

Check/ Share Draft Fraud



Presented By:
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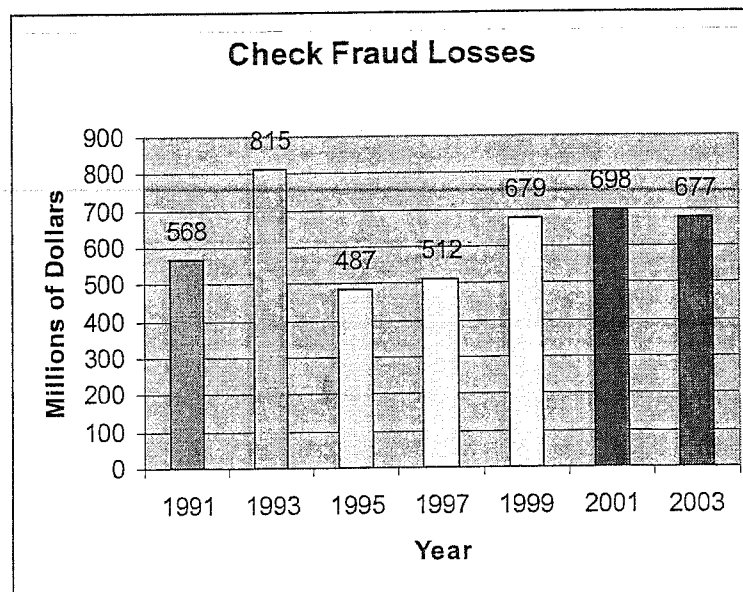
Learning Objectives:

- Understand the seriousness and extent of share draft and check fraud.
- Describe the three main types of share draft and check fraud, and learn about new methods that criminals are using
- Properly verify identity when accepting or cashing a share draft or check.
- Spot more obvious altered and counterfeit checks
- Follow correct procedures when a check appears to be fraudulent.
- Know the major technological defenses against check fraud.
- Understand the mechanism of kiting and the warning signals.

So why does check fraud matter?

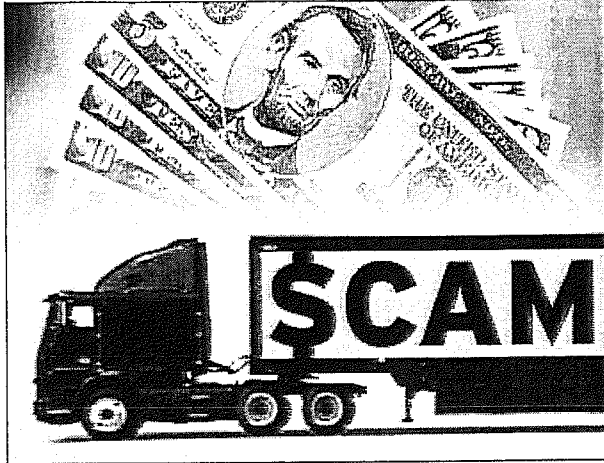
According to a study by the Federal Reserve Bank, consumers write more than 49 billion checks annually in the U.S. alone and check fraud continues to be a major risk for financial institutions. The chart below shows the amounts that financial institutions reported losing to check fraud through 2003, which was almost \$700 million!

Your credit union is a part of that loss, and your members are losing money as a result of check fraud. Even one bad check is too many. With all of the new technology, check fraud has increased since 2003 and so have the amount of losses.



Check and Share Draft Fraud

Depositing or cashing share drafts and checks takes up most of the credit union teller's day. Fraudulent checks and share drafts are a significant source of loss to credit unions—much larger



than losses due to robbery or burglary. "The most prevalent problem in the financial services industry, by far, centers on check fraud" writes FBI Special Agent Keith Slotter, CPA.

There are basically three types of fraud involving share drafts and checks:

1. **Alteration and counterfeiting.** This involves changing information on an instrument or creating a fake check or share draft. Modern technology, such as color copying and desktop publishing, makes faking instruments increasingly easy.
2. **Forgery.** This usually involves stolen checks, which are filled out or altered by the criminal.
3. **Account fraud.** This mostly consists of kiting and paperhanging. **Kiting** is opening several accounts and using "float" to create temporary and misleading balances on which checks or drafts are drawn. **Paperhanging** is writing share drafts or checks on closed accounts.

