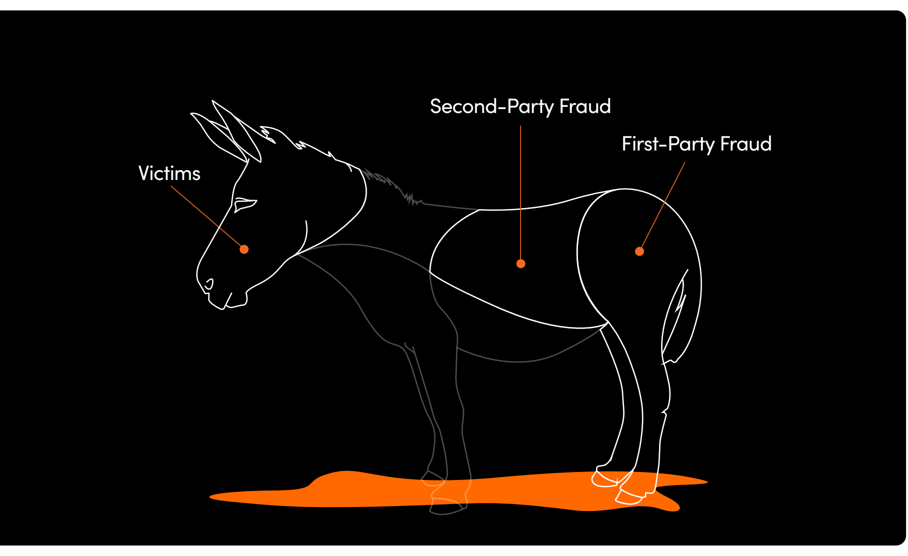
Infographic

It's time to rethink how we define money mules.



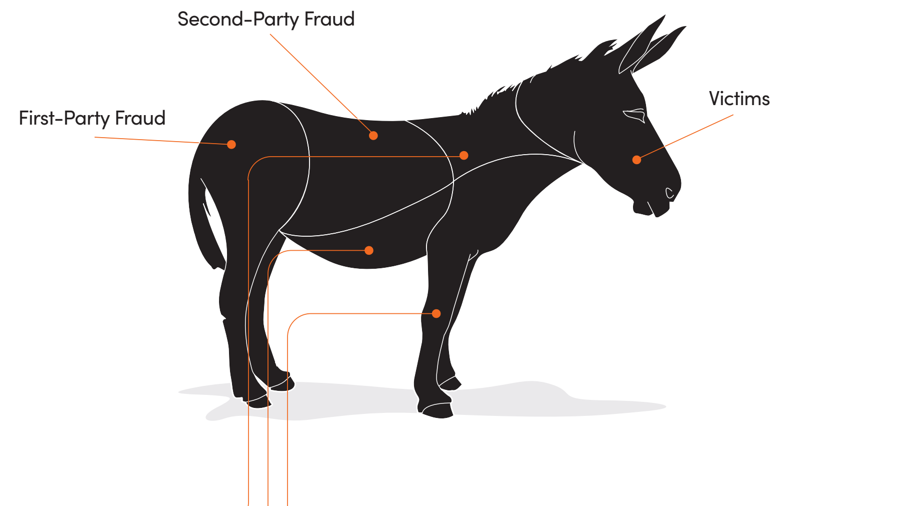
Socure predicts that over the next two years, we'll learn more about money mules than we have in the last 20 years.

When it comes to money mules, financial institutions typically only consider unwitting and witting participants.

Is it an unwitting participant?	Fraud	Is it a witting participant?
Looks like a victim		Must be first-party or second-party fraud

But following this path means you'll only catch a small percentage of money mules.

To truly understand the money mule fraud method, we need to connect identity and behavior.



Third-Party Fraud

Third-party fraud happens at account origination. It slips through your fraud defenses and once the fraudsters are in your environment, they wreak havoc.

What's the fix?

Employ a specific third-party fraud model at origination.

Account Takeover

Through credential stuffing or malware on a consumer's phone, bad actors can know everything about an account. Then, they can change contact elements so the email or one-time password goes to the bad actor.

What's the fix?

Models that determine the risk of email, phone, address, or device can reveal if these attributes correlate back to the account owner at origination.

Synthetic Fraud

Synthetic fraud enters your portfolio – often via Demand Deposit Accounts (DDAs) – when financial institutions rely solely on Customer Identification Programs (CIPs) or KYC, because these tools only validate if an identity is real or not.

What's the fix?

Even though banks aren't currently losing revenue through money mules, this may soon change if regulatory bodies shift the fraud liability of authorized push payments.

A synthetic fraud model at origination is critical to keep synthetic identities from coming through your front door.

Money muling is more sophisticated than we think.

By tying together all elements of identity – along with account behavior – we can understand money mules analytically, comprehensively – and a whole lot faster.

If you haven't been doing this at account origination, it's time to make a new plan.

SEE HOW SOCURE CAN HELP

www.socure.com

*Socure report, The State of Synthetic Fraud: Evolution, Trends, and How We Will Eradicate it by 2026