-member's suspicious behavior (rude, overly polite, nervous, name dropping)	
		• Member or Non-member's responses to questions	
		Resources	
		• Check	
		• Member or Non-member	
		• Member or Non-member's ID	

4	Branch employees will determine if the check is fraudulent (8.)	**Cues**
		 One or **more** of the following:
		 • Check with alterations, inconsistencies, any signs of fraud, or missing any of the eight points of negotiability
		 • Member or Non-member's responses to questions
		 • Member or Non-member's suspicious behavior
		 • Member's account information, including account warnings (New Account, Hold, Recent
			• Verify evidence of fraud and suspicion of fraud with the manager and the fraud department.
			     o Copy ID and Check
			     o File a Suspicious Activity Report
			 • Before continuing with the transaction.

		Transactions, Code, Word, Lost/Stolen ID, Fraud/Forgery, and/or Update Address/Phone) **Resources** • Check • Member or Non-member • Member's account, if any • Manager	

Division of Objectives into Units

The objectives were divided into three units: identifying fraud indicators on the check (objective 1), interacting with member/non-member when determining check fraud (objective 2), and putting it all together (objective 3 and 4). This gives employees time to practice new and difficult skills before putting it all together.

Introduction

Course Element	Description / Explanation	Resources	Graphics	Estimated Time
Course introduction	Instructor will begin class with: 1. Overall intent and objective of course a. There is an increasing number of unreported fraud cases that happen during basic transactions in the	• Facilitator Workbook • Student Workbook		8 minutes

	branches. With the ever-increasing ways to commit fraud and the trends constantly changing, it has become more important for branch employees to identify check fraud and respond appropriately.			
	2. Explanation of how previous knowledge of standard check procedures will be used to identify fraud			
	3. Relevant information about the number of fraudulent checks the credit union receives each year and the financial impact of these transactions.			
	4. Short discussion asking about the consequences of fraudulent checks on the credit union, its members, and branch employees.			
	5. An overview of course structure and learning objectives.			

Plan for Each Unit

Objectives 1 and 2 have their own units, since these are new skills that need individual practice. Objectives 3 and 4 were combined in unit 3 to pull all the information together.

Unit 1: Identifying fraud indicators on the check

Course Element	Description / Explanation	Resources	Graphics	Estimated Time
Transition from preceding unit (if applicable)	The first and most important step in stopping fraud is being able to identify fraudulent indicators on the check.			1 minute
Unit Objective(s)	Objective 1: Branch employees will review check (4.)			
Activation	**Previous experience**: Each branch employee will be given a sample valid check. The instructor will draw upon the employee's previous knowledge by having them call out the eight points of negotiability. The instructor will list the eight items on the board. (3 minutes) **New experience**: The instructor will explain that there can be indications of fraud that appear in the eight items of negotiability. (3 minutes) **Structure**: The instructor will use the sample check as an advanced organizer to connect previous knowledge of the eight items of	• Sample checks • Whiteboard • Dry erase marker	• Valid check	12 minutes

	negotiability to how they can be indicators of fraud. (4 minutes)			
Demonstration	The check inspection procedure will be demonstrated using multiple checks exhibiting a variety of types of fraud. The instructor will demonstrate how to review the eight points of negotiability for fraud indicators and verify the security features. (10 minutes) **Demo 1**: Instructor reviews a personal check and points out an alteration in the numeric amount. The instructor discusses additional places on the check where an employee may see alterations and methods used to alter a check. **Demo 2**: Instructor hands out the security features instructional aid and discusses security features to look for when reviewing checks. Instructor reviews a business check and points out the heat sensitive ink spot does not change when rubbed. **Demo 3**: Instructor reviews a money order with misspellings in the fine print. The instructor discusses how fraud can appear on a	• Sample checks	• Personal check with alteration in numeric amount • Business check with a fake heat sensitive ink spot. • Money order with misspellings in the fine print. • Security features instructional aid	10 minutes