If the fraudulent transaction or a series of related transactions totals \$5,000 or more, and there is a specific suspect involved, federally insured credit unions should file a Suspicious Activity Report (SAR) with the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN). If the transaction totals \$25,000 or more, a SAR should be filed even if no suspect or suspects are known.

When a fraud occurs or is suspected, the credit union should contact the appropriate law enforcement agency to help investigate and prosecute the crime. Your credit union's security officer and attorney will determine which agency or agencies have jurisdiction.

Who Are the Criminals?

The FBI has done a study on the growing crime of counterfeiting and forging checks and share drafts. "About half of the persons committing fraud work alone; the rest are affiliated with gangs", says FBI Special Agent Keith Slotter. The gangs often are ethnic in character, and each gang carries out white-collar, drug, and violent crimes. They perceive check fraud as a "safe" crime with minimal penalties and low risk of being caught.

"Unlike traditional, tightly knit organized crime groups, such as LaCosa Nostra, these groups, which may embody several hundred members, usually are loosely organized," Slotter writes. "Members often network among several organizations. Despite the lack of a rigid hierarchy, members typically fall into one of several roles—leader, check procurer, counterfeiter, information broker, or check passer."

The following are several examples of check fraud teams. Some are as small as two people, while other check fraud rings can include many individuals. The more advanced check fraud rings even specialize!

Columbus, OH-2004

Nine women stole over \$74,000 using bank statements obtained by former Postal Workers. The former USPS employees would steal bank statements to get personal information and pass them along to any of seven other women. Using home PC's, the other seven would make fake checks and cash them or use them to buy gift certificates. The Postal employees were given a percentage of all of the stolen money in exchange for the bank statements.

The two women convicted of check fraud are serving sentences for 17 months and four months, respectively...

Augusta, GA-2005

Armed with VersaCheck software, a 34-year-old man and his girlfriend steal between \$6000 and \$8000 in less than two hours. Deryck Ross began using VersaCheck to create fake checks with the account numbers from a former employer and continued to create false checks bearing the logos of local hospitals. The total amount stolen by Ross is still being determined, but it amounts to well over \$50,000. The Captain of the Aiken County Sheriff's office said "IT is so far advanced now; you can pretty much create whatever you want whether it be driver's licenses, Company ID Cards, or checks. You don't even need skills because most of the tutorial programs run you right through it."



Kansas City, MO 2001-2003

Beginning in 2001, a ring of check forgers printed over \$120,000 in counterfeit payroll checks that had been created with a digital scanner and personal computer. The conspiracy ring was headed up by 30 year-old Maurice Sayles, who was convicted in January of 2006. Here are the punishments he and his gang received:

Maurice S. Sayles, 30, of Kansas City, was sentenced to two years and six months in federal prison without parole. Sayles was also ordered to pay restitution to seven Kansas City banks totaling \$53,283. Sayles admitted that he passed or attempted to pass 32 counterfeit payroll checks at banks throughout the metropolitan area between August 2001 and April 2003.

Seven other co-defendants have been sentenced:

* **Markella Y. Fenley**, 30, of Kansas City, was sentenced to two years in federal prison without parole.



* **Kareem A. Abernathy**, 29, of Kansas City, was sentenced on Nov. 15, 2005, to eight months in federal prison without parole. He cashed two counterfeit checks on Feb. 18, 2003, at United Missouri Bank offices in Kansas City and Raytown for a total of \$642.

* **Kevin D. Abernathy**, 26, of Kansas City, Mo., was sentenced on Nov. 22, 2005, to *one day* in federal prison and was ordered to pay \$1,541 in restitution. Kevin Abernathy agreed to cash some of the counterfeit checks with the understanding that he would keep \$200 as his share of the proceeds of any checks successfully passed. Abernathy cashed three counterfeit checks at United Missouri Bank offices in Kansas City and Raytown for a total of \$1,880.

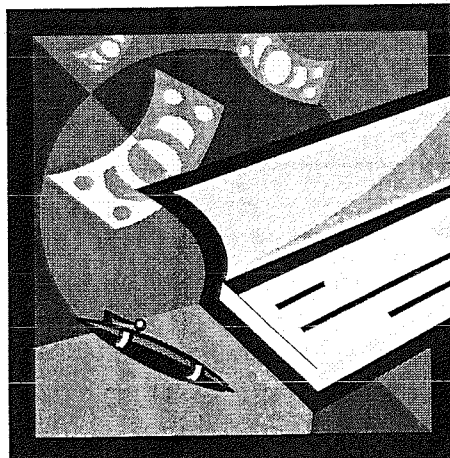
* **Damon Washington**, 29, of Kansas City, was sentenced to one year in federal prison without parole and was ordered to pay \$1,249 in restitution for cashing two counterfeit payroll checks totaling \$1,249 in Kansas City.

