

THE GOOD, THE BAD AND THE UGLY

CHECKS: ARE THEY AUTHENTIC? ARE YOU SURE?

THINGS ARE NOT ALWAYS THE WAY THEY APPEAR

COULD THEY BE: FORGED? ALTERED? DISGUISED? COUNTERFEIT?

DEALING WITH QUESTIONABLE CHECKS

LOUISIANA BANKERS ASSOCIATION

SECURITY CONFERENCE

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What is a questioned document?

A document whose origin, history, or content is disputed

Reasons documents are challenged:

- Substitutions or alterations are made to the text of the document
 - Words or numbers are added, deleted, or changed without knowledge and consent of all affected parties
- Multiple page documents
 - Pages are added or removed and substituted without knowledge and consent of all affected parties
- Signatures are denied or disputed
- The document is counterfeit

Types of documents that can be forged, altered, or disguised:

- Anonymous notes and letters
- Armed robbery notes
- Accident and injury reports
- Architectural drawings
- Bills of Sale
- Bookkeeping & accounting ledgers
- Building sign-in/access logs
- Contracts and agreements
- Certificates of Title
- Checks
- Credit/Debit card applications and sales receipts
- Deeds
- Divorce and child custody documents
- Extortion notes
- Harassment notes---sexual or racial
- Identification documents
- Insurance applications and claims forms
- Inventory records
- Invoices
- Journal and diary entries
- Loan and credit applications
- Licenses and permits
- Mortgage applications and real estate documents
- Medical and surgical records
- Maintenance and repair records
- Minutes of meetings
- Pharmacy records and logs
- Payroll timesheets
- Purchase orders
- Promissory Notes
- Suicide notes
- Voter registration cards, forms, and records
- Wills

What is a forged writing?

Someone, other than the legitimate writer, signs or alters a document:

- Without authorization
- Purporting to be the owner of the document or authorized signer/writer
- With the intent to defraud

Methods of forgeries:

- Freehand
- Tracing
- Cut and paste
- Scanning

Creating a forgery:

- The forger attempts to duplicate the legitimate signature/writing as closely as possible
- Attempts to capture the overall pictorial effect of the signature/writing so that, at a cursory glance, it resembles that of the legitimate/authorized writer.

Indicators of a forged check:

- Different ink colors
- Different writing instrument
- Signs of shakiness and unsteadiness (tremor)
- Blunt beginning on initial stroke and blunt ending on terminal stroke
- Signs of patching, touch-ups, re-tracing, etc.
- Numerical amount differs from spelled out amount

What is a disguised writing?

The legitimate writer signs or alters his/her signature or writing in such a way as to prevent recognition.

It is a willful or deliberate modification of one's natural writing to conceal his/her identity with the intent to deny the writing.

Documents that may contain disguised writing:

- Anonymous letters – sexual or racial harassment; threats
- Blackmail/extortion letters
- Holdup notes
- Loan applications
- Fraudulent checks
- Credit card applications and transactions
- Request writing

Creating a disguised writing:

- The writer attempts to make the writing look as different from his/her normal signature/writing as possible.
- Attempts to change the overall pictorial effect of his/her normal signature/writing so that, at a cursory glance, it does not resemble his/her normal signature/writing.

What is an altered document?

Any document in which a change is made without the knowledge and consent of parties with whom the document is applicable.

Methods of altering a check:

- Words and/or numbers are changed
- Words and/or numbers are deleted by:
 - Erasure
 - Scrapping
 - Chemical eradicators
- Words and/or numbers are obliterated by:
 - White-out
 - Black-out
 - Overwriting and scratch-outs
- Words and/or numbers are added

Indicators of an altered check:

- Signs of erasure or scraping
- Stains or discolorations on the document or to the ink
- Different ink colors
- Different writing instrument
- Writing is crowded, cramped, squeezed
- Cross-outs or overwrites
- Additions written over deletions
- Inconsistent writing on the check
- Numerical amount differs from spelled out amount on a check

Indicators of a counterfeit check:

- No perforated edge
- Paper is light-weight and shiny
- Ink is shiny and smears when moistened
- No logo or logo is blurred and smears when moistened
- No check number or check number does not match the check number in the MICR line
- Does not have a watermark
- Amount is less than \$5,000
- No physical address or the use of a P.O. Box
- Misspellings or typographical errors
- MICR numbers are missing, incomplete, or inaccurate
- "Void" or "Copy" is displayed on the check
- Signature line is not micro-print

Protecting and preserving the document for forensic examination:

- Do not mark on the document
- Do not tape, staple, or paperclip the document
- If the document is taped or stapled, do not remove the tape or staple
- Do not fold or crease the document
- If the document is folded or creased, do not open and close it unnecessarily or repeatedly
- Handle the document by the edges
- Store the envelope in a clear envelope or sheet protector
- Do not mark on the envelope or sheet protector after the document has been placed inside of it
- Protect from extreme light, heat, and humidity

What services does a graphologist/handwriting analyst perform?

Evaluates/analyzes only the handwriting---not the document

- Attempts to assess the writer's personality from handwriting characteristics

What services does a forensic document examiner perform?

