

# Protection Against Check Fraud

**Check fraud is on the increase.** According to the Office of the Comptroller of the Currency, more than 1.2 million fraudulent checks are written every day—more than 13 per second. Losses this year will exceed \$20 billion. There are steps you can take to minimize your risk from external and internal threats of fraud.

- Use your bank's Positive Pay or Reverse Positive Pay. Positive Pay is an automated check matching service that compares checks issued with checks presented for payment, giving you the opportunity to review unmatched checks within the return item timeframe. Reverse Positive Pay provides your company with a daily checks paid information report that can be matched against your internal issue file. Both services allow you to make pay/no pay decisions and can help protect your company against possible check fraud.
- Maintain tight check security. Store checks, check reorder forms, cancelled checks and signature stamps under lock and key, and restrict employee and cleaning crew access. Examine new checks when they arrive and keep check boxes sealed until needed.
- Destroy unused checks from closed accounts immediately and thoroughly.
- Use highly secure check stock with at least seven security features. Your best choice is stock containing both overt safety features (such as watermarks and warning bands) and covert features (such as microprinting and multi-chemical sensitivity). Avoid multiple colors and sizes of checks in the same account—they make spotting counterfeit checks much more difficult.
- When laser-printing checks, issue multiple passwords to those responsible for check printing and use check paper with toner anchorage to permanently bond the toner ink into the paper.
- When typing checks, use a type font of 12 points or larger. Forgers erase smaller type and replace it with larger type. Use a fabric, single-strike security ribbon, not type self-correcting polymer ribbons, which are easily removable with tape.
- Reconcile your checking account statement as soon as you receive it, or use your bank's Partial or Full Check Reconciliation. Report losses or suspicious checks to your bank immediately.
- Separate responsibilities for handling checks. Reconcilers should not be signers, and vice versa.

Your Treasury Management Sales Representative can review your check processes from issuance to reconciliation and recommend the precise services and products that will help you avoid check fraud.