* **Rochelle Abernathy**, 48, of Kansas City, was sentenced to seven months in federal prison without parole and ordered to pay \$8,365 in restitution. She cashed 14 counterfeit payroll checks, sometimes using a fraudulently obtained Kansas driver's license belonging to another person, totaling \$8,365 from Aug. 17, 2001, to April 28, 2002.

Here are Slotter's descriptions of possible gang roles:



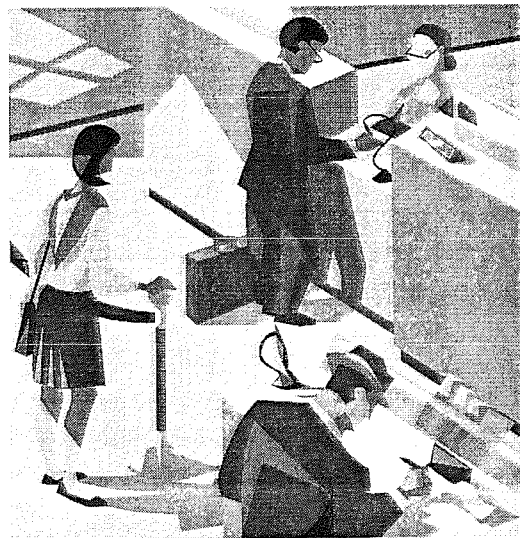
- **Leaders** of an organization generally have an extensive criminal history and possess above-average intelligence. Often, they have a degree in business law. These individuals provide the overall direction of the group, as well as expertise in understanding the American business and the banking system.
- **Check procurers** obtain authentic checks, usually by stealing them while employed within a financial institution. Group members then sell or negotiate the stolen checks as is, or they duplicate the checks for further use.
- **Counterfeiters** duplicate corporate and payroll checks, traveler's checks and other negotiable instruments, as well as personal identification. They usually are well versed in the use of personal computers, especially in the field of desktop publishing.
- **Information brokers** gather personal and financial information on legitimate individuals. Using this credible information associates open new bank accounts, pass counterfeit checks, and secure loans, which they fail to repay.
- **Check passers** actually negotiate stolen and counterfeit checks through the banking system and collect the proceeds to distribute to the group. They often travel throughout the country, opening new accounts and transporting illicit proceeds. Typically, they negotiate only about 10 percent of a group's illicit checks; the group sells the rest of the checks to other individuals and organizations. Check passers maintain little contact or status within the hierarchy and often are the only members whose ethnic backgrounds differ from the core group.



The Meaning for Your Credit Union

In a small credit union, where staff knows most members by sight, the opportunities for share draft and check fraud are low. As the credit union grows, tellers and others who deal in share drafts and checks should understand how this type of fraud occurs and how to minimize the risk. All employees should know:

- What is acceptable identification
- Procedures for opening new accounts
- Cashing share drafts or checks and accepting deposits
- Detecting forged, altered, and counterfeit items
- What to do when fraud is suspected



Because those who commit share draft and check fraud often travel about and will likely strike several institutions in your community or region, your credit union should maintain communication with other financial institutions and local law enforcement agencies to learn when an individual or gang is active in your area. "Risk Alerts," are available from CUNA Mutual Group to the credit unions it insures, are one of the most useful sources of information. These Risk Alerts and the Loss Prevention Library may be accessed securely through the CUNA Mutual Group website at www.cunamutual.com

Cashing Checks and Accepting Deposits



Bill Brownell didn't know the well-dressed woman standing in front of his teller's window. But she simply wanted to deposit a check from a local business to an existing account. Why should he ask for identification?

The next day, she showed up again at the window with another check, this one considerably larger. Again, Bill accepted the deposit. The following day, the woman appeared once more with another large check to deposit,

but this time she made it a split deposit, getting part of it in cash. Bill carried out the transaction without thinking.

Unfortunately, all of the checks deposited in the account turned out to be counterfeit. The credit union was out the cash Bill had paid the woman. The member who actually owned the account was put through the embarrassment and bother of proving she didn't deposit counterfeits, and she was angry that the credit union had failed to ask for identification.

