



Western Alliance  
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2025 EDITION

# NEW FINDINGS

First-Ever Decline in  
Fraudulent Claims



## 2025 ANNUAL REPORT

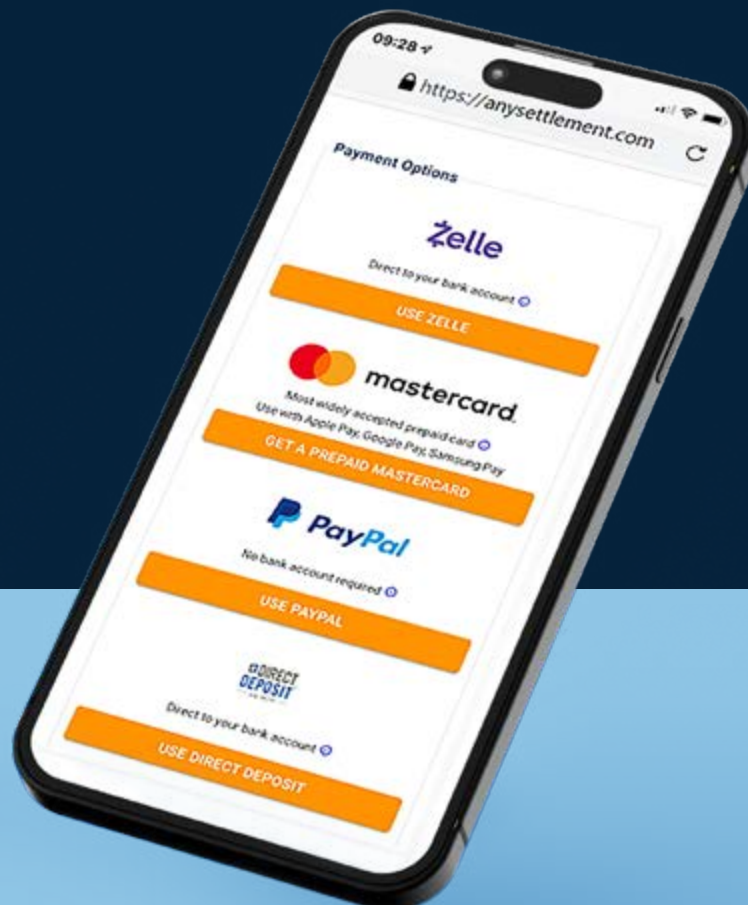
# Digital Payments in Class Actions and Mass Torts

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Analysis of Data from More  
than 1,000 Cases

Exclusive Data and Analysis  
from ClaimScore

NEW: Breakouts for Class  
Actions and Mass Torts



Published April 2025

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## *Foreword*

Welcome to the third annual report on Digital Payments in Class Actions and Mass Torts produced by Digital Disbursements and its parent, Western Alliance Bank.

This year's retrospective report draws from data on 1,155 class action and mass tort distributions awarded to Digital Disbursements by 28 settlement administrators during the past six years. Our large market share allows us to present data that serves as a reasonable proxy for the industry.

New this year, we provide detailed breakouts on class actions and mass torts. We again include substantial findings relating to fraudulent class action and mass tort claims, as well as statistics relating to the continued digitization of settlement payments.

We remain committed to the ongoing analysis of digital payments in class actions and mass torts, and we anticipate that our next report will cover approximately 1,500 settlements awarded to Digital Disbursements.

Again, we wish to acknowledge the Federal Trade Commission's contributions to the field, including its foundational report on payment and notice methods in September 2019, which analyzed data from 149 cases handled by seven different settlement administrators.

We hope this year's report provides valuable insights into the evolving landscape of digital payments. As always, we welcome your feedback and suggestions for future analyses.



**Francesca Castagnola**

Senior Managing Director,  
Juris Banking Group  
Western Alliance Bank



**Jeff Richardson**

Co-Founder and CEO,  
Digital Disbursements,  
A subsidiary of Western Alliance Bank

# New technologies deployed by Digital Disbursements, ClaimScore and individual settlement administrators collectively produced the first-ever recorded decline in fraudulent claims.

Digital Disbursements' real-time screening and verification tools identified and prevented more than 723 million fraudulent claims in 2024. By collaborating with ClaimScore and various anti-fraud tools deployed by settlement administrators to stop potentially fraudulent claim attempts before a claim was submitted, the number of claims with significant indicia of fraud in 2024 dropped by more than 40%—after increasing by more than 19,000% between 2021 and 2023.

# First-Ever Recorded Decline in Fraudulent Claims

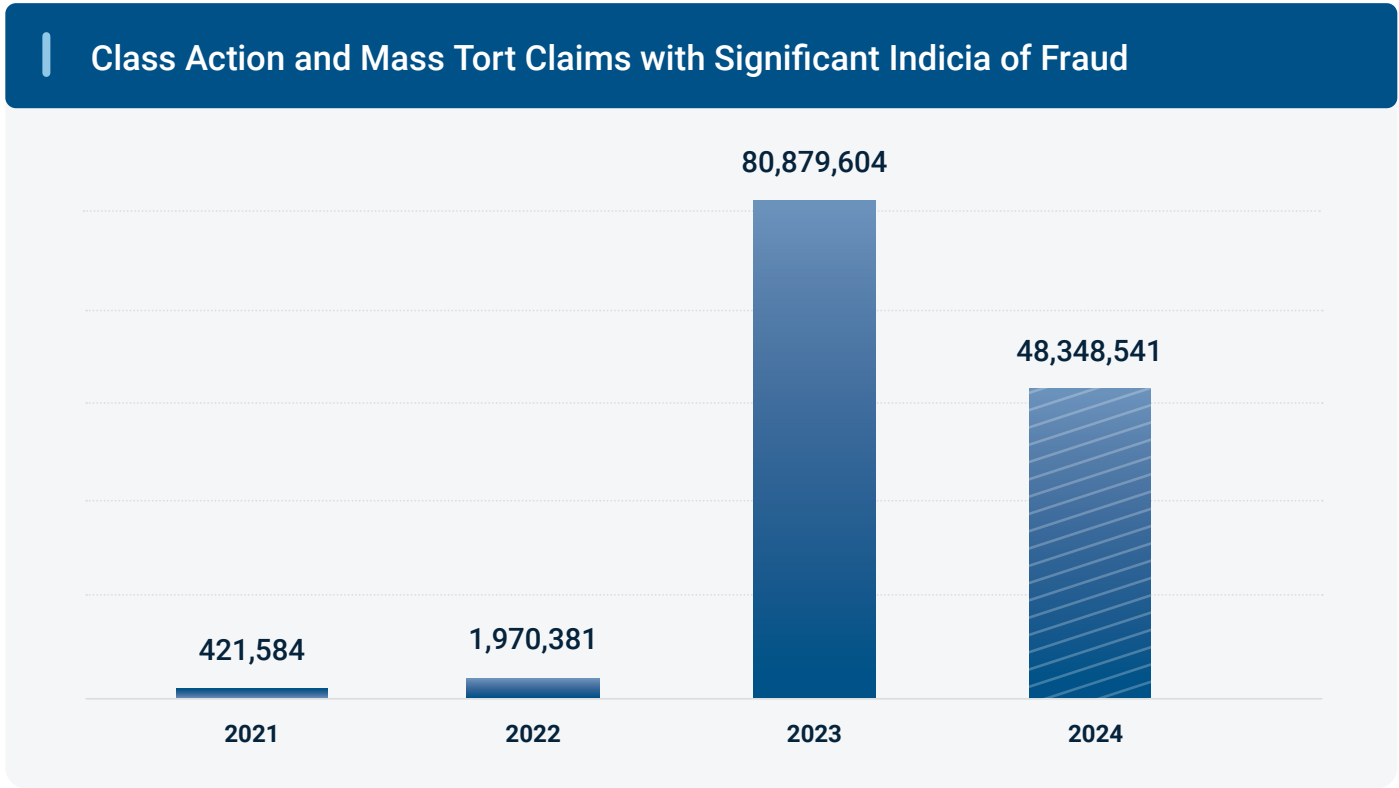


Figure 1: Claims with Significant Indicia of Fraud, 2021-2024

Between 2021 and 2023, fraudulent class action and mass tort claims increased by more than 19,000%. In response, Digital Disbursements expanded its annual report last year to include a full section on fraudulent claims to demonstrate to all stakeholders—including settlement administrators, courts and lawyers—that the explosion of fraud was real. Our 2024 report also provided data regarding the most prevalent indicia of fraud that we had observed across more than 200 million digital and check payment selections.

The industry responded with enhanced and/or entirely new technologies. Digital Disbursements deployed its Real-Time Fraud Screening in nearly all of the 558 cases it was awarded in 2024. A growing number of plaintiff and defense counsel,

as well as settlement administrators, utilized ClaimScore to provide real-time and/or retrospective fraud scoring. In 2024 alone, ClaimScore reports that it reviewed more than 60 million claims across a number of the largest settlements of the year. A number of settlement administrators also invested in new and/or enhanced in-house fraud detection/prevention technology.

No one system or technology is 100% effective against all types of bad actors. But the latest data demonstrates that the coordinated deployment of these and other technologies provides significant protection.

# Claims Submitted with Duplicate Payment Destinations Shrank by 53%

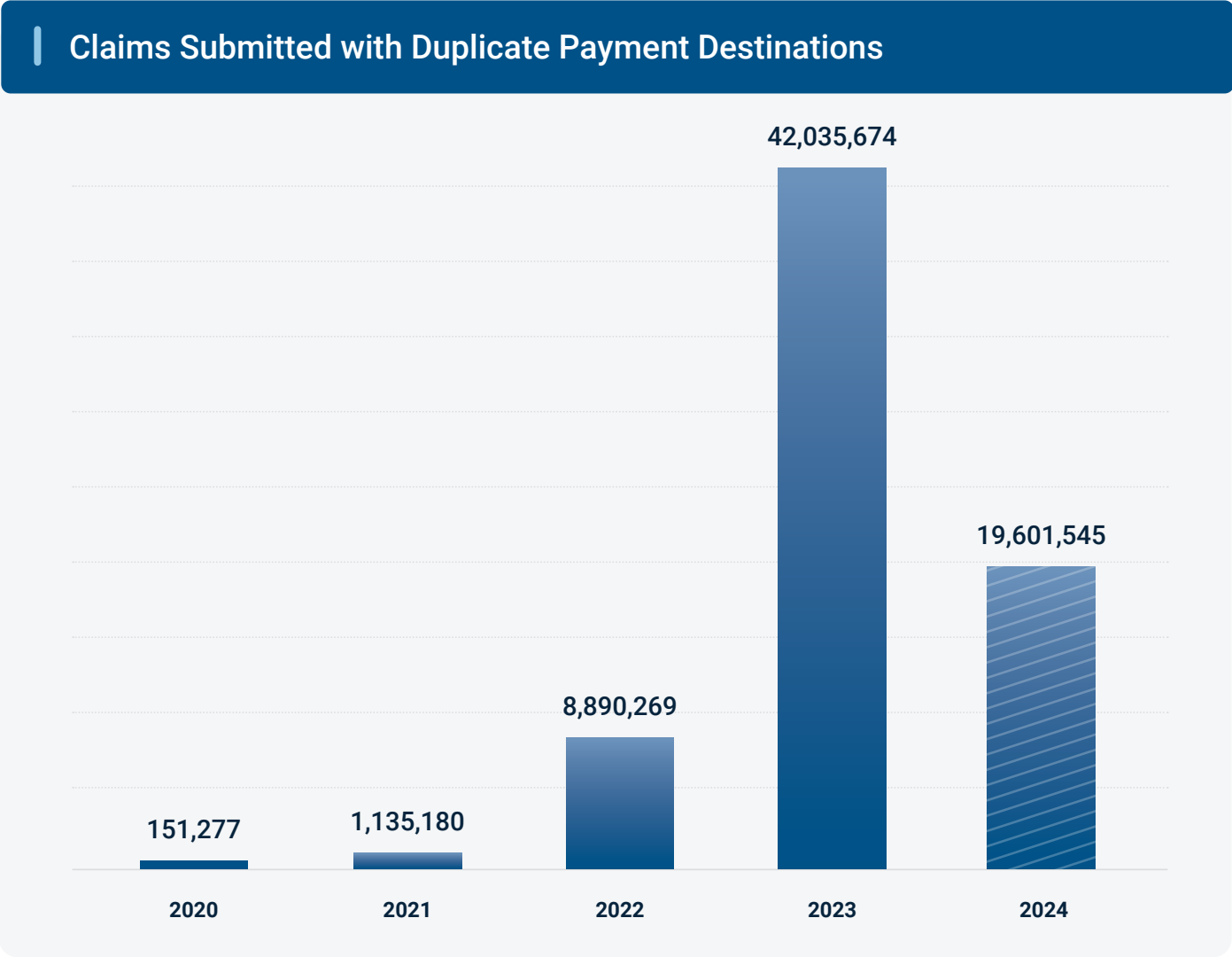


Figure 2: Claims Submitted with Duplicate Payment Destinations, 2020-2024

The submission of multiple claims with the same payment destination remains a strong indicator of fraud. This includes actors using the same mailing address for multiple paper check selections, using the same account and routing number for multiple direct deposit selections and using the same email address for multiple Venmo payment selections. While some settlements allow multiple claims per

household, the growth (and then decline) in payment destination duplication is statistically significant.

