

What Else?

Get smart about security in all areas of your business. When you order new checks insist on better security features if they are available on the checks you use. If you use gift certificates ask for similar features. When you receive shipments of checks or gift certificates, examine them at once. Make sure that all sequential numbers are there, particularly if a package appears to have been tampered with. Lock up your check supply and keep it locked. Lock up cancelled check files too and all documents relating to your bank accounts. Get a good shredder and use it for everything. Forget cheap shredders; they will not last and, because they are difficult and slow to use, they inevitably will not be used. (Ask us for information on good shredders.) If you use an off-site payroll service, make sure the checks they produce have the security features you feel comfortable with and that they are stored securely. Be aware that a periodic high balance in any payroll or other special use account makes a tempting target for check fraud and set up arrangements with your bank to fund those accounts for the shortest window of time necessary. Arrange with your bank to have checking account statements and cancelled checks sent to you at home rather than to your business, and examine each check to make sure the vendor or employee is authentic. And, while on the subject of employees, vet your accounts payable and receivable people carefully and be particularly wary of any employee who never takes a vacation and shows up even when sick; usually it is because they have something to hide.

Your Worst Nightmare

We read of a case recently where a vitamin company lost \$92,000.00 to an employee who endorsed both payables checks and receivables checks made out to the company and then enclosed them with her credit card payments. Her credit card company credited all of the checks to her account without question – checks just go through automatically - even though the pay to the order of was different and often the amounts were greater than what she owed. Meanwhile, this person credited the vitamin company's customer accounts for the payments customers made. All of the checks were processed as usual by the vitamin company's bank and the owner suspected nothing . . . until he began getting calls from the IRS and his vendors! The employee is now serving 16 months in prison but the vitamin company owner has so far only recovered about twenty-five percent of the \$92 thousand he lost. The banks' argument is that the owner should have taken more care in his hiring and therefore bears most of the responsibility for his losses.

Trafficking in Check Fraud

A recent speeding stop by an Ohio Trooper resulted in the seizure of \$207,257 in counterfeit commercial checks as well as a counterfeit driver's license and three different Social Security cards.

A Quote Worth Quoting

"You can rob a lot more banks with a pen than with a gun!" James Sloan, head of the Boston office of the Secret Service.

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THE
ORDER
OF

**Step & Repeat
Panto in this half.**

**Top & bottom warning borders refer to
state-of-the-art security paper, and
void pantograph background.**

**Bleed-through
arabic & micr
numbering
available.**

**Micro-print
signature line -
view with
magnification.**

AUTHORIZED SIGNATURE

MP

THE RIGHT HALF OF THE PANTO CONTAINS A SECURITY VOID BACKGROUND PATTERN THAT SHOWS UP WHEN PHOTOCOPIED.