

Counterfeit Checks Reported In: VA, WI, IN, CA, TX & AL

June 25, 2008

Summary

Counterfeit checks have been drawn on the following credit unions:

- [BayLands Federal Credit Union, West Point, Virginia](#)
- [Fox Communities Credit Union, Appleton, Wisconsin](#)
- [Purdue Employees Federal Credit Union, West Lafayette, Indiana](#)
- [Sierra Central Credit Union, Yuba City, California](#)
- [Dallas Federal Credit Union, Dallas, Texas](#)
- [CALTECH Employees Federal Credit Union, LA Canada Flintridge, California](#)
- [Legacy Community Federal Credit Union, Birmingham, Alabama](#)

[Loss Prevention Recommendations](#)



CUNA Mutual alerts credit unions of these risks. Please pass this information on to all appropriate employees. If your credit union has experienced a loss, contact our Credit Union Protection Response Center at 800.637.2676.

Details:

BayLands Federal Credit Union

Contact's Name: David Blanchard
E-Mail Address: dblanchard@baylandsfcu.org
Phone: 804.843.2520 Ext153
RTN: 251483340

Comments: A resident of the state of Washington received a lottery check for \$483,200 from BayLands Federal Credit Union in Canada, with a contact of James Wilson at 778.892.5522. The check is red and blue, the credit union's official checks are red. Although the numbers at the bottom of the check are the same as the credit union's check stock, the check number 147093 has not been issued. The name of the company is Continental Sweepstakes Inc., 200-10455 Jefferson Hwy, Baton Rouge, LA, 70809-1102.

Check(s) \$ Amount: \$483,200
Approx. # of Checks: 0

Check Series: 147093
Institution Name: BayLands Federal Credit Union
Check Account #(s): 0160011034557
Check RTN: 011007092
Institution Logo?: None entered
Bad Check Color: Red and blue
Legitimate Check Color: Burgundy
Uses of Bad Check(s): Lottery

Fox Communities Credit Union

Contact's Name: Karl Bull
E-Mail Address: kbull@foxcu.org
Phone: 920.993.3720
RTN: 275977256

Comments: Counterfeit checks in the amounts of \$4,000.00 to \$5,500.00 are being mailed from Stevens Point, Wisconsin. Check background is beige with an orange security stripe at the top and are hand written.

Check(s) \$ Amount: \$4,000.00 to \$5,500.00
Approx. # of Checks: 5
Check Series: 407580 to 407586
Institution Name: Fox Communities Credit Union
Institution Logo?: None entered
Purdue Employees Federal Credit Union
Contact's Name: Danna Puterbaugh
E-Mail Address: dputerbaugh@purdueefcu.com
Phone: 765.497.7447
RTN: 274976067

Comments: The credit union received a call from someone with a check in the amount of \$2,990.00 for a Shadow Shopper. The cashier's check has the credit union's correct routing and account number.

Check(s) \$ Amount: \$2,990.00
Approx. # of Checks: 1
Check Account #(s): 0007301039
Check RTN: 274976067
Institution Logo?: None entered
Sierra Central Credit Union
Contact's Name: Terri Garcia
E-Mail Address: terrigarcia@scu4u.com
Phone: 530.671.3009 Ext 105
RTN: 321174770

Comments: An employee from WAMU called the credit union's call center to verify a check. After further research, the call center representative discovered it was fraudulent. The WAMU customer received the check along with a letter saying he had won a lottery and the check was to pay for the taxes. The WAMU representative said that the customer was a good customer and the credit union never received any copies.

Check(s) \$ Amount: \$2,750.00
Approx. # of Checks: 1
Check Series: 14919
Institution Name: Sierra Central Credit Union
Institution Phone: none
Check Account #(s): 0009905999994
Check RTN: 321174770
Institution Logo?: Yes
Logo Location: It is in the upper left corner which is the same place that it usually is, but it is slightly different.
Bad Check Color: Green
Legitimate Check Color: Green
Uses of Bad Check(s): To cover taxes on lottery winnings.

Dallas Federal Credit Union

Contact's Name: Eddreen Jackson-Gillard
E-Mail Address: eddreem@dallascu.org
Phone: 214.748.5166
RTN: 311079209

Comments: The credit union received a counterfeit item with replica signature of one of their employees. The initial check number 34108 \$980.00 was issued in the state of California. Numerous other counterfeit corporate checks were received with different check numbers, dollar amounts and a phone number of 877.280.3111 to call to verify the check. The checks all had different signatures.

Approx. # of Checks: 300+
Institution Name: Dallas Federal Credit Union
Institution Phone: 877.280.3111
Check Account #(s): 68150311079209
Check RTN: 311079209
Institution Logo?: Yes
Logo Location: The logo appeared in the same area on the first batch of checks; however, the newly counterfeited items in circulation have a different logo.
Bad Check Color: Various
Legitimate Check Color: Burgundy
Uses of Bad Check(s): Survey, customer service evaluator, mystery shopper

Check(s):

CALTECH Employees Federal Credit Union

Contact's Name: Yasmin Jones
E-Mail Address: YJones@cefcu.org
Phone: 818.952.4444 Ext 666
RTN: 322280692

Comments: CALTECH Employees Federal Credit Union has received 10 phone calls to verify funds, and four checks that have tried to clear. Some payees have indicated receiving a check for \$4,995.00 and letter from SurveyGlobe Inc. informing them they have been selected to participate as a "mystery shopper." The instructions for the mystery shopper indicates they are to evaluate the service at MoneyGram and send \$4,450.00. The checks appear to be drawn off CALTECH Employees Federal Credit Union's account at Bank of America and are signed by "John J Getek." Although the account number is valid, the checks are not. They appear to have a seven digit check number beginning with 5073XXX. The checks do not have the CALTECH Employees Federal Credit Union logo on the top left, and do not indicate the name of the credit union above the signature line. The valid CALTECH Employees Federal Credit Union official checks have the CALTECH logo on the top left hand corner. The credit union's address and phone numbers to all three branches are located right of the logo. The dollar amount is indicated in a box, above the words "Official Checks". Above the signature line, it reads CALTECH EMPLOYEES FEDERAL CREDIT UNION. Any questions, please contact the credit union at 800.592.3328.

