

## **Check & Credit Card Fraud**

Bad checks affect everyone in terms of higher consumer costs that must be paid to offset losses, as well as the costs involved in law enforcement and prosecution. There is no completely "safe" method of screening checks, even certified checks can be forged or altered. The best rule is still "KNOW YOUR CUSTOMER." Set up a check cashing and credit card acceptance policy to limit losses. Decide which checks you will accept and set a limit on the amount. The single most important element to cutting losses and providing customer service is EMPLOYEE TRAINING. Make sure employees know and adhere to store policy. The following are guidelines to set up when establishing your policy.

### **Avoiding Bad Checks**

Remember that a check is not legal tender. You are doing the customer a favor by cashing a check. Keep the following in mind:

- Bad checks are most frequently passed on weekends and holidays.
- Persons passing out of state checks are hard to prosecute in Wisconsin.
- Calling a telephone number on a check is not real protection against a forger. The forger may have an accomplice answer the phone. Anyone can get a name from the phone book.
- A bankbook is no proof of funds in the bank.
- A driver's license or credit card alone is not sufficient ID when cashing checks for strangers. Temporary driver's licenses, social security cards, work permits, voter registration cards, and hunting or fishing licenses are not IDs.
- You have no criminal recourse against the maker or payee on a two party check.
- The police rely on merchants to report persons passing bad checks. But the police are not a collection agency.

### **Tips for Cashiers**

- Be sure the tendered instrument is really a check and not a voucher or merchandise order.
- Never take a postdated check. Make sure the check has the current date.
- Never accept a stale-dated check. Six months is usually the time limit banks will adhere to.
- Never accept a check if the payer states he/she must make a deposit to cover it.
- Never take a check from a person who is drunk or drinking to excess.
- Make sure the check is complete and properly made out. Call your supervisor or the bank if you are in doubt.
- Never accept partial payment on a suspicious check if you contemplate legal action.

- Never accept an altered check or checks with erasures or written over amounts.
- Never take a double endorsed or three-party check.
- Never be afraid to ask for good ID. An honest person does not mind and you may deter a dishonest one.
- Never let a payer hurry you in the examination of a check or ID. Be on guard when a "fast talker" attempts to cash a check.
- If the payer offers a Wisconsin driver's license for an ID, have him/her take it out and hand it to you. Feel it for bumps on or around the photo, or a slick surface. Check the color and size of photo. Look at the type; if it is typewritten it is probably bogus.
- Compare the description on the ID with the person presenting the check.
- Compare the signature on the ID with the one on the check.
- Compare the address on the ID with the one on the check.
- Make sure the check has the name and location of the bank.
- Make sure the written and numerical amounts match.
- Have the payer sign or endorse the check in your presence. If in doubt, turn the check upside-down and have the endorser sign it on the other end.
- Initial the check so you can identify it later if necessary.
- Get a complete description of the person if there is anything suspicious about the transaction. This can be written on the check.
- Know who in your organization accepted the check.
- Limit check-cashing authority to one or two specially trained cashiers. They will become experts at it.
- Have your employees initial checks at the time of acceptance.
- Call the NPD immediately after it is determined that the check is not good. Time is of the essence in such situations. Call 911 if the person is still on the premises. Try to delay the person without arousing his/her suspicion and get a good physical description. Study the person's face and clothing, and note any other distinguishing features.
- If the person leaves prior to the arrival of police, get a complete description of his/her vehicle with the license number and direction of travel. But do not expose yourself to any danger.
- If the person is gone by the time it is determined that the check is not good, call the NPD on its non-emergency number, 886-6000.

## **Curb Credit Card Crimes**

Stolen credit cards or "hot card" losses can be reduced by alertness and proper security measures by you and your employees.

When making credit card transactions, cashiers should:

- Request to see a valid ID.
- Check credit card numbers against current "hot-sheet" listings.
- Call the card issuer for authorization if you are suspicious about the card.
- Check the card expiration date.
- Compare signature on card with the one on the sales receipt.
- Check that the card has not been altered by "shaving" or "ironing."
- Verify the card before approving a purchase over the floor limit.
- Contact their supervisor if you suspect fraud.
- Keep the card and attempt to stall the customer until security personnel or the police arrive.
- Destroy carbons from credit cards invoices.

Watch out for customers who:

- Chat a lot to distract the clerk or cashier
- Delay purchases until the clerk is distracted or upset
- Hurry the clerk just before closing time
- Purchase a large item such as a TV, and insist on carrying it out rather than having it delivered
- Purchase without regard to size, color, style, or price, or refuse to have alterations which are included in the purchase price
- Purchase several items in the same department, all under the amount of the floor limit or the amount that would require an authorization call to the card issuer.