	variety of different types of checks: cashier's checks, money orders, traveler's cheques, etc. **Demo Debriefing**: The instructor leads a discussion to compare and contrast the different types of fraud and examples the employees have seen.			
Application	**Number of practices**: 3 **Practice 1**: In groups of 2-3, the branch employees review stacks of five fraudulent checks and identify the signs of fraud using the security features instructional aid as a resource. (8 minutes) **Practice 2**: Individually each branch employee reviews a mix of 10 fraudulent and legitimate checks and sorts them into piles. They compete in a game called Fraud Finder to accurately sort the checks the fastest. The security features instructional aid will be available, but the instructor will not remind employees to use it. (15 minutes) **Practice 3**: Using the transaction system, each branch employee is given three checks. Individually each one must determine whether the checks are fraudulent by reviewing the	• Sample checks • Transaction system • Security features instructional aid	• 12 checks with fraud • 6 valid checks • Security features instructional aid	28 minutes

	checks and the accounts. The instructional aid will not be available during this practice. (5 minutes) **Practice Consistency**: The practices are designed so that they are consistent with the objectives. Practice 1 allows employees to practice identifying fraud. Practice 2 builds this skill while incorporating speed and accuracy. Practice 3 encompasses cues from the teller system into identifying fraud. **Diminishing Coaching**: Per the coaching table, during practice 1 the instructor is proactive in giving feedback, detecting errors, and reminding learners of key points and to use the instructional aid. Practice 2, the instructor provides coaching only as needed, points out what is difficult, critical, and complex, and provides delayed feedback. Practice 3, the coaching is as requested by the learners. **Varied Problems**: The employees are given checks with a variety of fraud to identify and distinguish from valid checks.			
Integration	**Create and Reflect**: Branch employees will take a moment to reflect on the practice	• Note page		5 minutes

| | activities. Each employee will write notes to help him or herself remember key points about identifying potential check fraud.

Post-training integration

Watch Me: After training, the manager will work with the branch employees to practice identifying fraudulent checks similar to the Fraud Finder game on a semi-annual basis.

Branch employees will be encouraged to share their knowledge of alterations and security features with friends and family. | | | |
|---|---|---|---|---|
| | | | Estimated total time | 56 minutes |

Coaching Table

Coaching Strategy	Practice 1	Practice 2	Practice 3
Reminder to use instructional aid	Remind branch employees to review the security features instructional aid as they review each check.	There will be no reminder to use the instructional aid. However, the instructional aid will still be accessible to the branch employees.	The instructional aid will be removed.

Reminder of what is critical, difficult, or complex	The instructor reminds the student of key points from the demonstration prior to beginning practice: • Signs of fraud in the eight points of negotiability • Security features	The instructor provides specific reminders of what is critical, difficult, or complex: • Payer information • Open date • Stale dated • Bermuda triangle • Third party endorsements	The instructor provides specific reminders of items from the last practice of what is critical, difficult, or complex after the practice is over and only if the learner makes a mistake.
Chunking and Coaching (error detection and correction)	Branch employees will receive immediate feedback and coaching through each step of identifying fraud in each check.	Branch employees will receive coaching after sorting the first five checks focusing on what is critical, difficult, and complex: identifying alterations and forgery on the checks. Then, they will receive additional coaching after sorting another five checks.	No coaching will be provided during this practice. The branch employee will be provided with delayed feedback from the instructor after the practice.
Delayed feedback (after practice or assessment is over)	Instructor provides feedback after all the checks have been reviewed.	Instructor provides feedback after all the checks have been reviewed.	Instructor provides feedback after all the checks have been reviewed. Instructor tells branch employees the extent

					to which they met the mastery criteria: • Review account warnings and notes • Identify signs of fraud in the eight points of negotiability • Identify security features missing

Unit 2: Interacting with Member/Non-Member When Determining Check Fraud

Course Element	Description / Explanation	Resources	Graphics	Estimated Time
Transition from preceding unit	The instructor will explain that fraud isn't always visible on the check, like in nigerian scams, and that it is important to ask questions and watch the member/non-member's reactions to further identify indications of fraud.			1 minute
Unit Objective(s)	Objective 2: Branch employees will ask probing questions (6.)			

