



Fraudulent Check and Prosecution Guide

Dear Olmsted County Merchants and Residents:

As consumers and taxpayers, we all pay higher prices because of the losses associated with people issuing fraudulent checks. Law enforcement spends significant resources investigating and prosecuting people who issue fraudulent checks.

In response to concerns regarding fraudulent checks, the Olmsted County Attorney and Sheriff's Office, have implemented a fraudulent check investigation and prosecution program.

The main goals of the program are:

- Increase accountability of people who issue fraudulent checks
- Educate and assist Olmsted County merchants and residents in reducing the number of fraudulent check cases
- Reduce the costs to law enforcement associated with investigating and prosecuting fraudulent check cases

Mark Ostrem
Olmsted County Attorney
151 4th St. S.E.
Rochester, MN 55904

Kevin E. Torgerson
Olmsted County Sheriff
101 4th St. SE
Rochester, MN 55904-3718

Fraudulent Checks that will not be investigated or prosecuted:

- Promissory notes and/or arrangement to hold the check for deposit or credit extensions
- Second party checks
- Checks that are currently in collections by a collection agency or attorney (law firm)

WHEN TO CONTACT THE SHERIFF'S OFFICE

Call the Sheriff's Office to report when checks are received in Olmsted County, outside of the city limits of Rochester, MN.

- Counterfeit check(s)
- Altered checks
- Forged checks of any amount
- Checking account opened using fraudulent information
- Stolen checks

When you are a victim of the above crimes, call the county sheriff's office and/or your local police department. **You must report these crimes within 5 business days after you know the check is fraudulent.**

Olmsted County Sheriff's Office

Phone number: 507-328-6800

Fax number: 507-328-6781

Always make an appointment before a visit.

Checks that are received within the City of Rochester, MN must be reported to the Rochester Police Department at 507.328.6800.

SIGNAGE

The following signage is required by Minnesota law to allow merchants to enforce collection of service charges and civil penalties. This must be posted where your customers can see the service charge at the time the check is accepted by the merchant. Copy as needed.

