The background of the page features a large, light gray watermark of the Beaverton Police Department seal. The seal is circular with a banner across the middle that reads "BEAVERTON POLICE". Above the banner, the words "POLICE OFFICER" are written in an arc. In the center of the seal is a mountain range with a sunburst behind it. At the top of the seal, it says "OF OR" and "1859".

Check Fraud

A Guide for Small Businesses and
Consumers

600

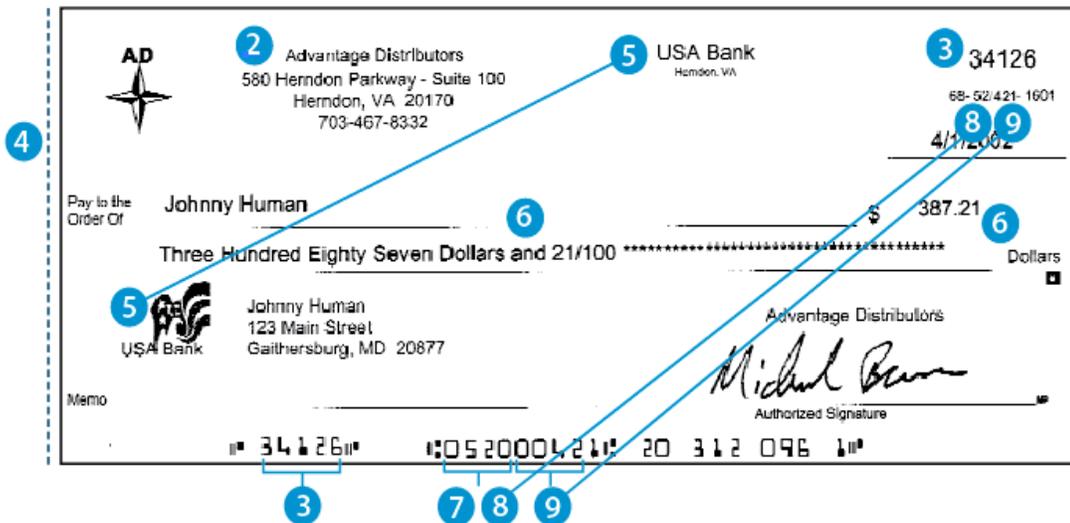
Beaverton Police Department

4755 SW Griffith Dr., Beaverton, OR 97005

503-526-2260

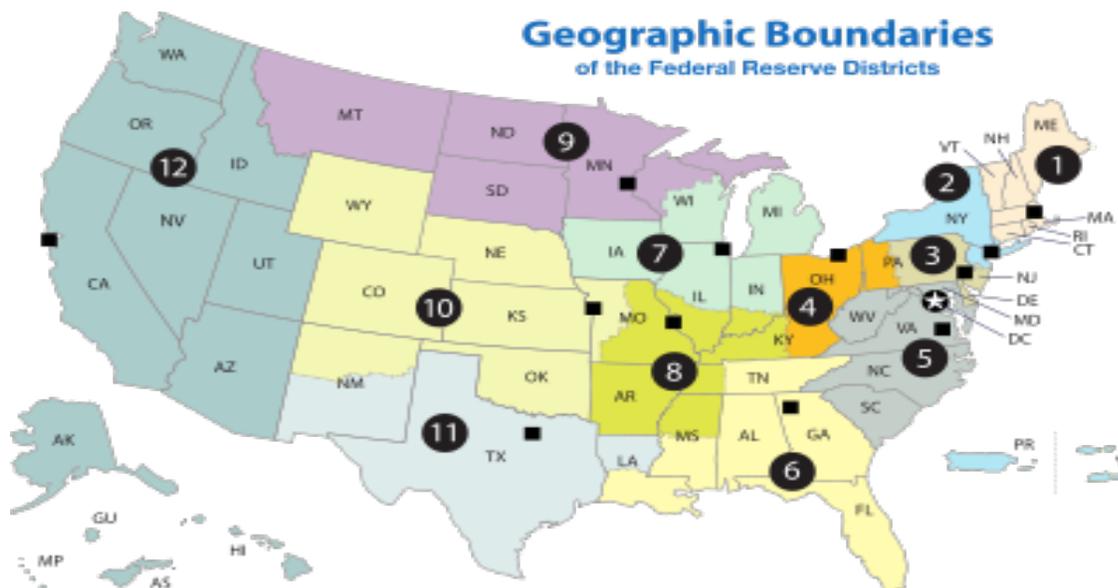
10 Tips to Detect Check Fraud

Fraudulent checks are professionally produced and can appear to be as legitimate as any other check. It is as easy as printing checks using a home computer, printer and check paper found at any office supply store. Here are ten tips to help you make sure the check you receive is legitimate:



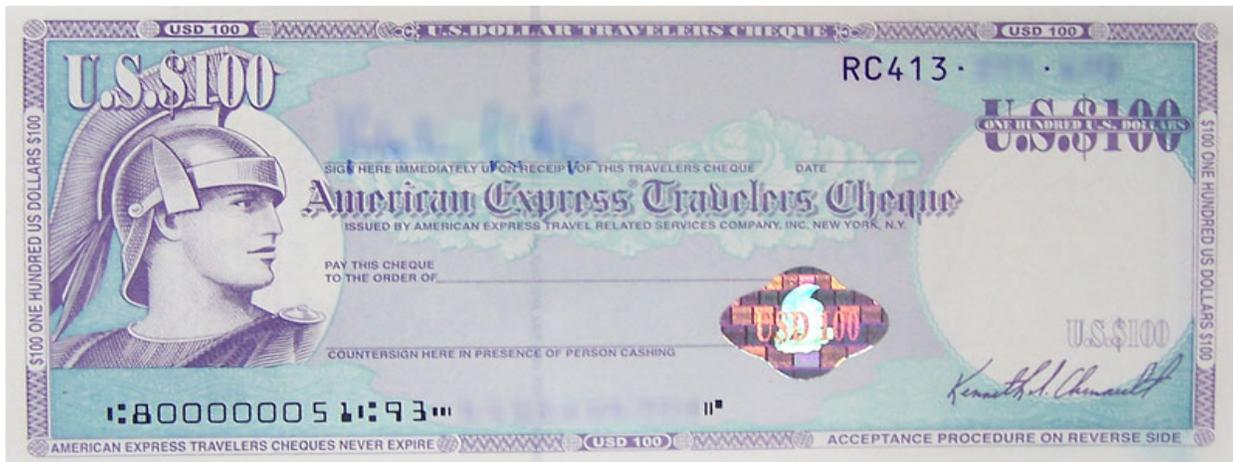
1. Review entire check for correct spelling and punctuation.
2. Account holder's information should be professionally preprinted in the upper left hand corner.
3. Check numbers should be higher than 300, since many fake or bad checks are lower numbers. The check number in the top right should match the number indicated in the MICR field along the bottom. Generally, the check number is the first set of digits in the MICR line in a business check, or the last set in a personal check.
4. Checks should be perforated on one or more sides, rather than four smooth sides.
5. Bank logo should appear on the front of the check along with correct spelling of bank name and address
6. Numeric payable amount on check should match the written amount.
7. Routing numbers are assigned by the Federal Reserve District, and the first two digits of the routing number represent District Codes. The District Codes for the originating bank's location and the Federal Reserve's geographic area should match in the routing number. In the example above, the District Code is 05, which includes the bank's location in Virginia, so this is a match. (See the Federal Reserve table for a complete list of Federal Reserve Districts).
8. The first through fourth numbers in the routing number correspond to the numerator of the fraction (generally located below the check number. Leading zeros are dropped. In the example below, 0520 is converted to 520.
9. The fifth through eighth numbers in the routing number correspond to the denominator of the fraction indicated above. Again leading zeros are dropped. In this example, 0042 is converted to 42.
10. Turn the check over, and look for a description of the check's security features (e.g. watermark or transparencies). Confirm these are on the check.*1