Check(s) \$ Amount: \$4,995.00
Approx. # of Checks: 4
Check Series: 5073XXX
Institution Name: CALTECH Employees Federal Credit Union
Institution Phone: 800.592.3328
Check Account #(s): 1257201752
Check RTN: 122000661
Institution Logo?: No
Bad Check Color: Possibly brown
Legitimate Check Color: Light green
Uses of Bad Check(s): Mystery shopper

Legacy Community Federal Credit Union

Contact's Name: Vanessa McCall
E-Mail Address: vmccall@ufcu.com
Phone: 800.828.0128 Ext 5025
RTN: 262086561

Comments: The credit union's call center representative received a call to verify a Legacy Community Federal Credit Union cashier's check for \$3,950.00. Unable to locate the item in their database, the representative asked the financial institution in California

to fax a copy of the check for viewing. It was immediately identified it as counterfeit. Twenty minutes later another call was received from a money service business in Florida to verify the same amount, different name. An hour later a credit union in Pennsylvania called with an item for the same amount. All check amounts were \$3,950.00.

The counterfeit items have several differences from Legacy's legitimate checks:

- * Different font on counterfeit items
- * Legacy logo on counterfeit is larger than on legitimate checks
- * Date and fractional number in wrong location counterfeits
- * Signature on counterfeits invalid for specified amount
- * All checks have same amount (printed incorrectly) \$3,950.00
- * Reference on checks should not be Legacy Credit Union
- * Date on all counterfeits thus far is June 10, 2008

Check(s) \$ Amount: \$3,950.00
Check Series: 590330 - 590336
Institution Name: Legacy Community Federal Credit Union
Check Account #(s): 7509000310
Check RTN: 262086561
Institution Logo?: Yes
Logo Location: Upper left hand corner - same as our legitimate
Bad Check Color: Green
Legitimate Check Color: Light blue/logo dark blue
Uses of Bad Check(s): Mystery shopping, lottery, work from home

Loss Prevention Recommendations:

- Provide training materials to your members on how to avoid check scams by using these tools:
 - **National Consumers League** warning on consumer check scams
 - http://www.nclnet.org/news/2004/fake_check.htm
 - http://www.nclnet.org/news/2006/check_overpayment_scams_03232006.htm
 - <http://www.fakechecks.org>
 - **Tips to help educate members on avoiding these scams:**
 - <http://www.fraud.org/tips/internet/fakecheck.htm>
 - **OnGuardOnline.gov** provides practical tips from the federal government and the technology industry to help you be on guard against Internet fraud.
 - <http://onguardonline.gov/crossborder.html>
 - **FBI fraud poster:** http://www.fbi.gov/majcases/fraud/fraud_alert.pdf
 - **Money Orders :**
 - <http://www.usps.com/missingmoneyorders/security.htm>
- Provide training to tellers on how to spot counterfeit checks and forgeries.

- Use the CUNA Mutual training resource: Check Fraud Protection eLearning. If you can't access this training, click on Edit My Services to add Protection eLearning to your personalized list.
- Perform periodic training/audits (i.e. monthly) to verify tellers are complying with your check hold and check cashing policies and procedures.
- Implement a process to verify the validity of checks with the paying institution prior to accepting the check for deposit (although some financial institutions will no longer provide this verification).
 - Use a telephone number of record, not the number on the document.
 - Ask for the "check fraud" department.
- Use check holds on check deposits in accordance with Regulation CC and the credit union funds availability policy to control the loss exposure.
 - Longer exception holds can be used on amounts over \$5,000, or in cases where there is reasonable cause to doubt collectibility.
- Review the member's account history and average balance. This will help identify unusual deposits. If the member generally does not maintain sufficient funds in their account to cover a deposit, your credit union could be subject to more risk. The member's account history should be a factor in deciding whether to place a hold or accept the item for deposit.
- Send an item for collection and do not give availability to the funds until payment is received from the drawee bank. This is often suggested with items drawn on foreign institutions, which take longer to clear. Keep in mind that provisional credit you might receive is no guarantee that the item cannot come back later.
 - The midnight return rule does not apply to foreign checks because Regulation CC does not apply to checks issued by foreign banks as defined below.
 - Reg CC applies to a "check" as that term is defined in the Expedited Funds Availability Act ("EFAA"). Check is defined in section 602(7) of the EFAA as a negotiable demand draft drawn on or payable through an office of a depository institution located in the United States, excluding non-cash items.
- Utilize Early Warning Services' [formerly Primary Payment Systems (PPS)] suite of solutions: IDENTITY CHEK, DEPOSIT CHECK reader, and DEPOSIT CHEK. The suite of [Early Warning solutions](#) notifies clients of high risk deposits and payments, as well as suspicious identities.
- Keep in mind the member's liability for deposits of returned items based on the state's Uniform Commercial Code (UCC), and pursue available recovery from the member. The credit union may also have a claim for breach of transfer warranties under the UCC.

If you are aware of a risk in your area, whether it has struck your credit union or not, please complete the [Report a RISK Alert](#) form.

The information contained in this RISK Alert is intended for the sole use of our Credit Union Bond policyholders to prevent fraud losses. Any further distribution of this information could subject you to liability under common law and various statutes including the Fair Credit Reporting Act.

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