



Protect Your Funds Against Check Fraud

Check fraud is on the rise all across the U.S. And, although no one is sure exactly how much is stolen through such scams, financial institutions are being flooded with fraudulent checks — and associated losses are skyrocketing.

Postal inspectors recover more than \$1 billion in counterfeit checks and money orders every year. It's important to take steps to stand protected. Here, Central Bank's treasury management experts offer actionable insights **centered around you**.

DID YOU KNOW?

In 2021 alone, U.S. financial institutions reported more than 350,000 cases of potential check fraud. The following year, that figure nearly doubled, to 680,000 reported cases.

Source: [U.S. Treasury Financial Crimes Enforcement Network](#)

MAIL THEFT AND CHECK WASHING FRAUD PRESENT GROWING RISKS

Have you ever sent a check your financial institution said was cashed — but which the recipient said never arrived? You may have been the victim of check washing.

Check washing scams involve changing payees' names, and often dollar amounts, on checks, and fraudulently depositing them. This occasionally happens when checks are stolen from mailboxes and washed in chemicals to remove the ink. Some scammers use copiers or scanners to print fake copies of a check.

Criminals like schemes that are easy, lucrative and have a low risk of getting caught — and check washing meets those criteria. The necessary chemicals are cheap and widely available, and checks can be deposited anonymously at ATMs or via mobile deposit. On top of that, a single altered check can be used to steal thousands of dollars. The good news is, there are steps you can take to protect your funds:

- **Monitor Your Bank Account Daily:** Review paid checks within 24 hours of presentment to ensure the payee's name matches the original payee, the amount matches your records and the endorser's signature matches, too. Checks payable to a business should be endorsed by the business, and not an individual. If endorsed by an individual, call the payee for further investigation.
- **Deposit Outgoing Mail in Blue Collection Boxes Before Last Pickup or Inside Your Local Post Office:** This step offers added security for outgoing mail collection, but risks remain as the check moves along in its journey, to the next post office or business.
- **Use a Non-Erasable Gel Pen with Blue or Black Ink:** Both Experian and the Better Business Bureau state that ink from a gel pen permeates a check's fibers, making it difficult to alter signatures and payee names.
- **Pay Bills or Vendors Using Positive Pay:** This treasury management offering heightens protection through added scrutiny and verification requirements for checks and ACH items presented against your business checking account.

POSITIVE PAY FRAUD DETECTION: WHAT IT IS AND HOW IT HELPS

A treasury management tool available through Central Bank, Positive Pay enables business customers of all sizes to stop fraud in its tracks. Simply provide the bank with information related to charges made against your business checking account, including the issue date, check number, check amount, account number, payee name and any applicable notes. Central Bank ensures information matches up, flagging discrepancies and sending them to you for final review and approval.

This step goes a long way toward ensuring company funds don't fall into the wrong hands, protecting against loss — and eliminating the need to close accounts in the event of unauthorized checks clearing. Remember, fraud is more than a mere headache. It can affect your company's ability to grow, invest and expand.



WHAT TO DO IF YOU BELIEVE YOU'RE THE VICTIM OF MAIL THEFT

If you think your mailed funds have fallen into the wrong hands, **report the incident immediately.**

- Contact Your Central Bank Representative at 832.485.2300
- Report it to the Postmaster or the Postal Inspector Online at emailus.usps.com
 - Enter the Tracking Number, if Available
 - If No Tracking Number, Select "Where is My Mail?"
 - Answer: Is This Inquiry About a Mailpiece Destined for a U.S. Address?
 - Select "Daily Mail Delivery in the Available Options"
 - Under "What's the Reason for Your Email?" Select "Theft of Mail"
 - Input the Date and Report as Many Details as Possible

Note: You May Also Reach the Postmaster or Postal Inspector by Calling 877.876.2455
- Contact Your Local Police Department Non-Emergency Line to File a Police Report

Questions? Concerns?

Contact Your Central Bank Team Today
832.485.2300