	Objective 3: Branch employees will excuse themselves (7.)			
Activation	**Previous experience**: Instructor will ask the class questions to get branch employees thinking about personal experiences they may have already had in difficult member interactions. Branch employees without much previous member service experience will benefit from hearing from others in the class who have had these types of experiences previously. Additionally, the branch employees that may not have had experience dealing with members may be able to share experiences they've had as a member in a difficult conversation. The instructor will remind employees to refer to the types of suspicious behavior they learned about in order to fill out a Suspicious Activity Report. **New experience**: The instructor will highlight aspects of the branch employees' stories that will be relevant to the new skills they will be learning. The instructor will emphasize the importance of asking questions when suspicious behavior is identified.	• Advanced organizer		10 minutes

	Structure: An advance organizer will illustrate the process of asking the customer questions and the branch employee excusing themselves. It will highlight the key questions to ask and appropriate ways to excuse themselves.			
Demonstration	The instructor will show two videos of interactions between a branch employee and a member presenting a potentially fraudulent check. Each video will show the branch employee correctly handling the interaction. The video will use captioning to call out what is critical, difficult, and complex. The instructor will pause the videos to elaborate further on what is critical, difficult, or complex, explain which probing questions the branch employee should be asking the member, and narrate what the branch employee does to excuse themselves away from the member. **Demo 1**: The instructor will play the first video. During this first demo the interaction between the branch employee and the member will be pleasant. The instructor will focus on pausing and calling out the critical probing questions the branch employee is asking the member and how the member's responses may	• Video clips	• Video clips • Captioning • Telestrator	15 minutes

or may not indicate fraud. Additionally, the instructor will point out steps the branch employee takes to excuse themselves.

Demo 2: The instructor will play the second video. During the second demo the interaction between the branch employee and the member will be difficult, with an angry member. The instructor will pause and call out the critical probing questions the branch employee is asking the member and how the member's responses may or may not indicate fraud. Additionally, the instructor will point out steps the branch employee takes to excuse themselves. This demo will also show the entire process, similar to the first demo, but will demonstrate how the branch employee is able to gather the needed information and retain the ID and check in a more difficult situation.

Debriefing: After both videos, the instructor will have the students compare and contrast the 2 demos and what they learned from the demos. The instructor will elaborate on the student's responses clarifying and reiterating the critical, difficult, and complex steps.

Application	**Number of practices**: 3	• Scenarios		45 minutes
	Practice 1: Learners will pair up and practice asking probing questions and then excusing themselves. One person will be the branch employee, the second person will pick a scenario/script of a member/non-member they will then swap roles and the new "member/non-member" will pick a new scenario/script. They will continue to role-play through 4-6 scenarios with each person playing the "branch employee" role 2-3 times (depending on class size to allow the instructor enough time to coach each pair). During this first practice the instructor will work with each pair and guide the "branch employee" through each step. During this first practice the scenarios will be easier with the "member/non-member" acting cooperative during the interaction.			
	Practice 2: Like the first practice learners will remain paired and one person will be the branch employee and the second person will pick a scenario/script of a member they will then swap roles. During this second practice the pairs will form groups with another pair.			

| The pairs will observe each other's practice scenarios and provide feedback to each other after each pair completes their practice. The instructor will also observe and will provide any additional feedback that that is critical that the observing pair may have missed. During this practice the "member/non-member" will act less cooperative and more defensive during the interaction.

Practice 3: A final practice will take place in the pairs where the instructor will observe to verify each individual is able to meet the objective criteria for asking the appropriate probing questions and excusing themselves without any guidance. The instructor will provide feedback at the end of the scenario. During this final practice the "member/non-member" will act defensive and extremely difficult to interact with during the interaction.

Practice Consistency: The practices are designed so that they are consistent with the objectives. The practices allows employees to practice asking probing questions, react appropriately to difficult situations, and properly excuse themselves.			

	Diminishing Coaching: Per the coaching table, during practice 1 the instructor is proactive in giving feedback, detecting errors, and reminding learners of key points. Practice 2, the instructor provides coaching only as needed, points out what is difficult, critical, and complex, and provides delayed feedback. Practice 3, only delayed feedback is given. **Varied Problems**: The instructors gives the employees a variety of situations and levels of member aggression to practice their responses. The difficulty of the problems increase with each practice.			
Integration	**Reflect and Create**: The learners will briefly summarize in their small groups what they learned from this unit and how they plan to start using their new skills on-the-job. **Post-training integration** **Watch Me**: After training, the manager will work with the employee to practice responding to members in different fraud scenarios.			5 minutes
			Estimated total time	71 minutes