When a loss occurs due to share draft or check fraud, it is usually because someone did not fulfill his or her responsibilities, says CUNA Mutual Group. This breakdown occurs when staff members don't follow standard operating procedures, or employees are unaware of crime trends and techniques used by share draft or check swindlers.

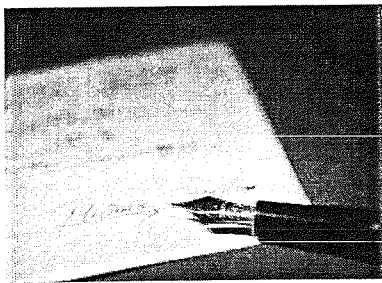
While each credit union has its own set of procedures, all credit unions should include the following rules for handling share drafts and checks. Particular caution should be taken with checks or share drafts drawn on out-of-town banks or credit unions.

Check the Person's Identity

Federal credit unions are not permitted to cash checks or share drafts for nonmembers, unless the instrument is drawn on that credit union. Many scam artists, however, pose as members or impersonate an actual member, using information gleaned from various sources.



If the teller personally knows for certain the identity and membership status of the person making the transaction, no documentary identification is necessary. But if the teller is not familiar with the person, he or she should always politely ask for proper identification. The identification document should include a photo, a physical description, and the person's signature. A driver's license can be altered or forged, so comparison with a second document is helpful.



Check the Signature

Unless the member is personally known to the teller, the teller should compare the endorsement on the deposited check or share draft with the signature on the depositor's driver's license or membership signature card. Many credit unions require that the share draft or check be endorsed in the presence of the teller even if it has already been endorsed. This

helps to trip the con artist who may have laboriously copied the first endorsement from a genuine signature. (The fresh endorsement should be required on each check or share draft deposited, even if this seems bothersome.)

With a split deposit, the deposit slip actually is serving as a share draft. When the depositor wants part of the funds back in cash, some credit unions require a signature on the deposit slip as well in the presence of the teller.

Avoid Being Distracted

Many scam artists attempt to distract and hurry the teller during a transaction to cause her or him to neglect basic procedures. The person attempting the fraud may make a call on a cell phone, be talkative, belligerent, or impatient; or appear to be ill or close to fainting. A partner may create a diversion in the lobby. Sometimes the criminal dresses as a priest or police officer to disarm suspicion. The rule for the tellers and others handling transactions is: *Keep your attention on the transaction, not the person.*



Charles M. Stambaugh

Charles M. Stambaugh⁹

Types of Check Fraud

Harry Merrick was down on his luck. His wife had left him, and his creditors were after him. Then the federal tax refund check arrived in the mail. Since he and his wife had filed jointly, it required both their signatures to cash. Harry endorsed it with his signature and scrawled a rough imitation of his wife's signature. He took it down to the credit union and deposited it in his newly opened account. He had become a forger.

The crime of forgery involves genuine share drafts or checks wrongfully issued or endorsed. An example would be when a company employee writes an unauthorized corporate check or share draft payable to the employee. However, forgery can also occur on the household level, when an unauthorized person gets his or her hands on a book of share drafts or checks. Thieves sometimes steal newly ordered blank share drafts en route to their owners. As in Harry's case, forgery also includes faking an endorsement to a legitimately issued check or share draft. Thieves forge endorsements to stolen instruments.



Most credit union forgers are amateurs!

Most forgeries encountered by credit unions are committed by members and are relatively unskilled. Forged endorsements may be obviously traced or copied, with shaky lines and skips. "At best, these members should be classified as 'opportunists' at the forgery game," says CUNA Mutual Group. "The opportunist will pass only one or a few forged items."

Even amateur forgeries, however, often escape detection because tellers give checks only the most cursory inspection, CUNA Mutual asserts. The credit union should educate its members and business accountholders to keep their blank share drafts in a safe place and to adopt procedures to ensure that only authorized persons can issue share drafts.