Between 2020 and 2023, the number of claims submitted with a duplicate payment destination increased by more than 27,000%. However, with the enhanced technologies deployed during 2024, the number dropped by more than half.

# Claims Submitted with New Email Domains Declined by 70%

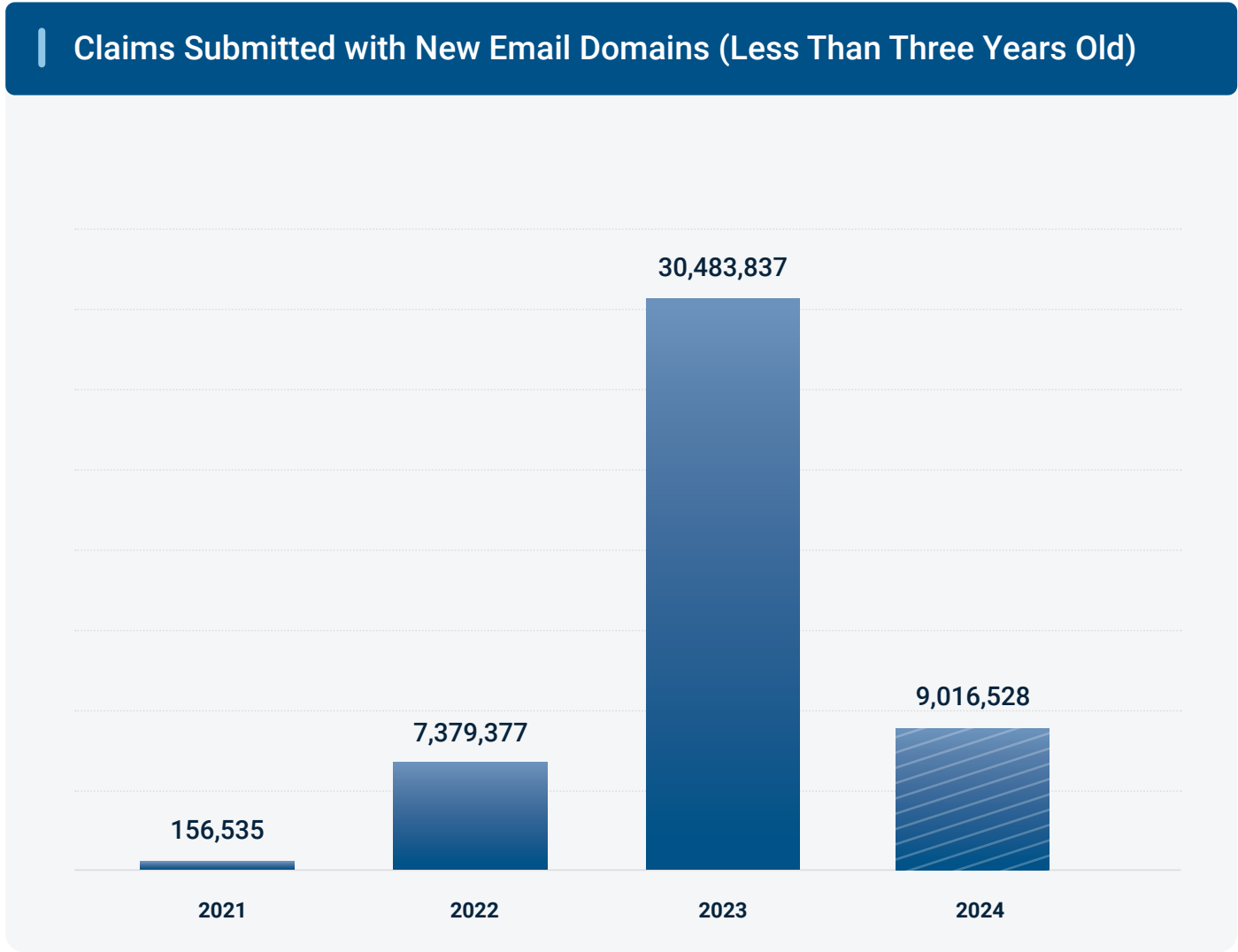


Figure 3: Claims Submitted with New Email Domains, 2021-2024

Another key indication of fraud is the submission of claims from recently created email domains, which frequently also exhibit one or more other indicia of fraud. While not every claim associated with a new email domain is fraudulent, the growth (and then decline) in the use of new email domains is statistically significant.

Between 2021 and 2023, the number of claims associated with an email address that was less than three years old increased by more than 19,000%. However, with the enhanced technologies deployed during 2024, the number dropped by more than 70%.



# Claims with International Email Domains Cut in Half

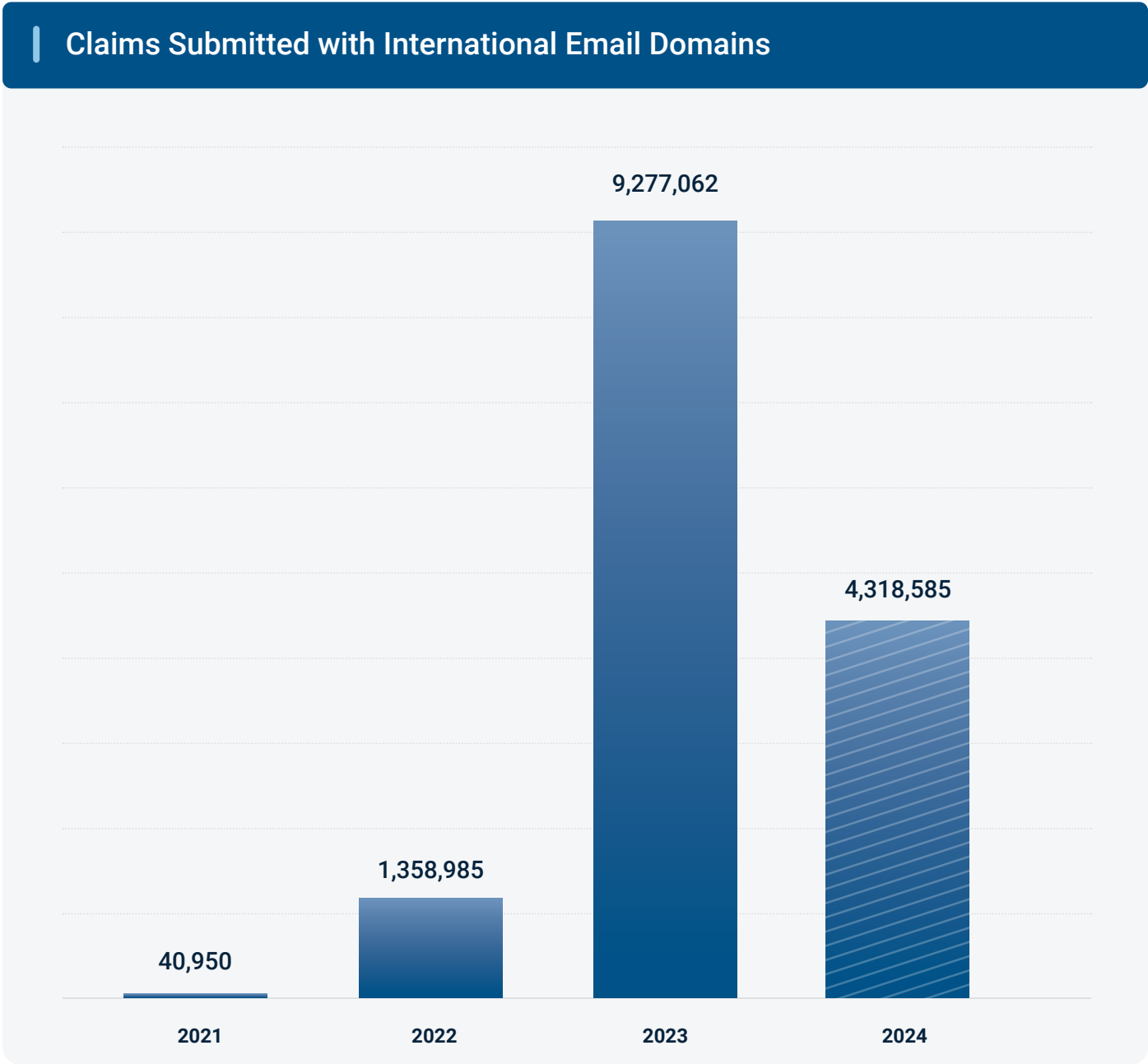


Figure 4: Claims Submitted with International Email Domains, 2021-2024

When a settlement is limited to U.S. class members and mass tort victims, settlement administrators expect to receive claims from email addresses that are registered in the United States. Between 2021 and 2023, the number of claims submitted with an

international email domain increased by more than 22,000%. However, with the enhanced technologies deployed during 2024, the number dropped by more than 53%.

