

Case Study

ACFCU Disrupts Million-Dollar Mule Activity

Tenacity & Technology Save an Unwitting Victim





ACFCU

Headquarters: Amarillo, TX

Assets: \$300M

Core System: Fiserv – Portico

Money laundering is linked to a range of criminal activities from trafficking to terrorism to fraud. With over \$3.1 trillion in illicit flows identified globally in 2023, every dollar moved has a story behind it. Criminals move illegally acquired money from fraud scams and other predicate crimes through people acting as money mules — they may or may not be aware that their actions break the law. Disrupting this illicit activity requires investigative tenacity empowered by industry-leading financial crime management technology.

ACFCU is headquartered in Amarillo, at the heart of the Texas Panhandle. Embodying the vigilance and grit the region is known for, when a member of their institution was acting unusual, they dug in — using Nasdaq Verafin to disrupt a million dollars in criminal activity that was crossing state lines and exploiting a vulnerable individual.

Suspicious Transactions to Wire Fraud Alerts

The day-to-day activities of Emma Smith, Compliance Manager at ACFCU, range from routine regulatory reporting to investigating unusual activity. When she and her team notice potentially suspicious activity, they lean into their experience, instincts and the support of Nasdaq Verafin to help uncover financial crime at their institution.

“For the most part, I recognize the names of people that I file CTRs on, and they have legitimate reasons for regularly conducting large cash transactions,” says Emma. “I initially filed two CTRs on one of our members, and of course, the first couple didn’t alarm me, but when a third CTR filing was required, my suspicions started to rise. This account was for a new member, who was conducting large cash transactions. This member was also transferring out large amounts of money.”

Almost in tandem, as Emma started to examine these suspicious transfers, a wire fraud alert generated in Nasdaq Verafin for the same member.

“I regularly work wire fraud alerts in the application, but we received a new wire alert for this member that I had not seen before,” said Emma.



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ACFCU
Better Banking

“The alert we received was for an outgoing wire, indicating that the member was trying to send money to an account previously tied to mule activity.”

Now, with two strong pieces of evidence in hand, Emma’s initial instincts to dig deeper were further supported — turning this into a full investigation.

Uncovering the Details – Building the Case

The person in question was a 45-year-old member of ACFCU. Recently, in addition to their personal account, the member opened a business account. Within a short timeframe, over \$1 million had been transferred into these accounts. Looking at the members’ account activities in Nasdaq Verafin indicated that the transactions were coming from a car dealership in New York.

During Emma’s inquiry, she contacted the member about the nature of their business and asked where the extensive amounts of money transferred into the account had come from. At first, the member claimed they did not know why they received the large transactions from a car dealership in New York. “The member then told me that their business does not deal with cars but is a small jewelry-making business. At this point, it became very apparent that something was very off about this situation,” said Emma.

After further investigation, Emma’s suspicions were confirmed. “Our member had met an individual at a funeral, who was believed to be a distant cousin. He convinced our member to start moving money, directing them to wire funds to other accounts, make cash withdrawals, and attempt to convert some into Bitcoin. Seemingly, our members’ only payment for this was having a water bill paid on occasion. After multiple conversations with our member, we realized they didn’t understand what they were doing or its potential legal implications. It became apparent that our member was being taken advantage of.”

With these details in hand ACFCU moved to freeze the member’s activities, deeming them illegal, and asked the member to come to their branch and close out her accounts.

Preventing Financial Crime – Real-Time Solutions

Individual patterns of financial crime help uncover the big picture of money laundering and fraudulent activity. A solution that provides a holistic picture of an account holder’s transactions, interactions and behaviors helps speed up investigations and increase certainty in detecting illegal activity.

“With Nasdaq Verafin’s help, we were able to quickly identify the risk of our member’s activities,” said Emma. “Over time, we would have uncovered this risky situation, but not at the same speed, and not before potentially more money had been transferred in and out.”

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-Emma Smith,
Compliance Manager

Nasdaq Verafin's Wire Fraud solution allows investigators to better understand the behaviors of account holders within an institution — their patterns of transactions and who they transact with across various payment channels. Our consortium approach also provides insights into counterparty risk for confidence in your customers' wire recipients.

The Nasdaq Verafin application allowed Emma to view the member's historic transaction patterns over the course of 30, 60 and 90 days, clearly showing the recent unusual incoming and outgoing movement of money, and evidence of unusual wires to crypto endpoints. It also flagged a receiving account at another financial institution that was recognized within the Nasdaq Verafin network as higher risk and identified as a potential mule account.

Elevating the Case – Law Enforcement

The investigation by local law enforcement led to engagement with the FBI. On the day the member came to close out their accounts, FBI agents met them at one of the branch offices. The member was forthcoming with the agents and agreed to cooperate fully. The FBI informed the member that they were likely being used as a money mule and directed them to stop their activities immediately or be faced with legal consequences. The member was willing to comply and agreed to turn over the remaining money — which came out to over \$600,000.

Partnering to Prevent Fraud

The work of Emma and ACFCU reinforces the need for vigilance and having a keen eye and the necessary tools to help uncover illicit activity efficiently and effectively. Financial crime, including money mule activity, has dire human consequences, and Emma and her team feel a sense of pride and accomplishment in helping to stop these activities.

"Without Nasdaq Verafin, we would not have known that one of the accounts our member was transacting with had also been flagged as a potential mule account at another institution," concluded Emma. "That information certainly level-set the situation and really helped us understand its gravity, allowing us to get in front of this issue and take action."

Nasdaq Verafin is proud to work with ACFCU and thousands of other institutions of all sizes to manage the ever-evolving nature of money laundering and fraud. Every illicit dollar that moves through the financial system fuels a global epidemic of financial crime — for Emma and her team, tenacity and Nasdaq Verafin's technology is protecting their members and community from this worldwide epidemic.

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Contact us today to learn more about Nasdaq Verafin's Fraud Detection and Management, AML/CFT Compliance and Management, High-Risk Customer Management, Sanctions Screening and Management, and Information Sharing solutions.
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