Alteration

Altered instruments include valid checks or share drafts that have been modified to increase the amount, change the payee, or both. This category also covers share drafts and checks that have been acid-washed and filled in with bogus information. Here are common ways share drafts and checks are altered:

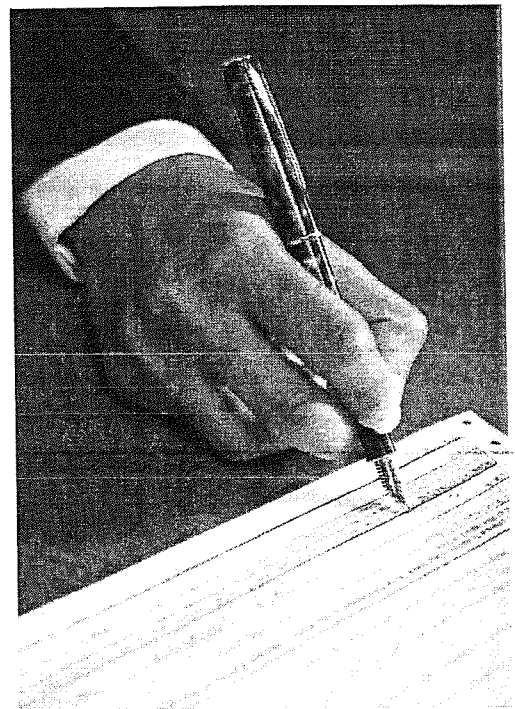
Adding another payee. A share draft or check made out to a single payee may be altered by adding the word or and another name. For example, a check or share draft made out to "Susan Parker" may have "or Mike Thompson" added to the payee line. Then Mike Thompson can endorse the instrument and deposit or cash it.

Changing a company's name to an individual name. Credit unions properly refuse to cash or deposit a share draft or check for an individual when the payee is a company, even when the individual works for or is an officer of the company. This barrier can be bypassed by forgery. For example, a check or share draft made out to "Hall Corp" might be altered to read "Hall Carpenter."

Changing the amount of the instrument. The face value of the instrument may be altered by adding a few letters and numbers. A check or share draft for \$6 might be altered to make it for \$60.

Erasing or bleaching out information to permit new information to be inserted.

In some cases, the entire instrument is washed in an acid bath that erases everything except the preprinted features of the instrument. The blank check or share draft is then filled out to suit the con artist's needs.



Frontline employees should know how to detect check altering.

Good rules include:

- *Make sure the numerical amount of the instrument is the same as the written amount.* The legal amount of the check is what is written out. The numerals are for the convenience of tellers and processors. The numerical amount usually is easier to alter than the written amount, and those attempting fraud know that tellers often glance only at the numerical amount. So they try passing a share draft or check with this minimum alteration. For example, a share draft for \$69.50 might be altered by inserting two ones before the six, to make the sum \$1,169.50, even though the written amount remains "sixty-nine and 50/100 dollars."
- *Even if the numerical and written amounts match, inspect to make sure that the numbers and writing are not suspiciously crowded or uneven.* When someone writes a genuine check, the spaces between words and numbers are usually quite even. This occurs naturally as the person writes and is done without conscious effort. If the amount of spacing between numbers, letters, or words is different in one part of the check or share draft from the spacing in others, this is reason to be cautious.
- *Inspect the check or share draft for uniformity.* It should not have rough spots, discolorations, or light areas.
- *Beware of uneven spacing of the writing or figures on the instrument.* A chemically washed instrument may feel rough and look as if it had literally been through the laundry. The ink color and pen strokes should be uniform, with no numerals retraced, and the MICR line should be solidly printed and not marred. (Persons attempting fraud often mar this line to slow down processing of a bad check.)



Credit Union members should be educated about how to write a share draft to minimize the possibility of altering the amount or name of the payee. They should avoid leaving large blank spaces in the number or amount lines. Examine your own share draft practices by completing the activity on the next page.



ACTIVITY:

1. As you pay your monthly bills, look at each share draft you have written. How could it be altered by a clever thief to increase the amount or change the payee? How can you decrease chances of this happening?

2. Do you send bill payments from a mailbox that anybody could open and remove the envelopes containing the share drafts?

3. How do you dispose of old account statements and other financial documents? What information could a thief learn from them that could be used in share draft or check and other fraud?

4. When you buy things on-line or over the phone, how do you ensure that your transactions are secure? What can you do to check out the seller?

Loftse

Counterfeit Checks and Share Drafts

Modern color copiers and desktop publishing equipment have made it easy to duplicate genuine share drafts and checks. These duplicate checks are known as counterfeits. However, it is also possible to create genuine-looking instruments that are based on an existing check or share draft. These are called fictitious instruments.

Established members of a credit union are unlikely to be counterfeiters. The main problems occur with new members or persons posing as members so proper identification and new account precautions are very important. "A counterfeiter's success hinges on knowing that most checks will not be scrutinized closely enough to detect the fraud until they have been cashed and cleared through the banking system," according to FBI Special Agent Slotter.