# Claims with Hotmail and Outlook Domains Declined by More than 61%

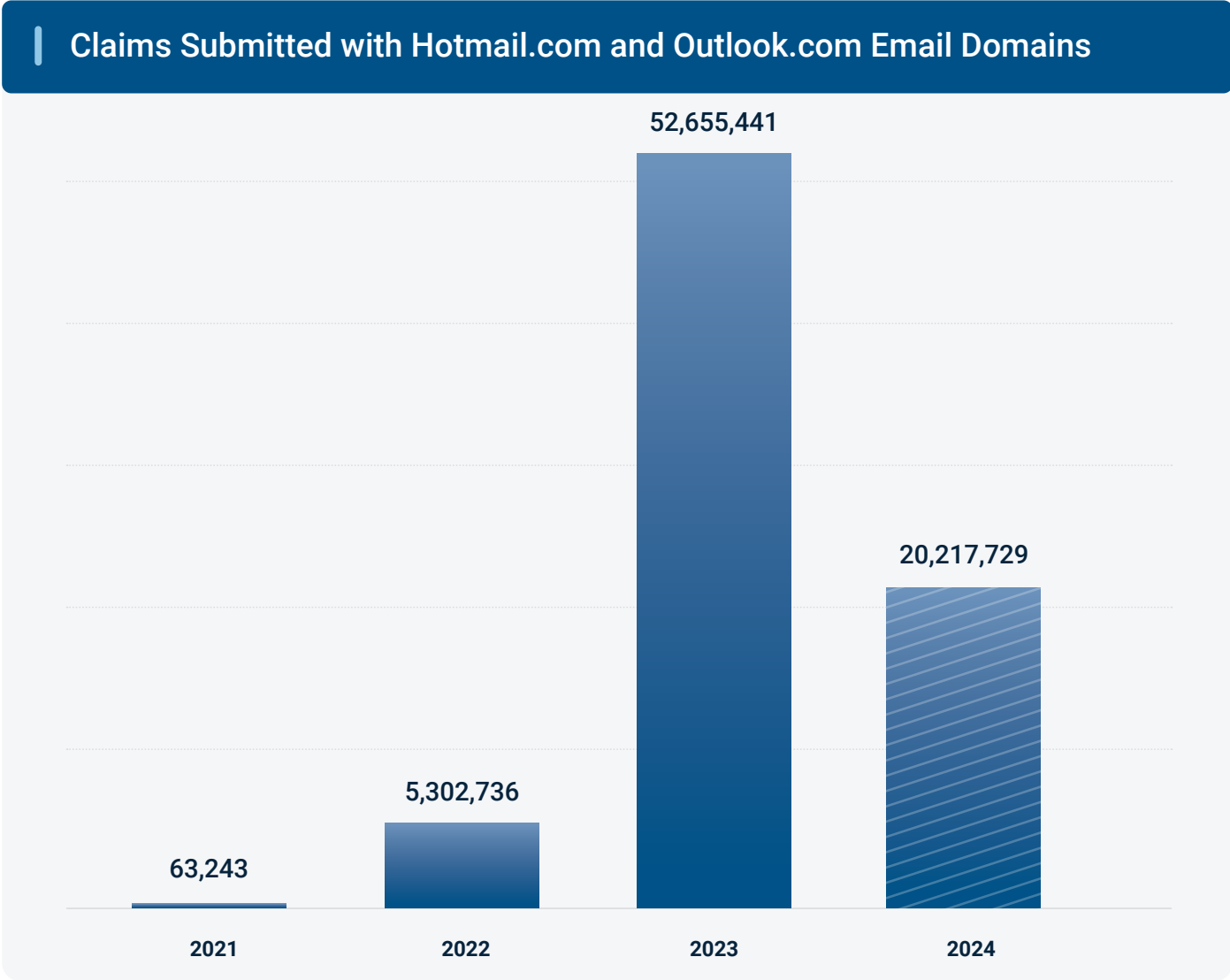


Figure 6: Claims Submitted from Hotmail.com and Outlook.com Email Domains, 2021-2024

After settlement administrators started to recognize that international email domains and newly created email domains were indicia of fraud, many bad actors turned to Hotmail.com and Outlook.com. These domains are registered in the U.S. and are more than 10 years old (thus avoiding two common indicia) and make it easy to create hundreds of thousands of new Hotmail.com and Outlook.com email addresses in bulk. While it is tempting to deny all claims associated

with these domains, some legitimate claimants still use these domains.

Between 2021 and 2023, the number of claims submitted with a Hotmail.com or Outlook.com email address increased by more than 83,000%. However, with the enhanced technologies deployed during 2024, the number dropped by more than 61%.

# Real-Time Fraud Screening Drives Reduction in Fraudulent Claims

## Prevention of Fraudulent Claims in 2023 and 2024

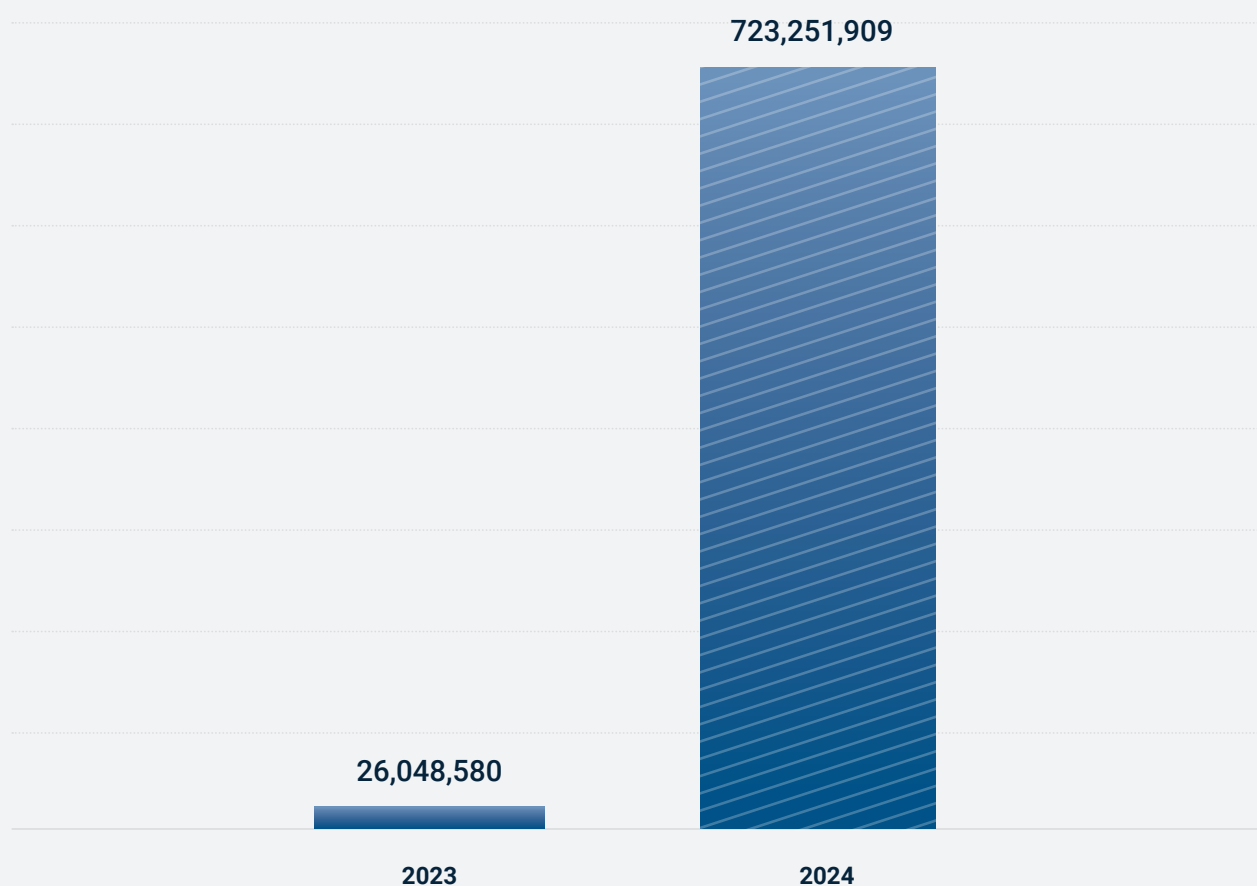


Figure 7: Fraudulent Claims Prevented by Real-Time Screening, 2023-2024

When the number of fraudulent claims grew by more than 400% in 2022, Digital Disbursements developed enhanced fraud tools to help administrators make their eligibility determinations on submitted claims. When the number of fraudulent claims exploded again in early 2023 (leading to a 19,000% increase over two years), administrators who were inundated with fraudulent claims asked Digital Disbursements to help prevent the submission of the most egregious

fraudulent claims. In response, Digital Disbursements developed and launched an initial version of its Real-Time Fraud Screening in June 2023. By the end of 2023, Real-Time Fraud Screening detected and prevented more than 26 million fraudulent claims.

With Real-Time Fraud Screening in place in nearly all cases in 2024, Digital Disbursements detected and prevented more than 723 million fraudulent claims.

# Fraudulent Claims Remain a Global Phenomenon

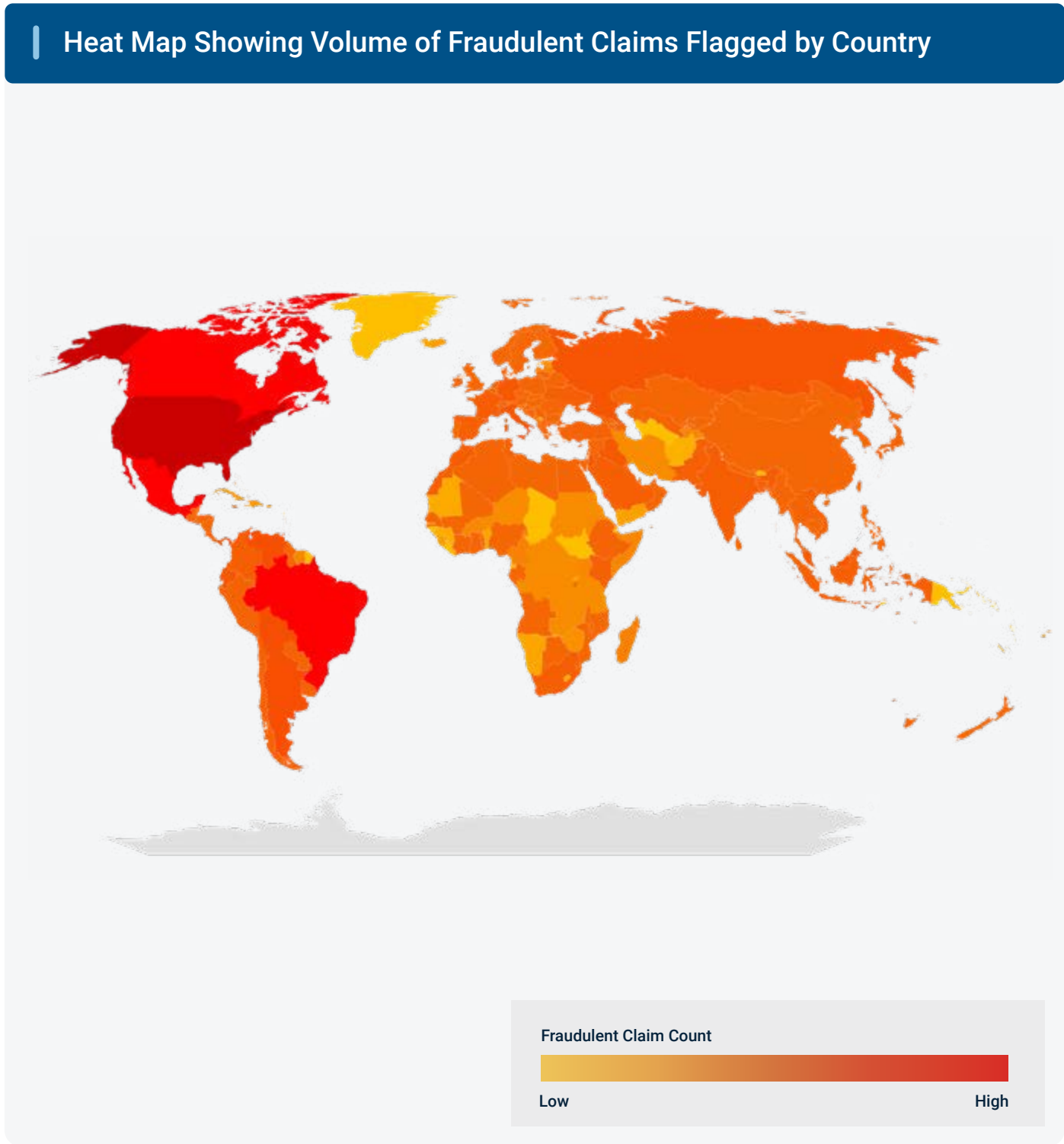


Figure 5: Heat Map Showing Volume of Fraudulent Claims Flagged by Country, 2024

# Exclusive Analysis and Data From ClaimScore

Fraudsters employ a spectrum of tactics, from basic to highly sophisticated schemes. These same tactics commonly target lenders, e-commerce platforms and fintech solutions, requiring a multi-layered defense strategy. Combating the most sophisticated, human-driven fraud on a massive scale requires advanced technologies, including frontend tools like web application firewalls (WAFs), backend data-driven fraud analysis and payment fraud evaluations.

Three common fraud types are used to attack collective litigation settlements:

**Duplication Fraud**

Multiple claims submitted by the same person using different combinations of their own personal information to try to trick reviewers.

**Fake Identity Fraud**

Claims created in giant volumes using fictitious personal information that is not associated with any real people.

**Synthetic Identity Fraud**

Claims created using a mix of verifiable and fake personal information that is not owned by the submitter and often created in bulk.

During 2024 alone, ClaimScore reviewed more than 60 million claims.