IT'S AGAINST THE LAW TO WRITE A BAD
CHECK IN MINNESOTA

Checks returned to us for nonpayment
are subject to a service charge of

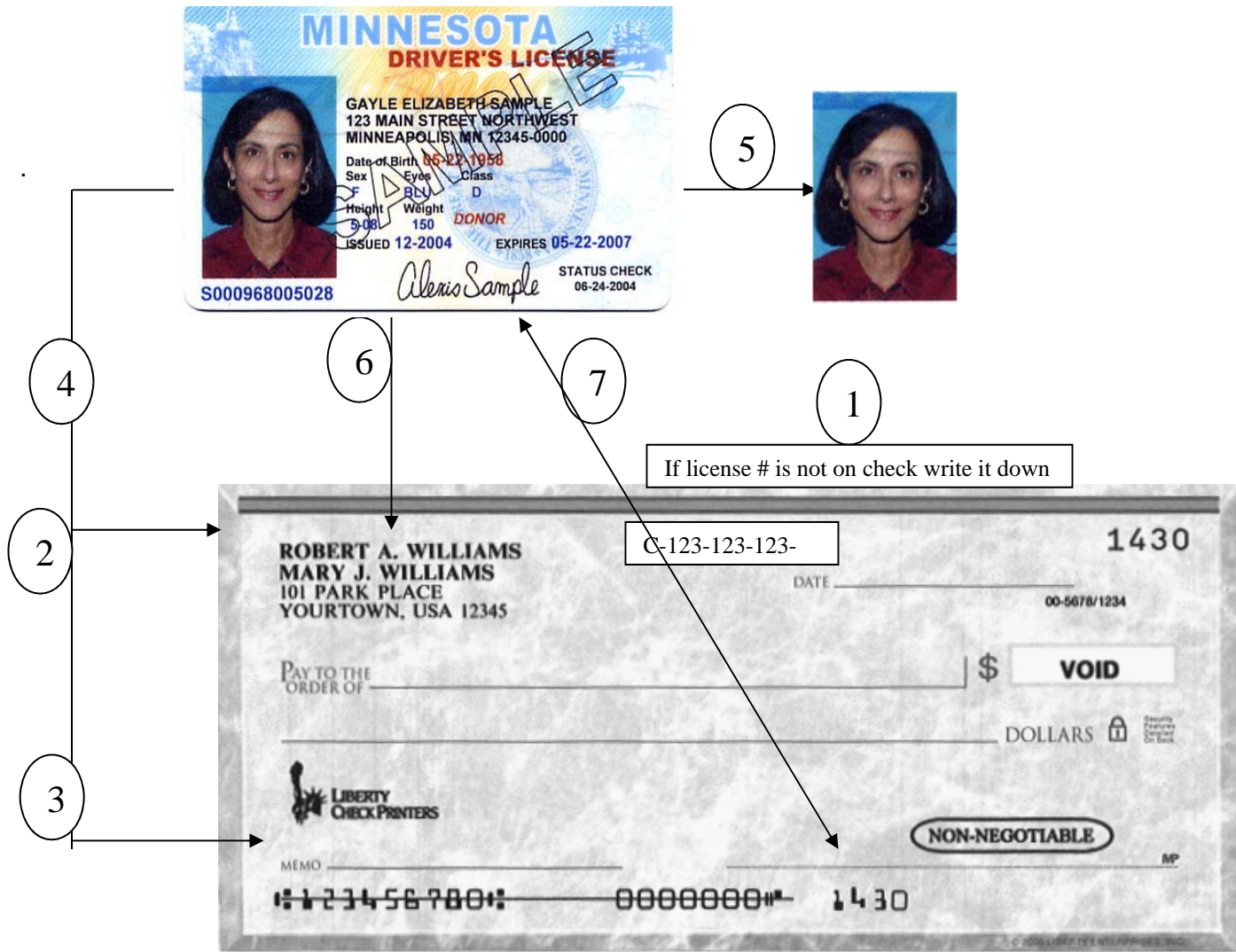
\$30

**Additional civil penalty may be imposed
on checks returned for nonpayment after 30 days.**

MN Statute 604.113

Minnesota Retail Merchants Association

CHECK ACCEPTANCE PROCEDURES



1. Record or circle the identification number (DL # D-123-123-123-123)
2. Have employee initial upper left corner
3. Record home or work telephone number
4. Record date of birth (i.e. DOB 1/29/72)
5. Make sure photo on identification card matches customer
6. Make sure the identification card matches name and address on the check
If time permits, write down good address as indicated by customer
7. Check the signatures on the identification card and match this signature to the signature on the check (endorsement line). If these signatures do not match, acceptance should be declined.

Listed below are the guidelines for processing the various types of fraudulent check cases. Please use the appropriate procedure for each type of fraudulent check case presented for prosecution.

We will require that a state ID card or driver's license be used for identification, *no exceptions*. You must also provide surveillance video of the transaction, if any exists. It is your responsibility to prevent fraudulent checks. This is easily done by asking for photo ID; if they say they lost it or it's at home, don't accept the check!!!

ACCOUNT CLOSED CHECKS:

1. Make sure that the person accepting the check writes the driver's license number or state ID card number on the check at the time it is accepted for payment. This is to ensure that proper identification is made by comparing both the photograph and the signature on the license or state ID card with the person writing the check. Pre-printed driver's license numbers are not sufficient, and have sometimes been intentionally misprinted.
2. The person accepting the check must initial the check or write down their employee numbers in order to identify the employee who accepted the check.
3. If the check is returned "account closed," complete a "Notice of Dishonor" form (sample of this form is included), and make a copy of it. One copy of the form should be kept with your records, and the original should be sent to the person who wrote the check.
4. Mail the original Notice of Dishonor form to the current address or the address on the check. It is required that the Notice of Dishonor be sent certified mail. A copy of the mailing certificate (receipt for certified mail and the green card) should be made prior to the notice being sent. This copy will be forwarded to our department, as indicated in step 4, if you have not received payment on the check.
5. If within five (5) business days you have not received payment for the check, a Fraudulent Check form and a Citizen's Report of person accepting check (Page 2) should be filled out. These forms, along with a copy of the front and back of the account closed check, a copy of the Notice of Dishonor that you retained in Step 3, and the copy of proof of mailing that you retained in Step 4 should be mailed or brought to the Government Center located at 101 4th Street Southeast.
6. Under no circumstances should you return the original check to the owner if they should pay what is owed. Give them a receipt for money received, and tell them to present the receipt in court.
7. Please be aware that out-of-state banks are not required to respond to our requests for information. If an out-of-state bank refuses to provide us with the necessary records, we will not be able to proceed with our investigation.

