

# AN OLD FRAUD WITH A NEW LOOK

## PROTECT YOUR BUSINESS AND YOURSELF FROM MODERN-DAY CHECK FRAUD

It may feel old-fashioned, but check fraud remains a threat thanks to modern-day methods. According to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), between 2021 and 2022, reports of check fraud increased from 350,000 to 680,000. FinCEN says this increase directly coincides with reporting from the U.S. Postal Service (USPS) that mail theft increased 161% from the start of the pandemic through 2021.

Many check fraud schemes are being run by organized crime operations. People are recruited through social media to both steal checks or act as "walkers" by taking stolen and altered checks to the bank to be cashed.

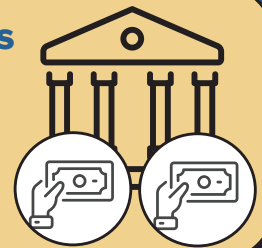
### How am I writing checks?

Use a **black gel ink pen** so that check thieves are not able to use chemicals to wash away the details through a process called **CHECK WASHING**.



### Segregating bank accounts

If you own a business, consider opening separate bank accounts for different uses, such as incoming customer payments, electronic payment disbursements and check disbursements. If thieves gain access to one account with a stolen check, they will not have access to all your company's funds.



### Who am I sending checks to?

Consider using paper checks only for transactions with trusted friends and business associates. If you do not know the person you are making a transaction with, try to use electronic forms of payment instead.

## WHAT TO THINK ABOUT WHEN USING CHECKS

### Overpayment red flag

If someone issues you a check more than the amount agreed upon, this could be a red flag for a fake check. A fraudster could later ask for the overpayment back.

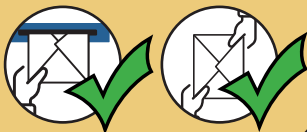


### How am I sending checks?



If you are mailing a check, the USPS recommends not to use public collection mailboxes because thieves are more likely to steal from those.

Instead, place your check directly into a drop box inside the post office.



### How am I receiving important mail?

Unless you are using the post office to hold your mail, check your mail regularly so thieves cannot get to it first. Additionally, consider using a residential mailbox with a lock for another layer of security.

### Potential for identity theft

If using checks, try to limit the amount of information on them. Checks can be a treasure trove for identity thieves, so be sure not to include excess personal information such as driver's license, social security or phone numbers.



As with any other frauds and scams, use your **best judgment**, **follow your instincts**, and **verify the check's authenticity with the bank that issued it**.