New Fraud on the Rise

Electronic purchases and bill payments are increasing, and many of us use on-line bill payment or schedule automatic withdrawals. These payments are made by your credit union with something that looks very similar to a check but is not signed. Third parties can create these documents with your account information and give them to their bank to cash against your account. These remotely created "checks" are called *demand drafts*. Demand drafts are used by credible companies like mortgage brokers, and insurance companies. Demand drafts are also created fraudulently, without your approval or knowledge.

Here's how they work...

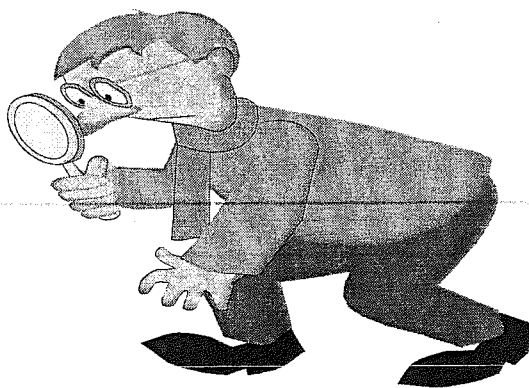
A con artist often representing themselves as a telemarketer offers a victim anything (merchandise or services) to get his/her checking account and bank routing number. The con artist prints an unauthorized demand draft with the victim's account number. The demand draft allows the con artist to withdraw money from the victim's account. By the time the victim reviews their checking account statement the transaction has been run through the account. The con artist that claimed to be a telemarketer may defend the error as unintentional keypunch errors.

At this point, there are NO federal laws to limit consumer liability for unauthorized demand drafts but the Federal Reserve did propose a new set of rules to govern bank drafts in February, 2005. The National Association of Attorneys General (NAAG) stated that complaints about unauthorized bank debits are believed to be significantly underreported because of the lack of public awareness and education about this type of bank account vulnerability. There is no single place to report demand draft fraud, and small increases in amounts may be overlooked by some consumers and businesses and never discovered. The new Federal Reserve rules propose to make the bank that accepts a fraudulent deposit draft for deposit liable for the loss (so watch demand drafts for your credit union's liability, too)!



There are clues to detecting counterfeits. Among them:

- The paper of the counterfeit share draft or check often feels different than the stock used for genuine instruments.
- The MICR line, which on genuine instruments is ordinarily printed in a dull magnetic ink, may look shiny or feel raised on a counterfeit. However, some legitimate laser-printed checks may have shiny MICR lines.
- Personal checks or share drafts and business checks usually have a perforated edge. Counterfeit instruments often lack this edge. (But government checks may also lack a perforated edge.)
- Instruments counterfeited by color copying may smear if rubbed by a moist finger.
- The MICR line on counterfeit instruments often doesn't match the address of the drawee bank or credit union.
- Counterfeit business or government checks may carry numbers that don't match in print style or otherwise suggest that the amount may have been increased.



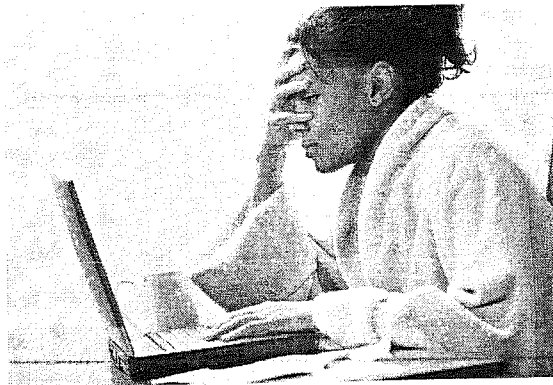
If Fraud is Suspected

If a share draft or check appears to be fraudulent, the teller should lock the cash drawer and tell the person offering the instrument that he or she needs to confer with a supervisor. The teller should retain the share draft or check and any identification the person has offered. The teller may want to activate the surveillance cameras and should mentally note identifying features of the person.

The supervisor may invite the person into a nearby office to discuss the situation while someone else calls the police. If the person leaves before the police arrive, staff members should note the direction of the departure and the description and license number of any vehicle involved. Witnesses should be asked to write down their observations. The teller and the supervisor should also record their observations.

Handle the suspect share draft or check as carefully as possible. Make photocopies for your own use, initial the edge of the check, put it in an envelope, seal it, and initial the flap. The instrument may be important in any investigation or prosecution. Avoid marking the suspect instrument with big "VOID" letters or other writing that may cover up clues.