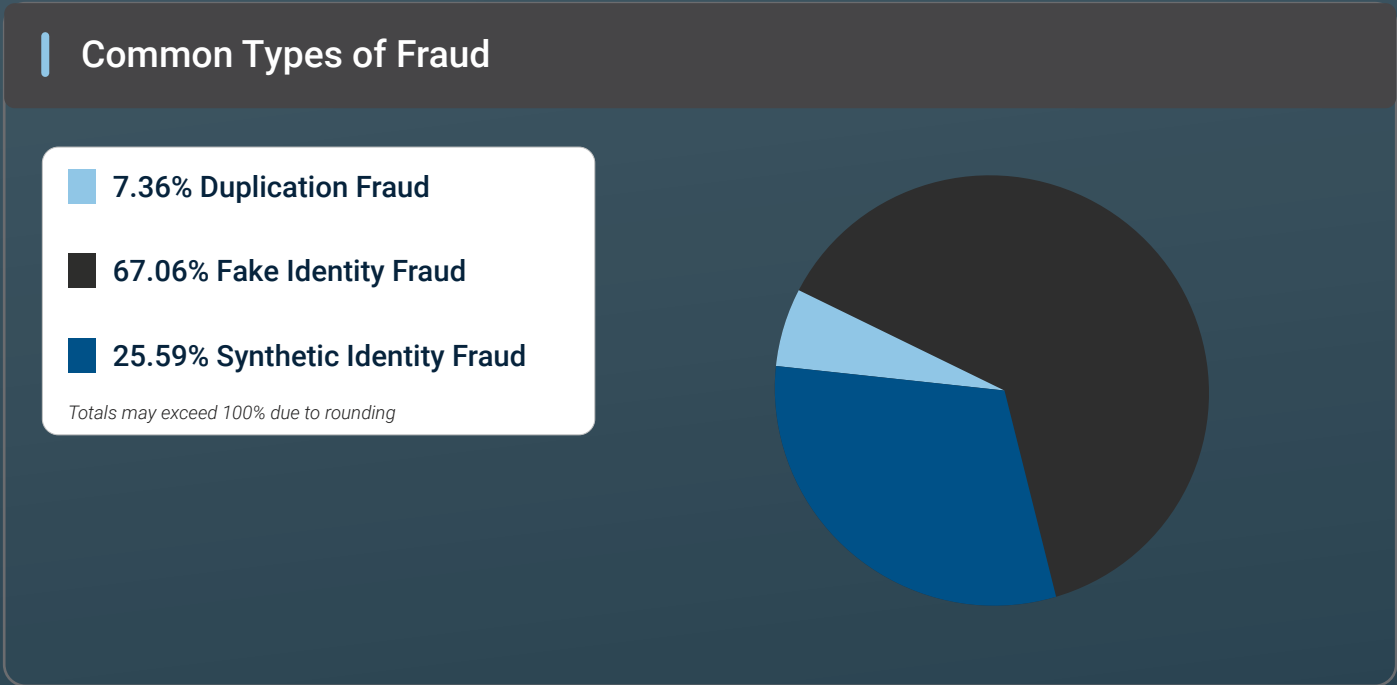


Figure 8: Common Types of Fraud Identified by ClaimScore, 2024

# As Adoption Grows, Digital Payments Continue to Improve the Deliverability of Class Action and Mass Tort Settlement Payments

The success rate when payees are offered a broad pay menu of digital options continues to remain extremely high, even as the number of digital payments is skyrocketing. The higher number of digital payments has not diminished the success rate.

# The Digitization of Settlement Payments in Class Actions and Mass Torts Continues to Grow at a Rapid Pace

## Growth in Class Action and Mass Tort Settlements Using Digital Payments

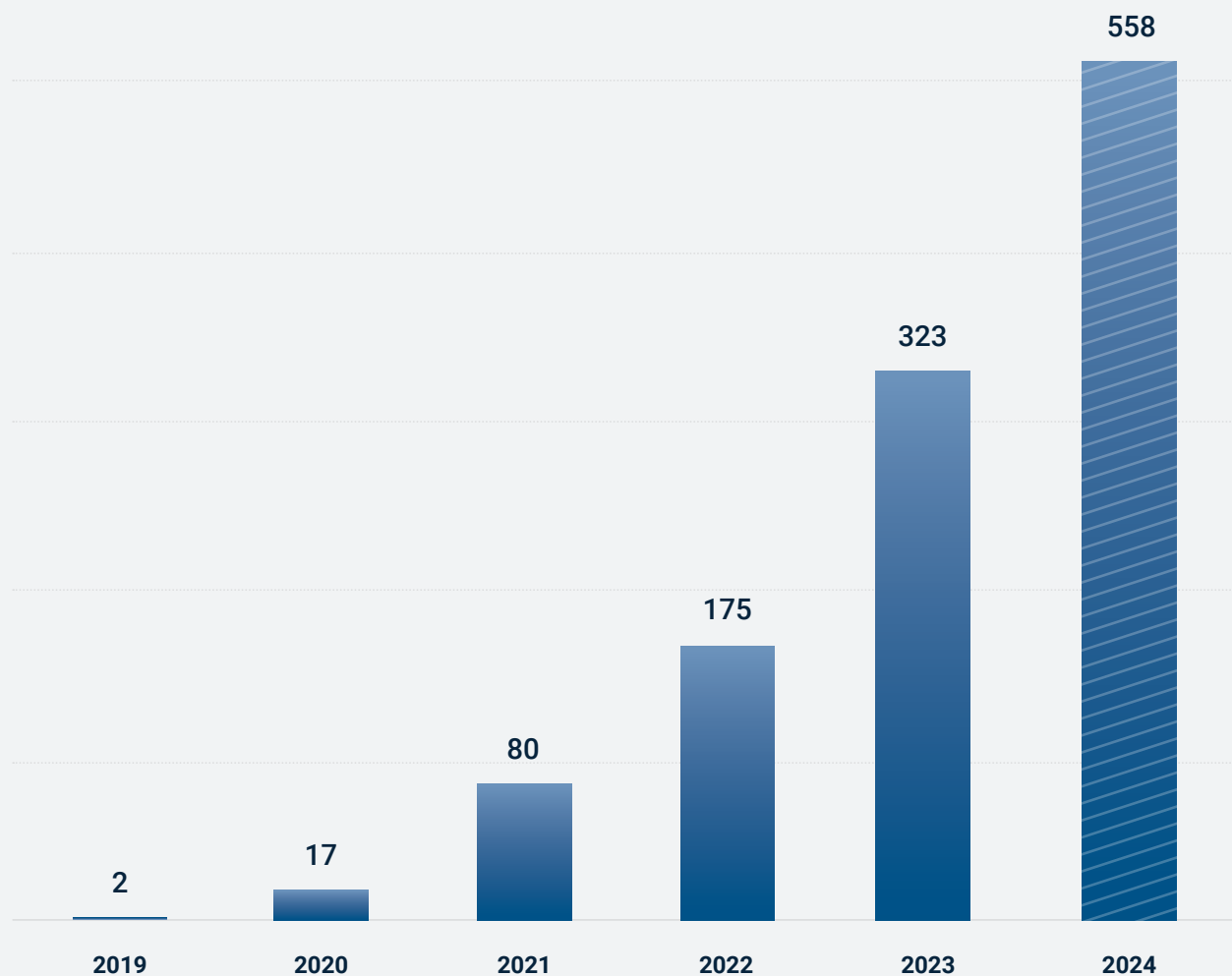


Figure 9: Awarded Distributions with Digital Payments, 2019-2024

The total number of settlements over the six years covered in this report is now 1,155.

The number of class actions and mass torts with digital payments has increased by more than 3,200% in just four years, from 17 cases in 2020 to 558 in 2024.

# Digital Payments Are Far More Effective Than Paper Checks

## Comparison of Payment Success Rates for Paper Checks and Digital Payments

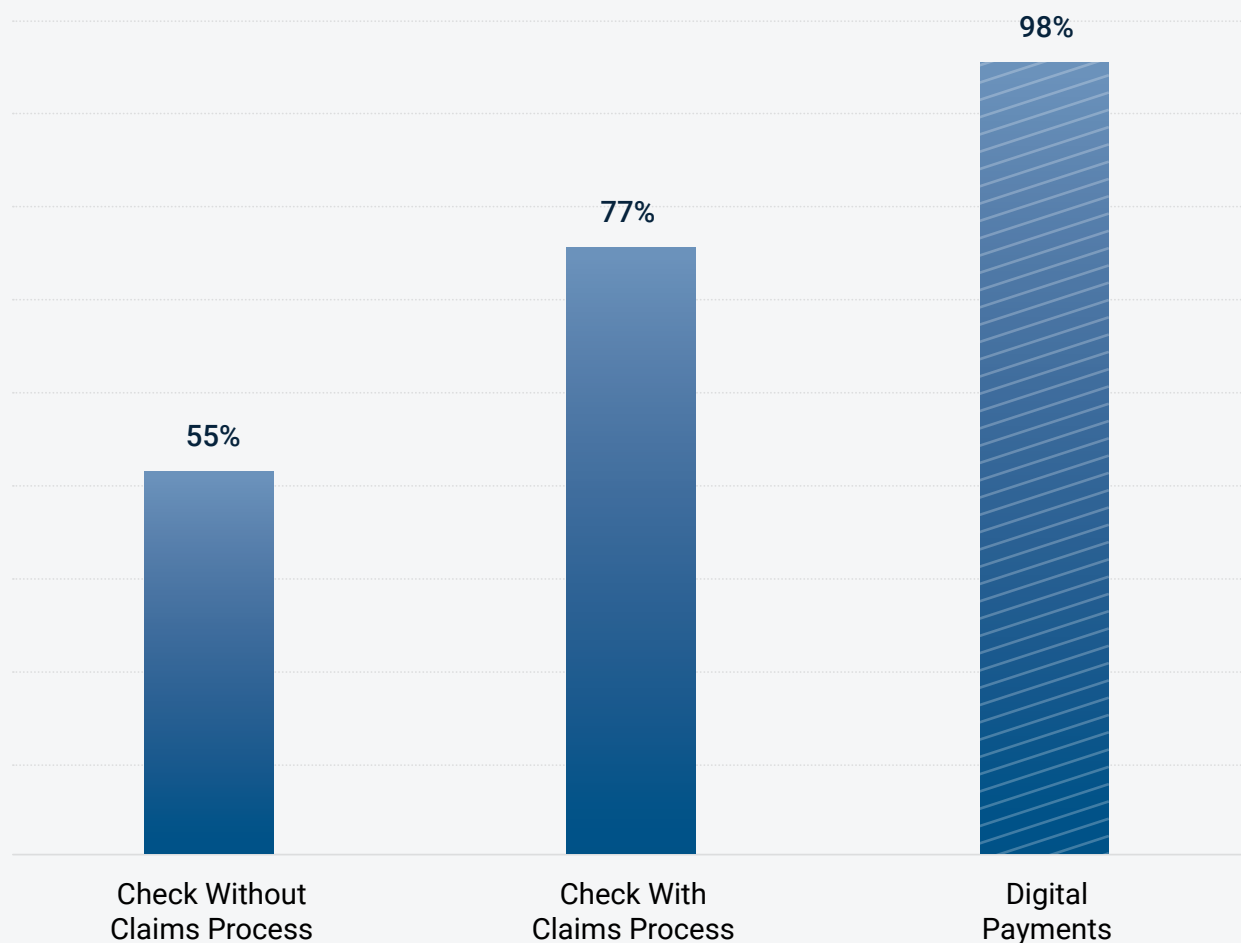


Figure 10: Comparison of Payment Success Rates for Paper Checks and Digital Payments, 2024

As the number of cases with digital payments continues to grow at a rapid pace, the success rate for digital payments has remained steady at 98%. This is far higher than the paper check cash rate of only 77% in cases with a claims process and an even lower 55% in cases without a claims process.<sup>1</sup>

The success rate is critical because Rule 23 of the Federal Rules of Civil Procedure mandates that courts consider “the effectiveness of any proposed method of distributing relief to the class” in determining whether a proposed settlement is fair, adequate and reasonable.<sup>2</sup>

