

Retail Forgery and Fraud

Accepting Counterfeit Currency Can Be Costly



Accepting counterfeit currency can be a potential loss for any small retail business that is relatively avoidable with employee training and taking necessary precautions. Small businesses are at a larger risk than other types of businesses to receive counterfeit currency. Criminals know that employees of small companies tend to receive less training in detecting fake money than employees of major corporations.

Once your business accepts a counterfeit bill, it is your loss. If the bank detects a false bill in your deposit, then the bill will not be credited to your account, and you will take the loss. Small businesses need to be extra diligent about accepting authentic currency. The loss of profit from a fraudulent sale can significantly affect the bottom line.

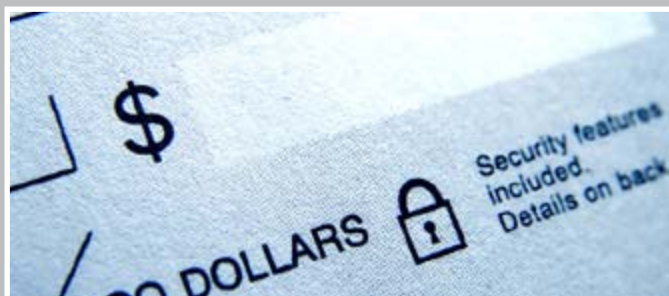
The most effective way to reduce counterfeit currency being accepted at your business is to take the extra time to examine the bills, checks and credit cards that are passed through sales counters. Many counterfeiters rely less on their counterfeit skills, but rather on the inattention of employees. The additional scrutiny during the checkout process adds only one or two seconds of time, but will result in catching most instances of retail forgery. The best method of protection is to educate the employees who are responsible for accepting cash, checks and credit cards. "Front line" employees are the decision makers when it comes to accepting payments and must be trained to recognize questionable currency.

Checks

The following are signs that may indicate a bad check. One sign does not necessarily mean the check is counterfeit, but the greater number of signs, the greater chance the check is forged.

- ✓ The check lacks perforation.
- ✓ The check number is missing.
- ✓ The font type use to print the customer's name looks visibly different from the font used to print the address.
- ✓ The customer's address is missing.
- ✓ The address of the bank is missing.
- ✓ The numbers printed along the bottom of the check (Magnetic Ink Character Recognition - MICR) is shiny. Authentic magnetic ink is dull and not glossy in appearance.

- ✓ The end numbers of the MICR coding at the bottom of the check does not match the check number or are missing.
- ✓ The check lacks an authorizing signature.
- ✓ The check number is low (such as 101 up to 400) on personal check or (1001 up to 1500) on business checks. The majority of bad checks are written on accounts less than a year old.



Keep an Eye Out For. . .

Cash

If you are unsure of the authenticity of a bill, compare the bill to another bill with the same denomination and series. It is easier to look for differences than it is to look for similarities. Counterfeit bills will look very similar to authentic bills, but if the bill differs in one way, it's probably a fake.

Feel the Bill – Genuine currency has slightly raised ink. You should be able to feel the texture of the ink, especially if you are handling a crisp, new bill. The paper currency is printed on is considered to have a “distinctive feel” to anyone that handles money regularly.

Look Carefully at the Print Quality– Genuine U.S. bills are printed using different techniques than regular offset and digital printers, which can not be replicated. Look for blurry areas, especially around borders and on portrait images. The lines should be unbroken, points should be sharp and images should have very fine detailing and look dimensional.

Look for Color Strands– All U.S. bills have tiny red and blue fibers embedded in the paper. They are not printed on the paper; the flecks are actually part of the paper.

Look for a Security Thread– Beginning in 1990, an embedded plastic strip was added to all bills, except for \$1 and \$2 bills. If you hold the bill up to the light you can easily see the strip run from top to bottom and read the printing on it. The strip will say “USA” and the denomination of the bill. Each denomination has the security strip in different locations to prevent lower den Counterfeit denomination bills being bleached and reprinted as high denomination bills.

Check for a Watermark – A watermark image of the portrait on the bill should appear to the right of the actual portrait when held up to the light.

Tilt the Bill – Color-shift ink has been used in printing bills since the 90's. When the bill is tilted the color appears to change from green to black or green to copper.

Black Light Test– Hold the bill up to a black light. If authentic, the Security Strip embedded in the bill will glow: \$5 bill glows blue, \$10 bill glow orange, \$20 bill glows green, \$50 bill glows yellow and the \$100 bill glows red.



Authentic



Counterfeit



Credit Cards



- ✓ The embossed number on the card should be clear and easy to read. Stolen cards can have re-embossed numbers which can be blurry.
- ✓ The most common security measure on credit cards is a signature panel, but signatures are relatively easy to forge. It is a good idea to require a picture ID, such as a driver's license, for comparison to ensure the card user is the actual owner of the credit card.
- ✓ Verify the account number displayed on the electric terminal matches the embossed number on the credit card. This will ensure the store is not accepting a re-embossed card.
- ✓ Check the validation dates. Credit cards can be stolen from the mail and re-coded with a valid authorization number prior to the activation date.

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