As soon as possible, the credit union should contact the legitimate owner of the share draft or check—assuming the instrument is forged—and the owner of any identification that may have been stolen.



What are the procedures for handling possible check fraud in your credit union?

There are a number of technological defenses against check fraud, but they are still extremely expensive. The most common include finger print recognition and MICR readers to check if an account number is valid. Many financial institutions cannot afford this technology, so check and share draft printers have also developed ways to discourage alteration or counterfeiting of their instruments. These security features include:

Watermarks. Watermarks are made by applying different degrees of pressure during paper manufacturing process. Most watermarks make subtle designs on the front and back of the checks or share drafts. These marks aren't easily visible and can only be seen when they are held up to the light at a 45-degree angle. This offers protection from counterfeiting because copiers and scanners generally can't accurately copy watermarks.

Copy void pantograph. Pantographs are patented designs in the background patterns of share drafts and checks. When photocopied, the pattern changes and the word VOID appears, making the copy nonnegotiable.

Chemical voids. Chemical voids involve treating check paper in a manner that is not detectable until eradicator chemicals contact the paper. When chemicals are applied, the treatment causes the word VOID to appear, making the item nonnegotiable. Checks treated with chemical voids cannot be altered without detection.

High resolution microprinting is very small printing, typically used for the signature line, around the signature line or around the border. The unaided eye sees the printing as a line or pattern, but magnification reveals a series of words. Photocopying or scanning don't reproduce this well. The words run together or are totally illegible in the copy.

Three-dimensional reflective holostripe. A holostripe is a metallic stripe that contains one or more holograms, similar to those on credit cards. These items are difficult to forge, scan or reproduce because they are produced by a sophisticated, laser-based etching process.

Security inks. Security inks react with common eradication chemicals. These inks reduce a forger's ability to modify the printed dollar amount or alter the designated payee because when solvents are applied, a chemical reaction with security ink distorts the appearance of the check or share draft. This makes such items difficult to alter without detection.

Heat sensitive paper. The paper of the instrument temporarily changes colors due to the heat of the fingers holding it, which indicates that it is a genuine check or share draft.

Security features on a check may be indicated by a padlock icon that points to a warning box listing the features. This serves as a deterrent to fraud and helps the teller know what to look for. However, none of these methods is foolproof, and since these features increase the cost of share drafts and checks, some members forgo them. They are perhaps most important with business check and share drafts.

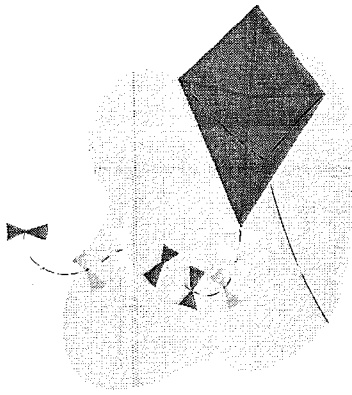
Check and Kiting

Martha Thompson started with a \$50 balance in her account at Busy Bee Credit Union. She wrote a \$100 share draft drawn on Busy Bee to open an account at First Bank. At this point, the two institutions between them had a total balance of \$150 in her name. She then wrote a \$100 check on First bank to open an account at Acron Employees Credit Union. Her total balance at the three institutions rose to \$250.

Martha kept the cycle going by writing a share draft for \$100 on Acron Employees Credit Union and depositing it in her original account at Busy Bee. She then started a new cycle by writing a share draft for \$200 on her original account, depositing it at First Bank, and so on. Martha continued the juggling act for several weeks. Share drafts and checks cleared, as there was always an apparent balance at each credit union to meet them. As she wrote progressively larger share drafts, the total balances increased.

Eventually, Martha ended the game. She closed each account, withdrawing the apparent balance. She left the city with \$5,000 in her purse and three financial institutions with losses.

Martha is a classic share draft and check kiter. There are many variations, but the kiter uses the "float" time between when checks or share drafts are deposited and when they clear to create balances that are really fictitious. Eventually, when the balances are large enough, the kiter may pocket the gain and move on.