<sup>1</sup> Federal Trade Commission. September 2019. “Consumers and Class Actions. A Retrospective and Analysis of Settlement Campaigns.” [https://www.ftc.gov/system/files/documents/reports/consumers-class-actions-retrospective-analysis-settlement-campaigns/class\\_action\\_fairness\\_report\\_0.pdf](https://www.ftc.gov/system/files/documents/reports/consumers-class-actions-retrospective-analysis-settlement-campaigns/class_action_fairness_report_0.pdf)

<sup>2</sup> Federal Rules of Civil Procedure 2009. “Rule 23(e)(2)(C)(ii). Class Actions.” [https://www.uscourts.gov/sites/default/files/federal\\_rules/FRCP12.1.2009.pdf](https://www.uscourts.gov/sites/default/files/federal_rules/FRCP12.1.2009.pdf)



# An Increasingly Large Majority of Payees Prefer Digital Payments

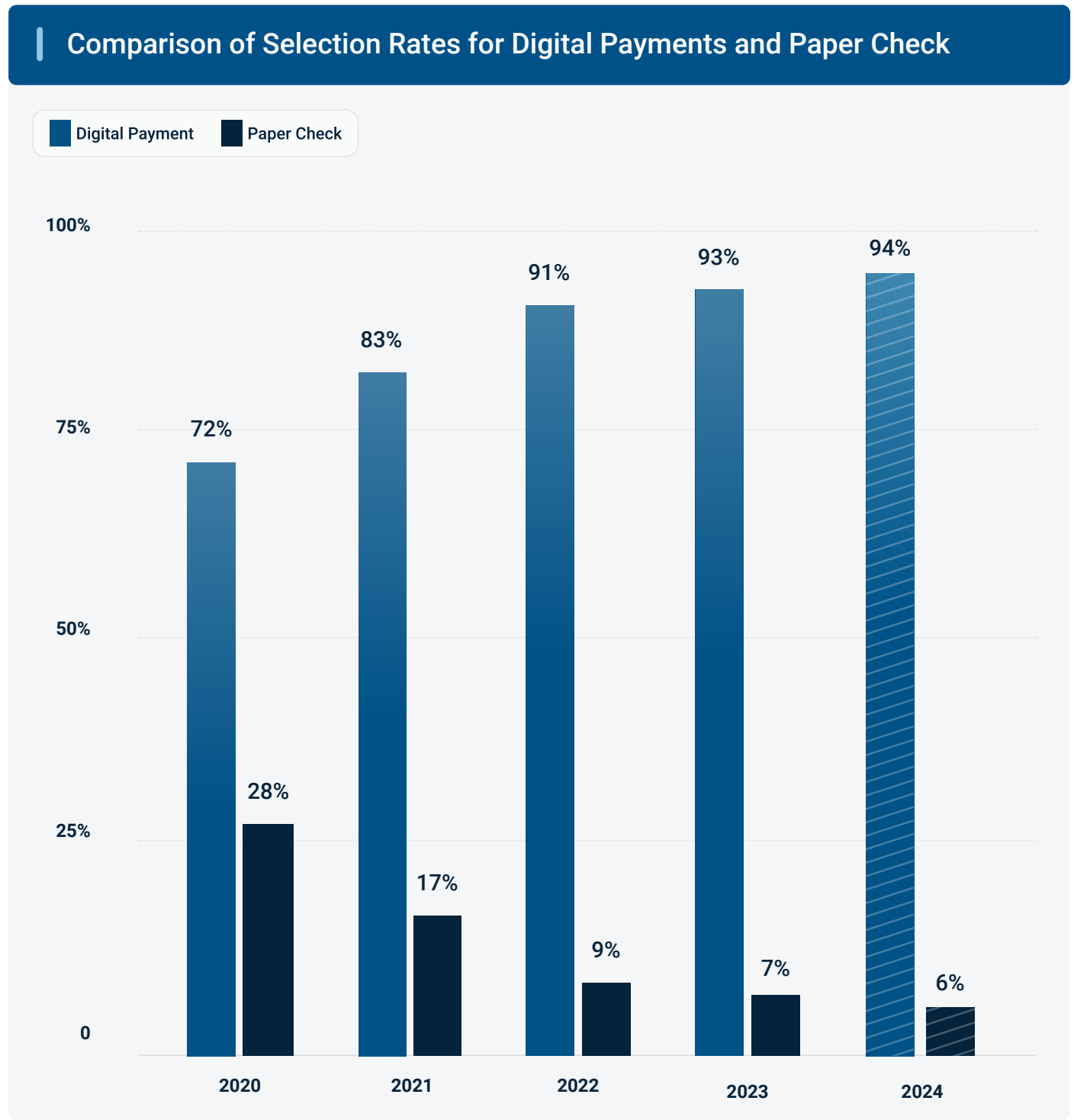
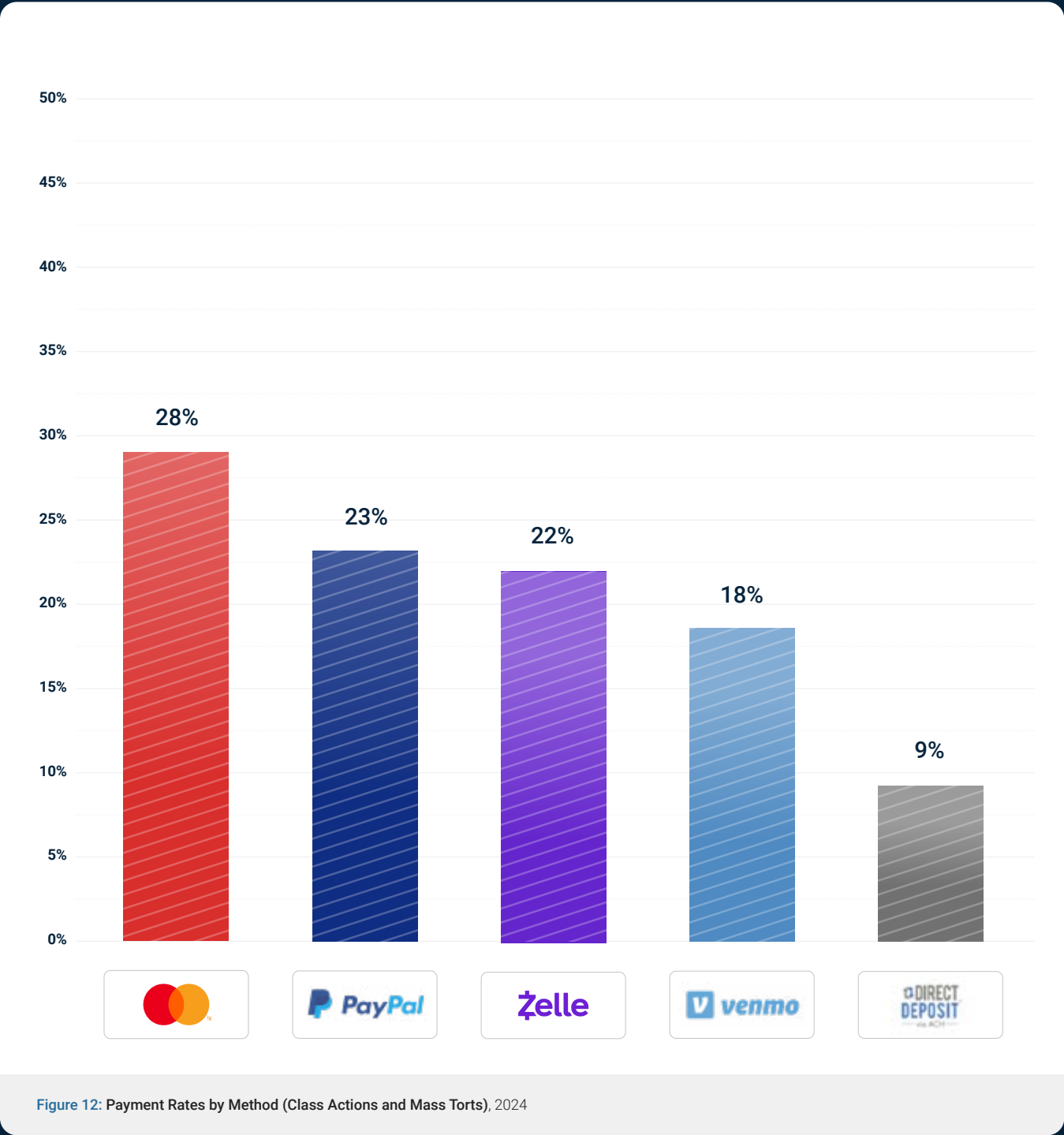


Figure 11: Comparisons of Selection Rates for Digital Payments and Paper Checks, 2020-2024 (excludes 2023 and 2024 payment selections with significant indicia of fraud).

# Most Popular Digital Payment Methods in Class Actions and Mass Torts



# Breakouts for Class Actions and Mass Torts

For the first time, our report provides and analyzes separate data from class actions and mass torts. While these types of matters do have common elements, there often are significant differences, including but not limited to the monetary benefit for each payee, the nature and extent of any required proof submitted by each payee, the tactics and objectives of bad actors and nature of the interaction between the payees and the settlement administrators and law firms.

# The Digitization of Settlement Payments Continues to Grow at a Rapid Pace

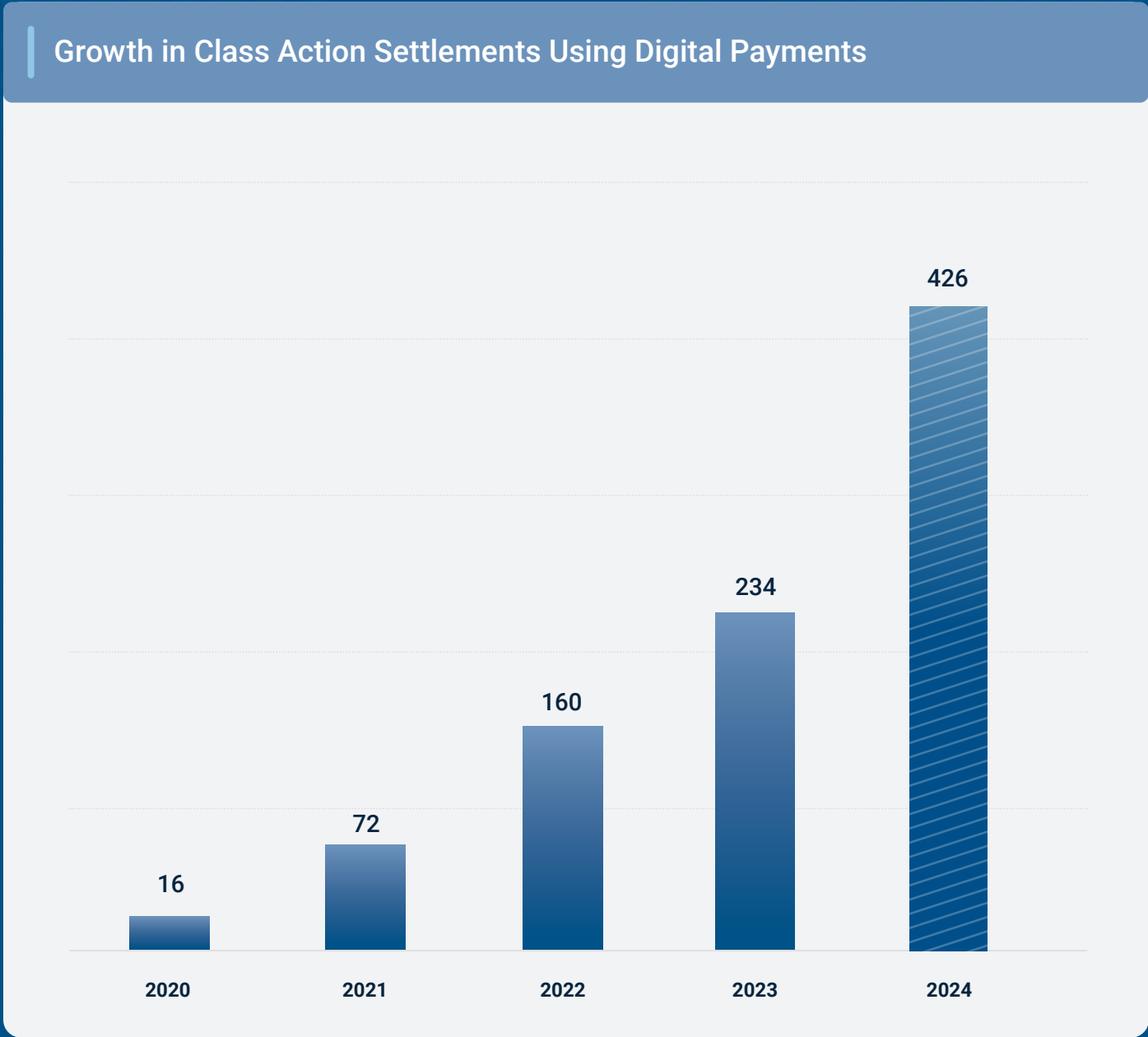


Figure 13: Awarded Class Action Distributions with Digital Payments, 2020-2024

The number of class action settlements that offer digital payments increased by more than 2,600% in just four years (from 16 cases in 2020 to 426 in 2024).