PLEASE NOTE -- *We will not proceed with any investigation if:*

The check does not have the driver's license or state ID number of the person writing the check hand-written on the check.

The check is more than four (4) months old.

The check case is not accompanied by the required copies of:

- a. The front and back of the check.
- b. The copy of the "Notice of Dishonor."

- c. The copy of the proof of mailing (copies of both the green card and of the receipt for certified mail).
- d. The check acceptance form (designated as Page 2) which is completed and signed by employee accepting check.

NSF CHECKS:

NSF checks will only be accepted for referral to the Olmsted County Attorney's Office if a number of checks written by the same person have been returned as NSF. The number of checks required is determined on a case by case basis by such factors as the amount of the checks involved and the time span between the checks. This provision is necessary to prove the prior intent required for prosecution of this offense.

The same procedure is used for NSF checks as account closed checks if criteria for referral is met. Please do not forward NSF checks to our agency without first establishing whether they can be referred for prosecution. Please note also that the requirements for referral to the Olmsted County Attorney's office remain the same as for account closed checks.

ANY CHECK, REGARDLESS IF IT MEETS THE REQUIREMENTS FOR REFERRAL FOR PROSECUTION, MAY STILL BE PURSUED IN CIVIL COURT. Contact the Conciliation Court for information at the following: 507.206.2400 or www.mncourts.gov

STOP PAYMENT CHECKS:

Stop payment and post-dated checks are usually civil in nature. If you have a question regarding a stop payment or post-dated check, you can again call Conciliation Court at 507.206.2400 or visit www.mncourts.gov

FORGERIES:

All check forgeries should be reported. To report a forged check, call 507.328.6800. A deputy will complete a report for you. Bring or gather as much information, such as description of suspect, license number of vehicle, etc., as you can before you call. Employee accepting check should fill out Page 2 and write as much as they can remember about the suspect. We are no longer requiring that an affidavit of forgery accompany the report.

As was mentioned earlier in these instructions, it is your responsibility to identify the person writing the check. Investigative follow-up will be determined by the information provided.

If you would instruct your employees that the reason we are requesting driver's license or state ID numbers handwritten across the check is to identify the person, both by photo and signature on the driver's license. If this procedure is followed, forgeries will be deterred. Driver's license numbers and state ID card numbers printed on the checks by the computer at the register will not be accepted under any circumstances.

THIS MAY BE AN INCONVENIENCE FOR YOU; HOWEVER, THE "BAD GUYS" ARE GETTING RICH OFF THIS INCONVENIENCE. ASK FOR IDENTIFICATION AND DETER FORGERIES!!!

CITIZEN'S CONTACT LOG:

When you attempt to contact the suspect, identify who you are talking with, such as asking for the date of birth. Conversation is to be logged. If the phone is disconnected, make note of it. This information will be used to make your case stronger.

Thank you for assistance in helping to reduce fraudulent checks.

Captain Scott C. Behrns
Investigations Division
Olmsted County Sheriff's Office

NOTICE OF DISHONOR
DEMAND FOR PAYMENT OF DISHONORED CHECK

The demand is hereby made for the payment of the check indicated below. Minnesota law requires you to make payment in full within five (5) business days after receiving this Demand Letter. If this check is not paid in full within five (5) business days of this notice, your bank is authorized by law, and will be requested, to release to us information relating to your account in preparation for referral to the matter to the appropriate prosecution. Minnesota Statute 609.535 permits criminal prosecution for the issuance of worthless checks, and is classified as a misdemeanor which carries a maximum penalty of \$1,000.00 and/or 90 days in jail; or a Gross Misdemeanor, which carries a maximum penalty of \$3,000.00 and/or one (1) year in jail. Minnesota Statute 604.113 creates civil liability for the issuance of a worthless check, and permits the holder of the check to recover the amount of the check, a service charge, plus a civil penalty of \$100.00 or the value of the check (whichever is greater), interest on the face amount of the check from the date of dishonor, and reasonable attorney fees if the aggregate amount of the dishonored checks within a six-month period is over \$1,250.00.