Coaching Table

Coaching Strategy	Practice 1	Practice 2	Practice 3
Reminder of what is critical, difficult, or complex	The instructor reminds the learners of key points of what is critical, difficult, or complex during practice, specifically: • Key questions to ask • Appropriate excuses	The instructor provides specific reminders of what is critical, difficult, or complex only if missed during the scenarios.	There will be no reminders given during this practice.
Chunking and Coaching (error detection and correction)	The instructor will work with each pair and coach the "branch employee" through each scenario.	Branch employees will receive coaching after each scenario from primarily their peers and the instructor.	No coaching will be provided during this practice. The branch employee will be provided with delayed feedback from the instructor after the practice.
Delayed feedback (after practice or assessment is over)	Instructor provides feedback after all scenarios have been completed.	Instructor provides feedback after all the scenarios have been completed.	Instructor provides feedback after all scenarios have been completed. Instructor tells branch employees the extent to which they met the mastery criteria.

Unit 3: Putting it All Together

Course Element	Description / Explanation	Resources	Graphics	Estimated Time
Transition from preceding unit	The instructor will have the employees move to the mock teller line to practice putting all the pieces together.			1 minute
Unit Objective(s)	Objective 4: Branch employees will determine if the check is fraudulent (8.)			
Application	Number of practices: 1 Number of assessments: 1 Practice 1: Each branch employee will be given three checks at random. Some of the checks will be valid, and others will be fraudulent. Working individually, each employee will review the eight points of negotiability, security features, and account warnings to assess the check for fraud. As the employee reviews each check, s/he will interact with the "member/non-member" (played by the instructor and SME) as appropriate to the situation. If, based on fraud indicators and the conversation with the member/non-member, the branch employee believes the check to be fraudulent, s/he will explain to the instructor or	• Knowledge management system • Scenario • Check for scenario • Additional trainers – who will act as members • Access to the training transaction system	• 8 checks for scenarios • Assessment checklist	30 minutes

	SME what s/he would say when reporting the issue to the manager or fraud manager. (15 minutes) There will be no coaching. Branch employees will receive delayed feedback after completing the role play exercise. Assessment: The instructor will setup a final assessment similar to the practice. To assess branch employee performance, a process-based assessment will be used. The main objectives are reviewing checks and having a conversation with the instructor, which will need to be observed during the assessment. (15 minutes) During the practical final, branch employees will be assessed on member service, product and service referrals, and fraudulent transactions. Each employee will help five "members" who are made up of other course members and trainers from the Training department. Trainers will have different scenarios, one of which will be a fraudulent transaction. These scenarios will be provided to each employee in a random order. When the trainer conducts the fraudulent transaction,	• A variety of accounts (already setup and ready) • Assessment checklist		

	they will use the assessment checklist provided to evaluate the criteria of each critical objective. There will be no coaching during the assessment. During this time the lead instructor will act as the manager.			
	Practice Consistency: The practice and assessment allow the employee to practice the entire sequence of tasks as they would do on the job. The lead instructor will use the performance assessment checklist to provide feedback.			
	Diminishing Coaching: No coaching will be provided during this practice. Instructor tells branch employees the extent to which they met the mastery criteria and how to improve their performance.			
	Varied Problems: The instructor gives the branch employees a mix of valid and fraudulent checks during five scenarios.			
Integration	The application phase practices help the learners to publicly demonstrate their new skills. In a discussion summary, they will also share ways in which s/he can incorporate the			5 minutes

	check fraud review process into his/her day-to-day job. **Post-training integration** **Reflect and Create**: Employees attend a webinar thirty days after training. During a piece of the webinar, they discuss how they have integrated the skills into their work and get ideas from other employees on ideas they can incorporate. A monthly report is sent to branch managers on the overall branch performance. The Fraud Manager will work with Branch Administration to add a fraud section to this report. Branch managers will review these numbers regularly with the branch employees and discuss how they can impact them by properly addressing fraud. **Watch Me**: The branch manager practices fraud scenarios with the branch employees twice a year during morning meetings.		
		Estimated total time	21 minutes

Coaching Table

The coaching table for unit 3 was intentionally omitted because coaching was already addressed in previous units. Aligning with the assessment, the branch employees will complete the unit without immediate feedback or assistance.

Summary

Course Element	Description / Explanation	Resources	Graphics	Estimated Time
Course summary	After reminding the employee of the importance of following the check fraud review process, the instructor will remind the branch employee of resources that are available to support the process. The instructor will give the branch employee an opportunity to ask any lingering questions.	• Knowledge management system		5 minutes

Total course estimated time = 181 minutes

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