Notably, the annual growth from 2023 to 2024 (182%) was greater than the annual growth of the previous year (146%).

# Payees Strongly Prefer Digital Payments

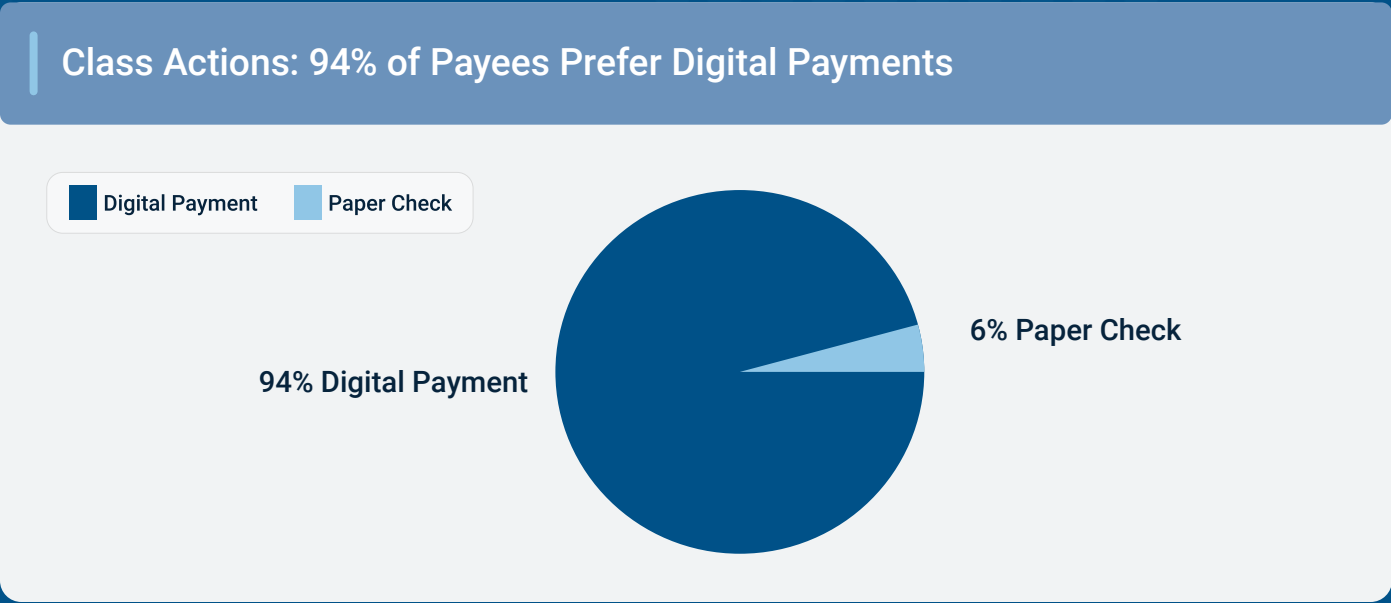


Figure 14: Comparison of Selection Rate for Digital Payments and Paper Checks in Class Action Matters, 2024

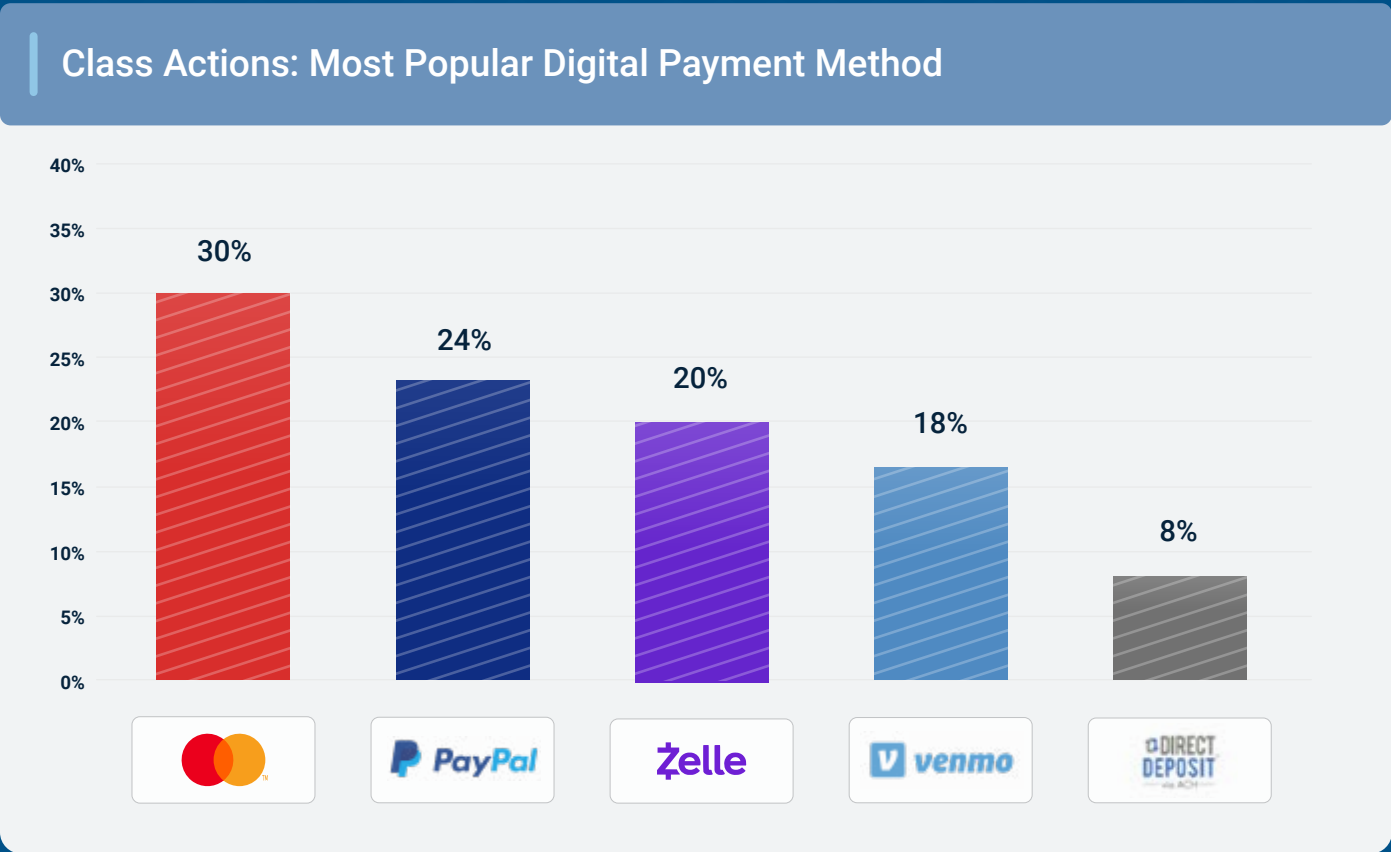


Figure 15: Payment Rates by Method (Class Actions), 2024

Class Actions

# Prevention of Fraudulent Claims

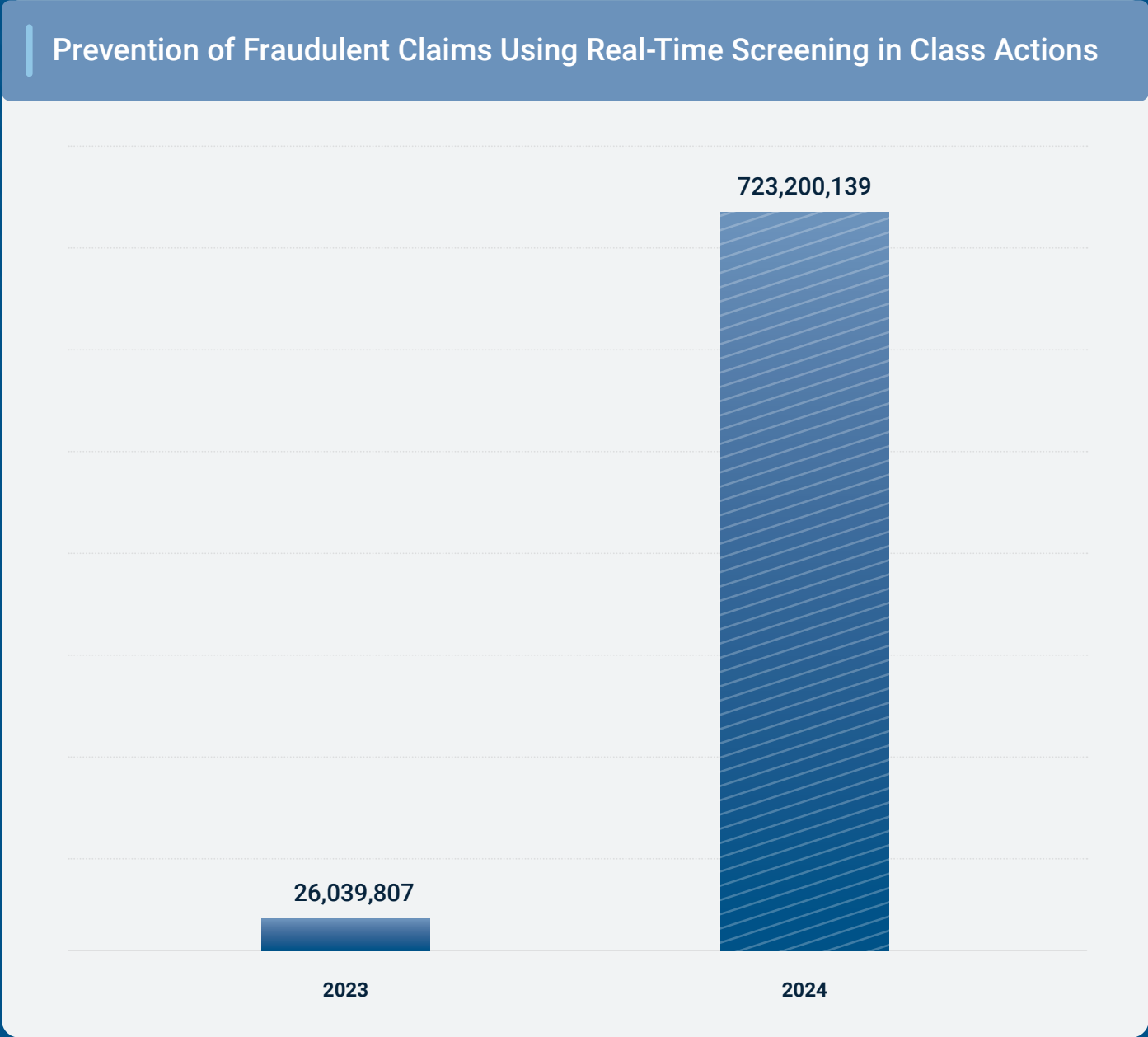


Figure 16: Fraudulent Claims in Class Actions Prevented by Real-Time Screening, 2023-2024

In 2024, Digital Disbursements’ Real-Time Fraud Screening detected and prevented more than 720 million attempted class action claims that exhibited significant indicia of fraud. This represents a 2,700% increase from 2023.

