Because worthless check distribution has the greatest effect on business owners, vendors need to actively protect themselves from this form of fraud. One can never think "It won't happen to me." The District Attorney's Office believes that the best defense against worthless checks is awareness and preparation. I hope this information will help business owners protect themselves from being victimized by worthless checks.

Scott M. Perrilloux
District Attorney

Before Taking a Check...

It is vital that you stress to your employees the importance of being thorough when accepting a check. If your business has set a policy for all customers, then no one should have any reason to feel they are being treated unfairly. It is a good idea to post a "check-list" where a cashier can see it easily. It should include the following:

1. Is the check properly dated?
Checks must be dated the same day that they are issued. Worthless checks that are post dated cannot be prosecuted.

2. Is the signature legible?
Do NOT accept checks previously signed. Have them signed in your presence and compare with driver's license or other ID.

3. Is the address complete?
Require that a permanent street address is included on all checks, not a P.O. Box number.

4. Can you confirm the identity?
Every type of ID can be forged. The most reliable ones are the ones with physical descriptions, photos, etc. If you are suspicious, then ask the writer to hand you the license. While it is in your hand, ask his address and/or birth date. If it is not his license, then he may be caught off guard and give the wrong information.

5. Do written amounts and numbers correspond?
Banks will not honor checks with discrepancies.

6. Is the ID used recorded on the check?
Record the type of ID and ID numbers on the check as well as the initials of the clerk who accepts the check.

Clues for Detecting a Bad Check...

- Be wary of personal checks with low series numbers. About 85% of all uncollected worthless checks are new account numbers between 101 and 150.

- Check the finish of the black magnetic computer numbers on the bottom. The magnetic ink should be very dull, never shiny.

- There should be at least one perforated edge. All checks except government or computer-produced will be perforated.

- Beware of "Xerox color." Watch for tacky, shiny, raised letters. This is the best indicator of a copied check.

Checks to Avoid...

The following checks usually cannot be prosecuted as worthless checks:

1. A post-dated check
2. A stop-payment check
3. A two-party check
4. A check more than one year old
5. A check for less than $5
6. A check for which partial payment has been received
7. A check given in exchange for a returned check
8. A check marked "refer to maker", "drawn against uncollected funds", or "unable to locate account"
9. A check which does not identify who accepted it
10. A check not presented to the bank within 30 days of issuance
11. A check for which no 10-day notice was given

If you do find yourself in possession of a worthless check, please follow the procedure located on our website at 21jdda.org. The appropriate steps must be taken before we can begin prosecution.

For more information and updates from the District Attorney's Office, sign up for our newsletter at 21jdda.org