Date: _____
Name: _____
Address: _____
City: _____ State: _____ Zip: _____

You are hereby notified that a check dated _____, 20____ drawn on the _____
_____ bank of _____
in the amount of \$_____ bearing the signature of _____
has been returned unpaid with the notation that payment has been refused because of _____
_____.

Remit to: _____
Address: _____
City: _____ State: _____ Zip: _____

Signature: _____

Title: _____

S U S P E C T C H E C K I N F O R M A T I O N	Signature on Check:		
	Address on Check:		
	Name of Bank:		
	Address of Bank:		
	Check made Payable to:		
	Check Number:	Amount of Check: \$	Date of Check: _____, 20
	Account Number:	Date Check was Accepted:	
	Driver's License or State ID Card Number:		
	Value of Merchandise: \$	Value of Services: \$	Cash Given: \$
	Has any payment been made on this check?	[] YES	[] NO
	Has any agreement been made concerning collection of the check amount?	[] YES	[] NO
	Was this check post-dated?	[] YES	[] NO
	Was the merchandise, service or cash given at the time the check was issued?	[] YES	[] NO
	Is a copy of the front and back of the check attached?	[] YES	[] NO
	Is a copy of the notice of non-payment or dishonor attached?	[] YES	[] NO
Is a copy of proof of mailing or certified receipt attached?	[] YES	[] NO	
Is a copy of purchase receipt attached?	[] YES	[] NO	
Is a copy of citizens contact log attached?	[] YES	[] NO	
I certify that the above information is true and accurate:			
Signature:		Date:	

ACCOUNT CLOSED, NSF, FORGED CHECK - Page 2
(Report to be completed by employee accepting check.)

ICR: _____

1. EMPLOYEE ACCEPTING CHECK:

Name _____

Address _____

City _____ State _____ Zip _____

Phone _____

2. TYPE OF IDENTIFICATION I WAS GIVEN:

3. INFORMATION I OBTAINED FROM DRIVER'S LICENSE:

A. Driver's License # _____ State _____

B. Was number handwritten on check? YES NO

4. DID PERSON SIGNING THE CHECK MATCH THE PHOTOGRAPH ON THE DRIVERS LICENSE:

YES NO

5. IF STORE POLICY REQUIRES THE APPROVAL OF THE CHECK BY ANOTHER EMPLOYEE:

Name of Employee _____

6. WOULD YOU BE ABLE TO IDENTIFY SUSPECT IN A PHOTO LINE-UP, AND GIVE PHYSICAL DESCRIPTION:

YES NO

SIGNATURE OF PERSON ACCEPTING THE CHECK

SIGNATURE OF PERSON APPROVING THE CHECK

DATE

CITIZENS CONTACT LOG

Please keep ongoing log of contact with suspect as you attempt to collect on check. Important to identify subject each time contact is made - such as ask for D.O.B.

NAME _____	DATE REC'D FROM BANK _____
ADDRESS _____	DATE PAYMENT MADE _____
_____	REASON RET _____
CITY _____	CHECKER NAME _____
STATE/ZIP _____	BANK NAME _____
_____	BANK PHONE # _____
PHONE (W) _____	ACCOUNT # _____
PHONE (H) _____	CHECK # _____ AMOUNT \$ _____
D.O.B. _____	CHECK # _____ AMOUNT \$ _____
I.D. USED _____	CHECK # _____ AMOUNT \$ _____
	AMT DUE W/FEE \$ _____

DATE	TIME	ACTION TAKEN	RESPONSE	INITIAL