



# Nationwide Surge in Mail Theft-Related Check Fraud Schemes

We have been notified by the Financial Crimes Enforcement Network (FinCEN) of a recent surge in check fraud. Criminals are stealing paper checks from the mail by targeting blue USPS collection boxes and personal mailboxes.

Criminals use a check washing method to alter the stolen checks. They change the payee, check number and often the dollar amount of the check. Then they use fraudulent identities to deposit checks and steal money from your account. In some cases, checks are also counterfeited using routing and account information from the original stolen check.

## How to Avoid Check-Washing Scams:

- Consider using electronic or mobile payments.
- Use a pen that contains indelible black gel ink to write your checks. This type of ink is harder to wash away.
- Use online or mobile banking to view your check images and ensure they were not altered.
  - When reviewing check images, be sure to ensure that the payee, check number and dollar amount have not been altered.
- Do not leave blank spaces in the payee or amount lines of checks you write.
- Regularly review your bank activity and statement for errors.
- If you receive paid checks back, shred – don't trash them.
- Bring mail containing checks to a U.S. Post Office and deposit it inside. If using a collection box, do not deposit mail containing checks after the mailbox's last pickup. Crooks tend to steal mail at night.
- Get your incoming mail right away. Do not leave it in your mailbox overnight.

## ***For Business Customers - Loss Prevention through Positive Pay***

The absolute best way to prevent losses due to check fraud is to prevent fraudulent checks from being paid from your account. FSB offers a powerful treasury management service called Positive Pay that is easy to use and is an effective fraud prevention technique. Positive pay creates an extra validation step to ensure that no checks presented will be paid without first being validated by you or your designated employee.

**How does it work?** Account holders use our digital banking system to input information about the checks they have issued (either manually or with a file upload). When checks are presented to the bank for payment, the system matches key details, such as check number and amount, to the information provided by the account holder. Checks presented with information that does not match what the account holder provided are flagged. This additional approval step allows for altered or fraudulent checks to be identified before they are paid.