WARNING SIGNS OF KITING

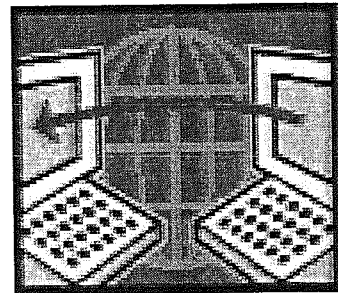
- Several accounts with similar names, owned or controlled by the same individual
- Regular or excessive drawings against uncollected funds
- Frequent daily negative ending balances or overdrafts that eventually clear or are covered in a short time frame
- Identifiable patterns of transactions such as deposits, transfers between accounts, withdrawals, and wire transfers, often with similar or increasing amounts
- Deposits of large checks drawn on out-of-area or foreign

financial institutions

- Frequent requests by the depositor for account balances, collected items, or cleared items
- Frequent large deposits drawn on the same institution
- Deposits drawn on other institutions by the same maker or signer
- Large debits and credits of even dollar amounts
- Deposited checks or share drafts made payable to "cash" or to the depositor that are drawn against other financial institutions
- A low average daily or collected fund balance in relation to deposit activities
- A low collected fund balance in relation to the book balance
- A volume of activity or large debits and credits inappropriate for the nature of the accountholder

Commercial software like Check Solutions Company's AccountRisk/Express is available to analyze accounts suspected of kiting. The suspected account is analyzed for the past thirty days for uncollected funds usage. The software provides a measure of the degree of risk of kiting posed by the account.

If the credit union has reason to suspect that kiting is taking place, it can take measures to protect itself. When the member deposits checks or share drafts drawn on other financial institutions to determine if there are sufficient funds on deposit to cover the instruments. "On-us" items should be debited immediately instead of letting them clear through the system. (An "on-us" item is a check or share draft payable from funds on deposit at the same institution where it is presented for collection.) In addition, the credit union can make use of Reg CC's "reasonable cause" exception to deny availability of funds until deposited checks clear. The member must be given written notice of this act. The credit union does not need to tell the member that he or she is a kiting suspect but can simply check the box on the notice that says "confidential information that check will not be paid."



The credit union may wish to confer with other financial institutions connected with the deposits and ask them to investigate their accounts. Such measures may bring the kiting activity to a halt or cause the scheme to collapse. The credit union should also contact law enforcement officials.

Paperhanging

Paperhanging is the term used for writing share drafts or checks on a closed account. This can be partly controlled by refusing to cash share drafts or checks for nonmembers, the teller should always check to make sure that the account is open and has a sufficient balance to meet the share draft.



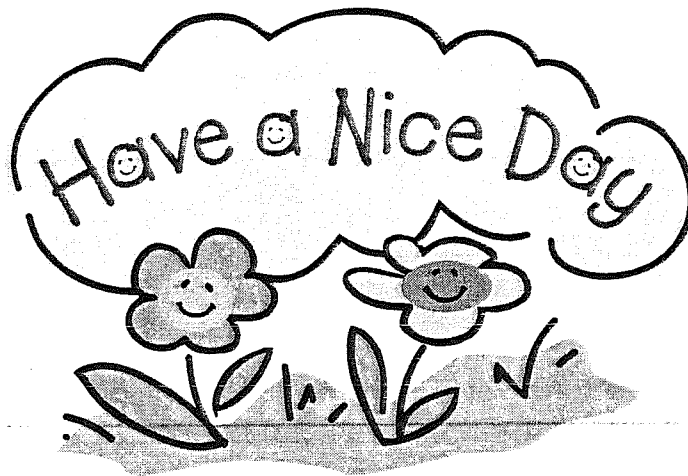
The other place where paperhanging can take place is when a new member deposits or split-deposits a share draft or check drawn on a closed account at another credit union or other financial institution. Always be careful about items drawn on another financial institution. It is a good idea to contact the other institution to make sure the account is still open and has sufficient funds to cover the amount.

Not Every Con Artist Is an Artist



While many who commit fraud are clever people who prey on the gullibility of others, some demonstrate a lack of common sense. In Virginia, a man presented a check made out to him for \$1,450 to a bank teller, who told him to wait while the check was approved. The supervisor knew the woman whose check it was but did not recognize the signature. She called the woman, who denied writing the check and confirmed it when a copy of the check was faxed to her. The bank called the police. All this took considerable time, but the man was still there sipping his coffee when the police arrived and arrested him. Even if he had left, the teller had his driver's license, which he had given her for identification.

In Texas, a man convicted of robbery worked out a deal to pay \$9,600 in damages rather than serve a prison sentence. For payment of the damages, he provided a forged check. He got ten years.



I would like to take this opportunity to thank you for your attention and participation during today's program!!