# The Digitization of Settlement Payments Continues to Grow at a Rapid Pace

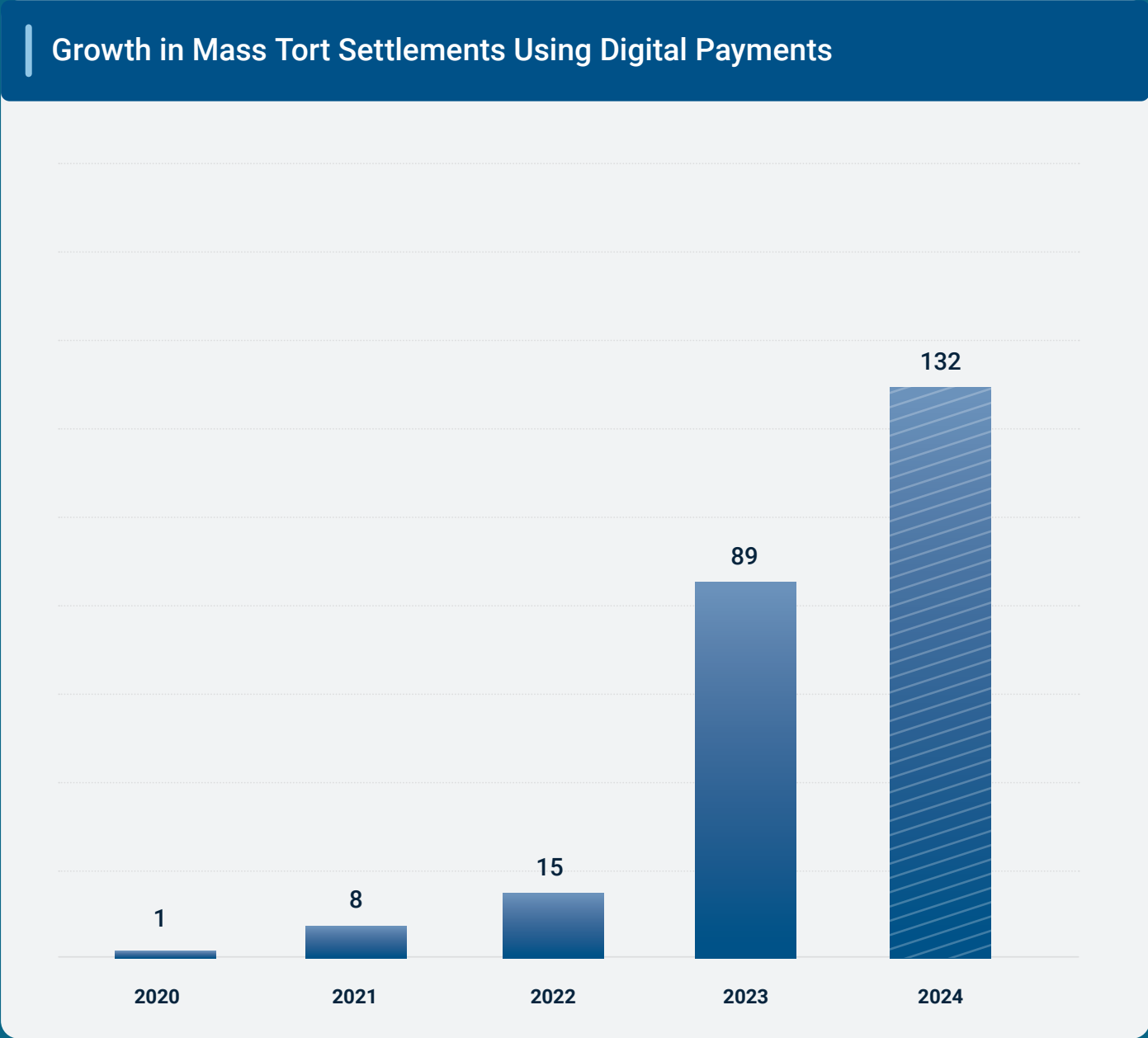


Figure 17: Awarded Mass Tort Distributions with Digital Payments, 2020-2024

The number of mass tort settlements with digital payments grew at an astonishing rate of 800% from 2022 to 2024.

# Payees Strongly Prefer Digital Payments

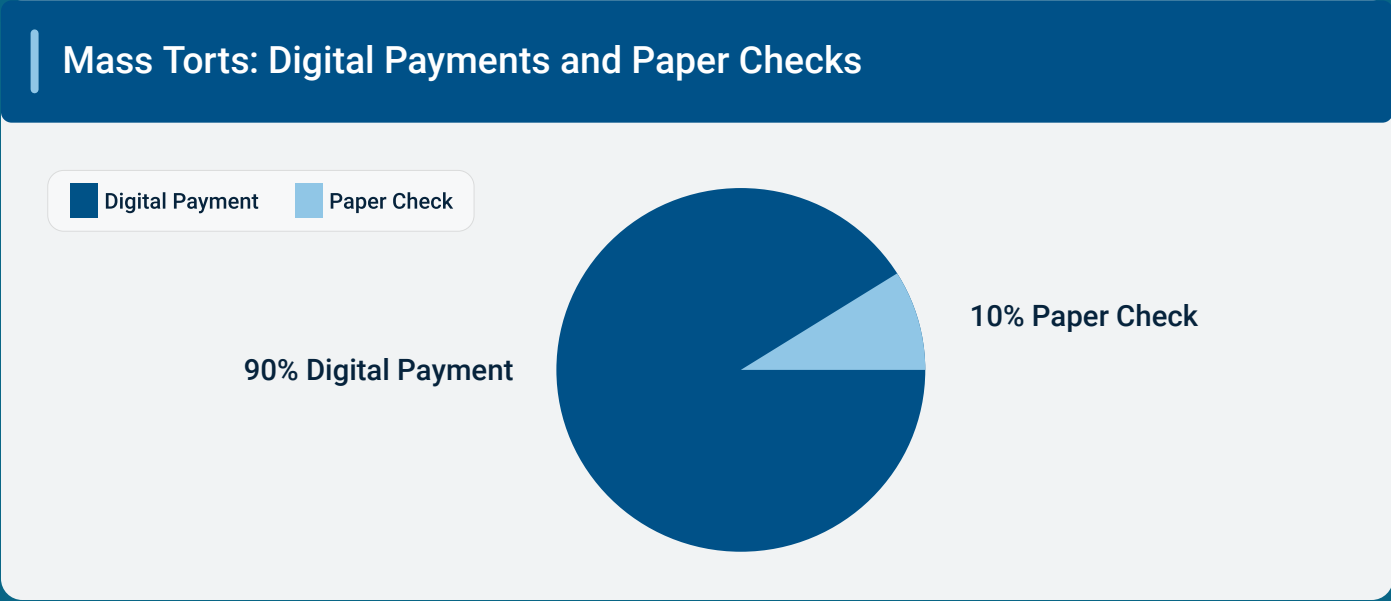


Figure 18: Comparison of Selection Rate for Digital Payments and Paper Checks in Mass Torts, 2024

