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2026 CFTC

Fraud

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Agenda

- Duties of the Special Investigations Unit (SIU)
- What is Insurance Fraud?
- How is fraud perpetrated?
- Fraud/Scams
- Anti-Fraud Detection

Duties of the SIU

- Investigate suspected fraud
- Federal, state, and local fraud reporting (often mandatory and time-sensitive)
- Respond to DOI and Law Enforcement requests
- State Fraud Plan *and* Statistical Filing
- Internal fraud training
- Advise management of emerging trends

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What is fraud?

What is insurance fraud?

A dishonest act or omission intended to deceive or mislead for personal or corporate gain

To **deliberately** present, with the knowledge or belief that it will be presented in a variety of ways, to or by an insurer, reinsurer, purported insurer or reinsurer, insurance producer or agent any instrument that contains untrue statements of material fact or that fails to state any material fact with respect to any of the following:

What is insurance fraud?

- An application for an insurance policy or annuity contract
- The rating of an insurance policy
- A claim for payment or benefit pursuant to an insurance policy or annuity contract
- Payments made pursuant to the terms of any insurance policy or annuity contract

How is fraud perpetrated?



Against the company






Against employees



Against vendors & external sources

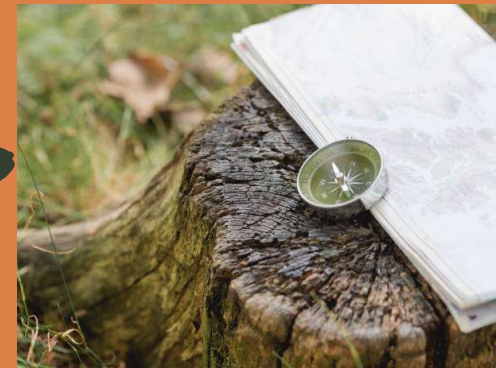
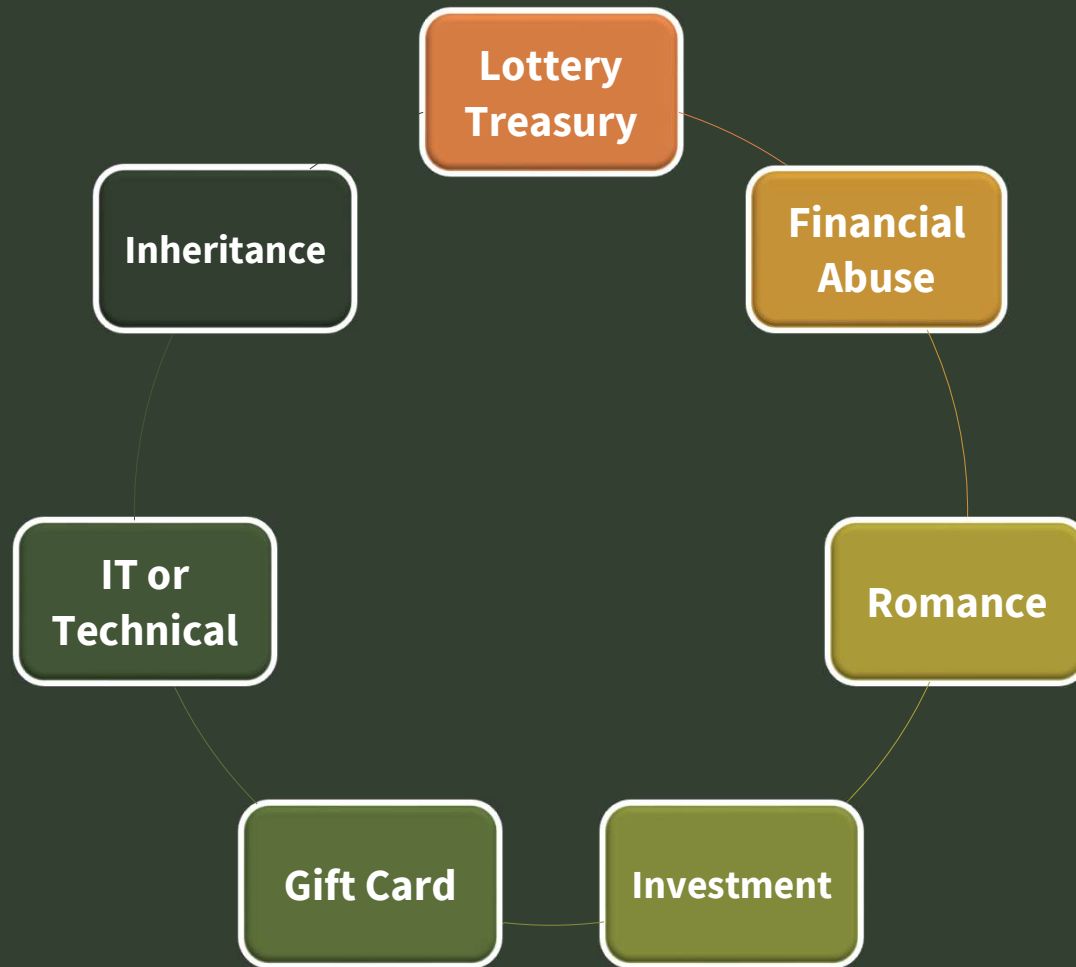
How is fraud perpetrated?

-  **By employees**
-  **By vendors**
-  **By customers**

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Fraud/Scams

Fraud/Scams Against Elders



Account Takeover

- ★ Industry-wide increase in account takeover activity
- ★ Fraudsters steal PII and attempt to authenticate, change banking and other key information and withdraw funds
- ★ Frequently use online or high-risk banks to limit recovery
- ★ Leverage digital servicing and remote access
- ★ May use PII to call in to multiple carriers to check for policies
- ★ AI is making these attempts more realistic/convincing

Other Types of Fraud

- ✓ Scams (IRS, Publisher's Clearinghouse, Romance)
- ✓ Claims and New Business
- ✓ Check Washing or Check Interception
- ✓ Identity Theft
- ✓ Mail/Fraudulent Address Changes
- ✓ Agent Fraud
- ✓ Family Member
- ✓ Use of banking information for online bill pay

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Anti-Fraud Detection

Anti-Fraud Detection

- Red flags present (e.g. address or bank change followed by disbursement or age/gender mismatch to owner)
- Information presented with new business or for a claim
- Patterns of behavior (i.e., repeated calls over the course of a day or two when a withdrawal is pending)
- Activity that does not comport with usual practices (i.e., callers not meeting demographics; “notary” seal not accurate, long pauses before answering security questions)

**Set up a meeting with your SIU Director to learn more
They will welcome the opportunity!**



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Questions



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Thanks Kyle and Lori!

PLEASE PROVIDE US WITH SESSION FEEDBACK USING THE QR
CODE TO THE LEFT OF THE SESSION DESCRIPTION ON YOUR
PRINT AGENDA

Up Next

NETWORKING RECEPTION

5:00 – 6:00 PM

Living Room Terrace