Geographic Boundaries of the Federal Reserve Districts



Federal Reserve Bank	Letter	Number	Branches	Website	President
Boston	A	1		http://www.bos.frb.org/	Eric S. Rosengren
New York City	B	2	Buffalo, New York (closed as of October 31, 2008) ^[32]	http://www.newyorkfed.org/	William C. Dudley
Philadelphia	C	3		http://www.philadelphiafed.org/	Charles I. Plosser
Cleveland	D	4	Cincinnati, Ohio / Pittsburgh, Pennsylvania	http://www.clevelandfed.org/	Sandra Pianalto
Richmond	E	5	Baltimore, Maryland / Charlotte, North Carolina	http://www.richmondfed.org/	Jeffrey M. Lacker
Atlanta	F	6	Birmingham, Alabama / Jacksonville, Florida / Miami, Florida / Nashville, Tennessee / New Orleans, Louisiana	http://www.frbatlanta.org/	Dennis P. Lockhart
Chicago	G	7	Detroit, Michigan / Des Moines, Iowa	http://www.chicagofed.org/	Charles L. Evans
St Louis	H	8	Little Rock, Arkansas / Louisville, Kentucky / Memphis, Tennessee	http://www.stlouisfed.org/	James B. Bullard
Minneapolis	I	9	Helena, Montana	http://www.minneapolisfed.org/	Narayana R. Kocherlakota
Kansas City	J	10	Denver, Colorado / Oklahoma City, Oklahoma / Omaha, Nebraska	http://www.kansascityfed.org/	Esther George
Dallas	K	11	El Paso, Texas / Houston, Texas / San Antonio, Texas	http://www.dallasfed.org/	Richard W. Fisher
San Francisco	L	12	Los Angeles, California / Portland, Oregon / Salt Lake City, Utah / Seattle, Washington	http://www.frbsf.org/	John C. Williams

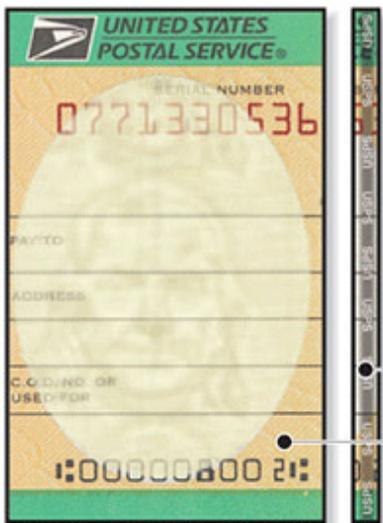
How to Detect a Fake Traveler's Check



- 1) The check must be signed by the buyer at time of purchase. This signature should be at the top of the check. Watch the user sign the bottom line usually listed as "countersign here". The two signatures must match and also should match the signature on the person's ID.
- 2) Inspect the surface of the check for signs of tampering. This can be smudged, missing micro printing or discoloration.
- 3) The check should have a watermark. Make sure a watermark is revealed by holding the check up to the light. If the watermark is visible without introducing the light this is an indicator of a fake. Also if the check lacks a watermark this could also indicate a fake.
- 4) Look for a holographic thread running through the width of the check while holding it to the light. A thread will be in every real check and appear silver or metallic, with a shine to it. Fake threads may be dull or appear printed on the check and easily seen even when not held to the light.
- 5) Feel the surface of the check for engraved or embossed printing which should create texture rather than be smooth. Often, the border, denomination or the central image on the face of the check will be engraved. Real checks should also feel similar to paper currency, without feeling overly smooth or thicker than paper money.
- 6) Note the amount of the check and do not accept checks which are grossly larger than the amount needed for payment, for example a \$100 check being used to buy \$5 of goods.
- 7) Compare the serial number of the check if the customer is handing you more than one check of the same denomination. Traveler's check sold in packs feature a number sequence, so a check ending in 002 can be expected to be paired with another check close in range, such as 001 or 003. Very random serial numbers on the same denomination checks for payment can signal fakes. *4

Security Features for USPS Money Orders

At first glance, many of the counterfeit postal money orders are hard to spot, but two security features are difficult to fake.



SECURITY THREAD A microfiber security strip will reveal the letters USPS, in alternating directions, when held to the light. Fake versions may just show a printed bar.

WATERMARK When held up to the light, a genuine postal money order will display a watermark of Benjamin Franklin. Fake versions often have no watermark or a crude outline.

FAKE

REAL

Source: United States Postal Inspection Service

Remember, as a business or individual you don't have to accept these types of payments. If you are selling goods online ask for either cash or credit card for payment. When accepting cash, check for the security features to avoid accepting fraudulent currency. When in doubt, call the bank on the check to verify the legitimacy before accepting it. A real check could be from a closed account so if the person is acting suspicious take the extra time to protect yourself or business and call the bank for verification. Ask for identification, check the photograph on the identification to make sure it is the same person that is standing in front of you. Write down the identification number and ask them for a phone number if it's not printed on the check. The person's identification should match the information printed on the check.