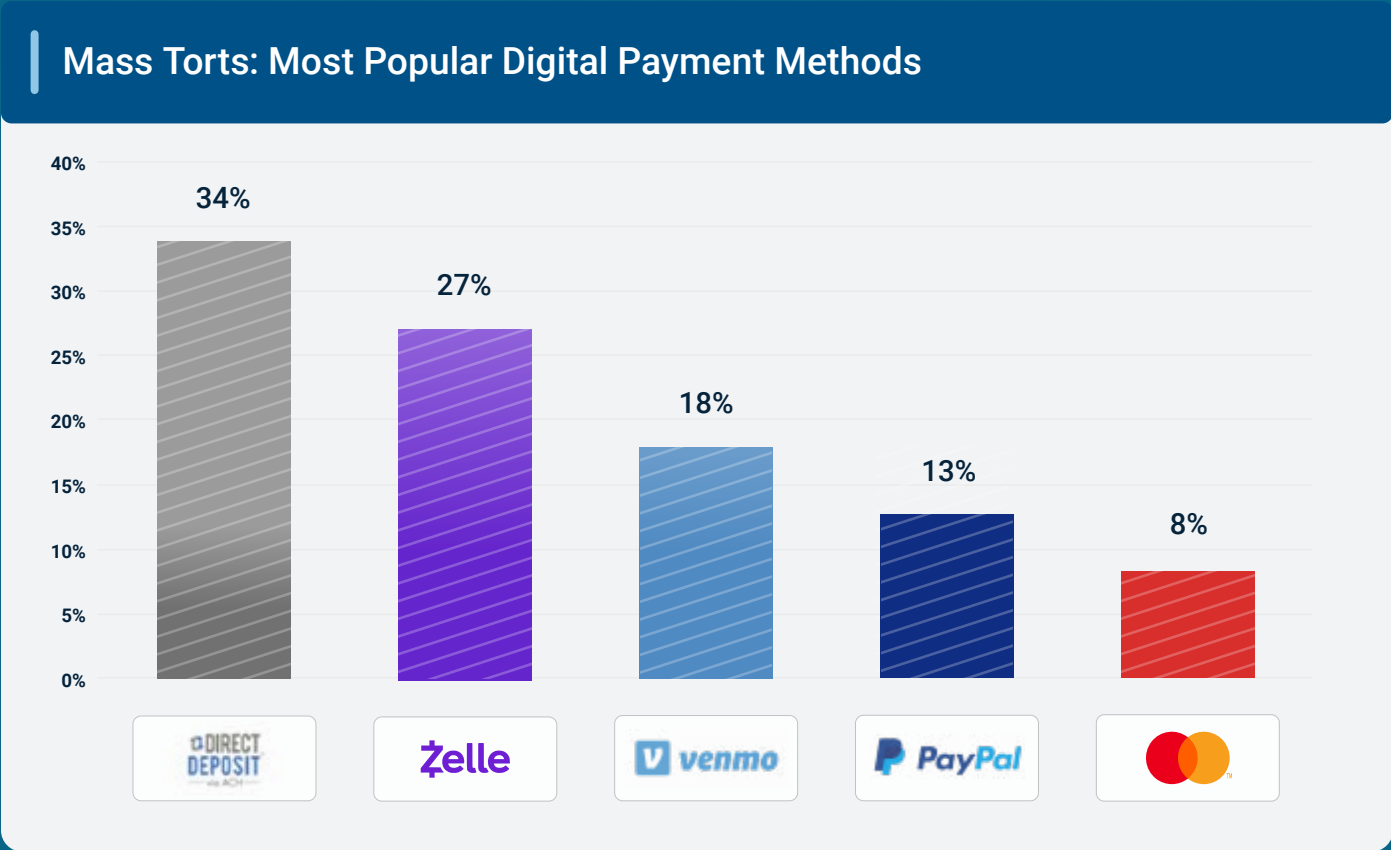


Figure 19: Payment Rates by Method (Mass Torts), 2024



Mass Torts

# Prevention of Fraudulent Claims

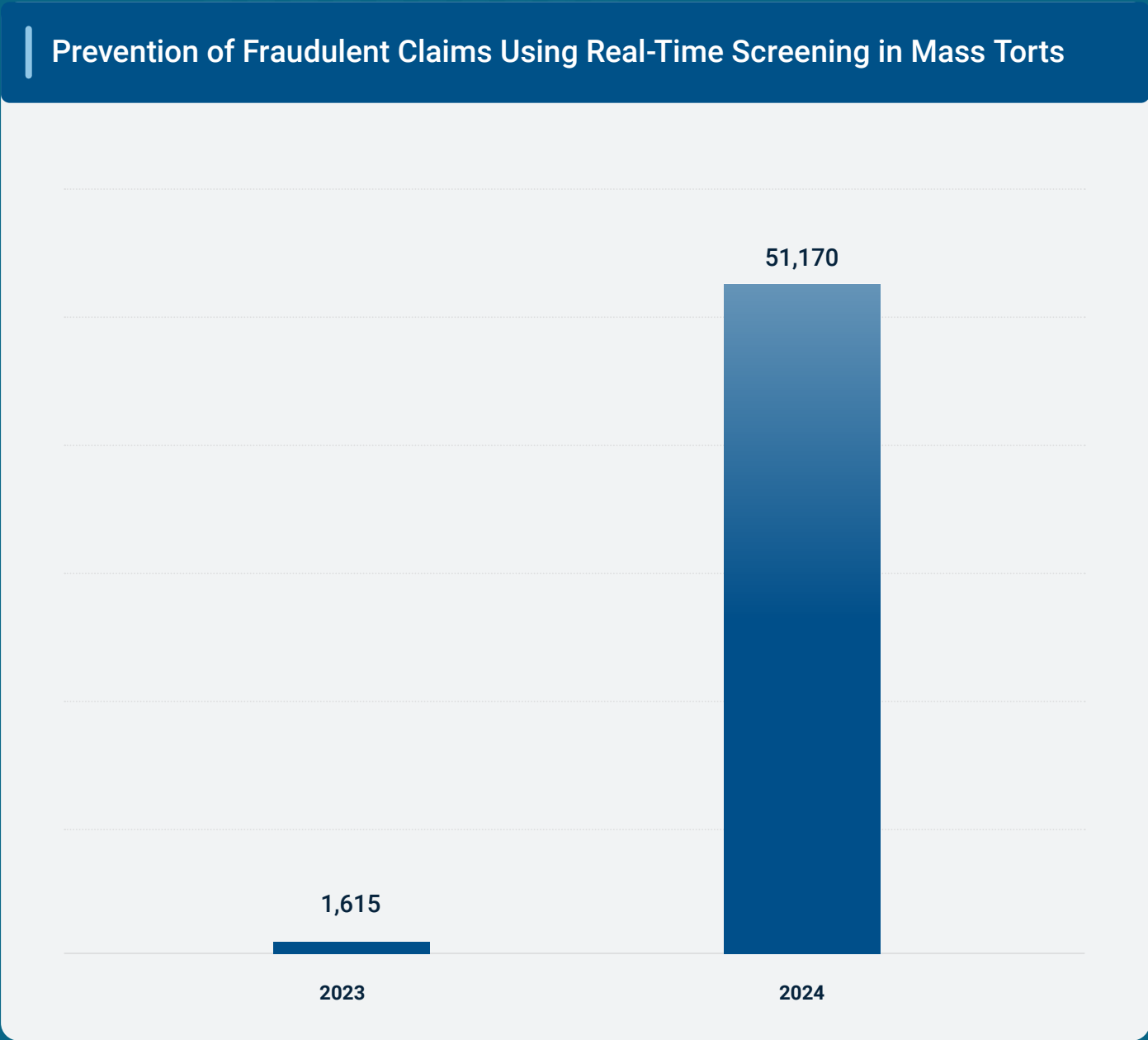


Figure 20: Fraudulent Claims in Mass Torts Prevented by Real-Time Screening, 2023-2024

The technologies that helped produce a decline in fraudulent class action claims also detected and prevented more than 50,000 instances of mass tort fraud in 2024. While much is written about the

growing fraud at the lead generation stage, this data reveals that bad actors are increasingly showing up at distribution time as well.

# Prominent Courts and Law Firms Continue to Embrace Digital Payments

The following rankings highlight the courts and firms that have most extensively utilized digital payments—measured by the number of settlements, total payments issued and overall payment amount—as processed by Digital Disbursements (again serving as a proxy for the industry). This data, spanning from 2019 to 2024, offers insight into the growing adoption of digital payment methods, especially among notable courts and law firms.

# Top 10 Federal and State Courts

By Number of Settlements with Digital Payments (2019-2024)

Rank	Court	Cases
1	Northern District of California	64
2	Northern District of Illinois	31
3	Central District of California	28
3	Southern District of New York	28
5	Circuit Court of Cook County, Illinois	26
6	San Diego County Superior Court, California	19
7	18th Judicial Circuit Court, Dupage County, Illinois	15
8	Los Angeles County Superior Court, California	13
9	District of New Jersey	12
9	Eastern District of New York	12

Figure 21: Court Rankings by Number of Settlements with Digital Payments, 2019-2024

# Top 10 Federal and State Courts

By Number of Successful Digital Payments (2019-2024)

Rank	Court
1	Northern District of California
2	Northern District of Illinois
3	18th Judicial Circuit Court, Dupage County, Illinois
4	Southern District of New York
5	Eastern District of New York
6	Southern District of California
7	Circuit Court of Cook County, Illinois
8	Central District of California
9	20th Judicial Circuit Court, St. Clair County, Illinois
10	District of Connecticut

Figure 22: Court Rankings by Number of Successful Digital Payments, 2019-2024

# Top 10 Federal and State Courts

By Total Dollar Amount of Digital Payments (2019-2024)

Rank	Court
1	Northern District of California
2	Northern District of Illinois
3	18th Judicial Circuit Court, Dupage County, Illinois
4	Circuit Court of Cook County, Illinois
5	Southern District of New York
6	Los Angeles County Superior Court, California
7	San Diego County Superior Court, California
8	Western District of Pennsylvania
9	San Mateo County Superior Court, California
10	District of Utah

Figure 23: Court Rankings by Total Dollar Amount of Digital Payments, 2019-2024

Top 10 Plaintiff-Side Law Firms

By Number of Settlements with Digital Payments (2019-2024)

Rank	Plaintiff Law Firm	Cases
1	Milberg Coleman Bryson Phillips Grossman, PLLC	131
2	Morgan & Morgan	40
3	Bursor & Fisher, P.A.	39
4	Markovits, Stock & DeMarco, LLC	34
5	Turke & Strauss LLP	28
6	Edelson PC	26
7	Federman & Sherwood	25
8	Chestnut Cambronne PA	24
9	Arnold Law Firm	22
10	Siri & Glimstad LLP	21

Figure 24: Plaintiff-Side Law Firm Rankings by Number of Settlements with Digital Payments, 2019-2024

## Top 10 Plaintiff-Side Law Firms

By Number of Successful Digital Payments (2019-2024)

Rank	Plaintiff Law Firm
1	Milberg Coleman Bryson Phillips Grossman, PLLC
2	KamberLaw LLC
3	Nassiri & Jung LLP
4	Bursor & Fisher, P.A.
5	Lieff Cabraser Heimann & Bernstein, LLP
6	Sultzter & Lipari, PLLC
7	Reese, LLP
8	Tycko & Zavareei LLP
9	FeganScott
9	Bird Marella
9	Lynch Carpenter

Figure 25: Plaintiff-Side Law Firm Rankings by Number of Successful Digital Payments, 2019-2024

Top 10 Plaintiff-Side Law Firms

By Total Dollar Amount of Digital Payments (2019-2024)

Rank	Plaintiff Law Firm
1	Girard Sharp LLP
2	Milberg Coleman Bryson Phillips Grossman, PLLC
3	Keller Postman
4	Bursor & Fisher, P.A.
5	Johnson Law Group
6	Lichten & Liss-Riordan, P.C.
7	Burns Charest LLP
8	Ahdoot & Wolfson, PC
9	Hedin LLP
10	Carey Rodriguez Milian, LLP

Figure 26: Plaintiff-Side Law Firm Rankings by Total Dollar Amount of Digital Payments, 2019-2024



## Top 10 Defendant-Side Law Firms

By Number of Settlements with Digital Payments (2019-2024)

Rank	Defendant Law Firm	Cases
1	BakerHostetler	51
2	Mullen Coughlin LLC	34
3	McDonald Hopkins LLC	26
4	Lewis Brisbois Bisgaard & Smith LLP	24
5	Gordon Rees Scully Mansukhani, LLP	17
6	Gibson, Dunn & Crutcher LLP	16
7	Shook, Hardy & Bacon L.L.P.	15
8	Perkins Coie LLP	13
9	Wilson Elser	12
10	Cipriani & Werner, P.C.	11

Figure 27: Defendant-Side Law Firm Rankings by Number of Settlements with Digital Payments, 2019-2024

Top 10 Defendant-Side Law Firms

By Number of Successful Digital Payments (2019-2024)

Rank	Defendant Law Firm
1	Mayer Brown
2	Gibson Dunn & Crutcher LLP
3	Cooley LLP
4	Perkins Coie LLP
5	Morgan, Lewis & Bockius LLP
6	Wilson Sonsini Goodrich & Rosati
7	Faegre Drinker Biddle & Reath LLP
8	Jenner & Block LLP
9	Sidley Austin LLP
10	Dorsey & Whitney LLP

Figure 28: Defendant-Side Law Firm Rankings by Number of Successful Digital Payments, 2019-2024

Top 10 Defendant-Side Law Firms

By Total Dollar Amount of Digital Payments (2019-2024)

Rank	Defendant Law Firm
1	Gibson Dunn & Crutcher LLP
2	Cooley LLP
3	Perkins Coie LLP
4	Wilson Sonsini Goodrich & Rosati
5	Covington & Burling LLP
6	Morgan, Lewis & Bockius LLP
7	Mayer Brown
8	Littler Mendelson P.C.
9	Baker Botts L.L.P.
10	Sullivan & Cromwell LLP

Figure 29: Defendant-Side Law Firm Rankings by Total Dollar Amount of Digital Payments, 2019-2024

# Additional Advantages of Digital Payments that Would Benefit from Further Study

The data from this report is incontrovertible: While attempted fraud continues to increase, new technologies produced the first-ever recorded decline in the number of fraudulent claims submitted. Digital payments remain far more effective than paper checks, and class members/mass tort victims, judges, lawyers and settlement administrators are increasingly embracing the use of a pay menu that includes popular digital payment options and paper checks by mail. Based on the many advantages of digital payments, we expect this trend to continue. It is our goal to take a deeper dive into these issues (including those listed below) in future reports.

Criteria	Pay Menu	Paper Check	Recap of Current Information
Success Rates	High	Low	As explained on page 16, studies have shown that the average success rate for digital payments is 98% and the average check cash rate is between 55% - 77%.
Cost Per Payment	Low	High	The cost to send a digital payment (to a U.S. payee) remains significantly less than the cost to print and mail a paper check.
Security	High	Low	On September 9, 2024, the United States Financial Crimes Enforcement Network issued a Financial Trend Analysis on mail theft-related check fraud, with 841 financial institutions reporting suspicious activity amounting to more than \$688 million <sup>3</sup> .
Tracking	Same Day	Potentially Months	Digital payments enable nearly instantaneous tracking.
Speed	Fast	Slow	Most digital methods are delivered the same day as initiated.
Payee Convenience	High	Low	No digital payees are required to visit a bank.
Unbanked	Friendly	Unfriendly	Approximately 5.6 million Americans are unbanked. <sup>4</sup> Check-only distributions require the unbanked to pay extremely high fees for check cashing services.
Environmental	Low Impact	High Impact	Paper check distributions generate significant paper waste and carbon emissions.
Mass Torts with Digital Payments	Increasing Rapidly	Stagnant	The number of mass torts that allowed digital payments has skyrocketed over the past two years.

Figure 30: Areas for Further Study, 2024

<sup>3</sup> Financial Crimes Enforcement Network. Sep. 9, 2024. "FinCEN Issues In-Depth Analysis of Check Fraud Related to Mail Theft." <https://www.fincen.gov/news/news-releases/fincen-issues-depth-analysis-check-fraud-related-mail-theft>

<sup>4</sup> Federal Deposit Insurance Corporation. Updated July 24, 2023. "2023 FDIC National Survey of Unbanked and Underbanked Households." <https://www.fdic.gov/household-survey>



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## **About Western Alliance Bank Juris Banking Group**

Western Alliance Juris Banking Solutions, a national banking group within Western Alliance Bank, Member FDIC, brings together a full range of legal industry services and expertise under the same umbrella, including Settlement Services for class action, mass torts and bankruptcy attorneys, claims administrators and related businesses; Digital Disbursements to facilitate payments to claimants in these matters; and NewLaw Banking, which offers creative financing solutions, leading technology and a white-glove approach to client service. The Juris Banking Group is part of Western Alliance Bancorporation, which has more than \$80 billion in assets. Major accolades include being ranked as a top U.S. bank in 2024 by American Banker and Bank Director. With significant national capabilities, the Juris Banking Group delivers the reach, resources and deep industry knowledge that make a difference for customers.



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