- Determines whether or not the writing was forged by a third party or if the original writer intentionally disguised his/her writing in an attempt to make it appear forged
- Determines authenticity or spuriousness of the writing or document in question
- Deciphers alterations, white-outs, black-outs, cross-outs, obliterations, erasures, and indented writing
- Determines whether or not there has been additions, deletions, or substitutions to documents
- Determines the sequence or chronological order of the writing
- Identifies or eliminates writers of anonymous notes
- Determines if a genuine signature has been scanned or cut and pasted onto a document
- Determines if a page has been added or substituted in a multipage document
- Determines the age of the document and/or entries

INDICATORS OF FORGED AND ALTERED CHECKS

YOU MAY HAVE A FORGED CHECK IF:

Different ink colors on the same check

Different writing instrument used on the same check

Writing shows signs of:

Shakiness and unsteadiness, i.e. tremor

Patching, touch-ups, retracing, etc.

Numerical amount differs from the spelled out amount

YOU MAY HAVE AN ALTERED CHECK IF:

Signs of erasure or scraping such as abrasions to the paper creating a rough feel; smudging or smearing of the ink

Stains or discolorations on the check or to the ink

Different ink colors on the same check

Different writing instrument used on the same check

Writing is crowded, cramped, or squeezed

Cross-outs or overwrites

Numerical amount differs from the spelled out amount

Additional suggestions to detect forged and altered checks:

Customer is belligerent, distracting, or appears to be in a hurry

Customer uses the furthestmost outside teller lane even when closer lanes are available

Car driver attempts to disguise his/her appearance by hair coloring; wearing a wig, hoodie or cap, sunglasses, etc.

Car windows are heavily tinted

The presence of a single indicator is not absolute proof that the check is definitely forged or altered, but a combination of multiple indicators should increase awareness and suspicions. Proceed with caution.

Placing a bright light under the check or over the check at an angle and/or magnification may help clarify areas in question.

An ultra-violet (UV) light or an infra-red light (IR) light may also help.

INDICATORS OF COUNTERFEIT CHECKS

YOU MAY HAVE A COUNTERFEIT CHECK IF:

- There is no perforated edge
 - Personal checks and most business checks have one perforated edge
- Paper is light-weight and glossy
 - Check stock paper is heavier and thicker than copier paper
 - Check stock paper is matte paper with a dull finish
- Ink is glossy and smears
 - Ink should be smooth, dull, and non-reflective rather than shiny
 - Ink should not smear when moistened
- Bank logo is missing or is blurred or smears
 - Logo should be crisp and clear---not fuzzy, faded, or smudged
 - Logo should not smear when moistened
- Check number is missing or does not match MICR line
 - Should be a check number in the upper right corner and in the MICR line
 - Check number in the corner should match the check number in the MICR line
 - The check number is between 101 and 400 on personal checks or 1000 and 1500 on business checks
- Check does not have a watermark
 - Check must be viewed with a light at a 45-degree angle to see the watermark
- Amount is less than \$5,000
- Address is missing or a Post Office Box is used rather than a physical address
 - Zip code does not coincide with the address on the check
- Misspellings or typographical errors
- Signature of the Maker (Drawer) and the signature of the Endorser are similar
- “Void” or “Copy” is visible on check
- Signature line does not contain words when viewed under magnification
 - Signature line appears as a solid line but is actually a series of words such as “Authorized Signature” when viewed under magnification of at least 30X.
- Fractional routing/transit number on the top right of the check (below the check number) does not match the bank ID number in the MICR line
- Inconsistencies in MICR Line (Magnetic Ink Character Recognition)
 - Should contain the proper routing number; bank number; clearinghouse number; and check number
 - MICR numbers missing, incomplete, or incorrect
 - MICR numbers have a rough or raised feeling; have a glossy look; or smears when moistened (Should be smooth, dull, and not smear when moistened)

Additional suggestions to detect counterfeit checks:

- Customer is belligerent, distracting, or appears to be in a hurry
- Customer uses furthest outside lane even when closer lanes are available
- Car driver attempts to disguise his/her appearance by hair coloring; wearing a wig, hoodie, cap or sunglasses, etc.
- Car windows are heavily tinted

The presence of a single indicator is not absolute proof that the check is definitely counterfeit, but a combination of multiple indicators should increase awareness and suspicions. Proceed with caution.

MICR LINE (MAGNETIC INK CHARACTER RECOGNITION)

First group of numbers:

Digits 1 and 2:		Federal Reserve District Office			
01	Boston	05	Richmond	09	Minneapolis
02	New York	06	Atlanta	10	Kansas City
03	Philadelphia	07	Chicago	11	Dallas
04	Cleveland	08	St. Louis	12	San Francisco

Address of the bank should correspond with the appropriate Federal Reserve District.

If a bank has offices in several Federal Reserve Districts, they may have a routing/transit number in one Federal Reserve District while the bank address is in a different Federal Reserve District.

Digit 3:		District Office	
1	Atlanta	4	Nashville
2	Birmingham	5	New Orleans
3	Jacksonville	6	Miami

Digits 5 thru 8:

Identification number of the issuing bank
Should match the fraction on the top right corner of the check

Second group of numbers: Customer's account number

Third group of numbers:

Check number
Number should match the check number in the top right corner of the check

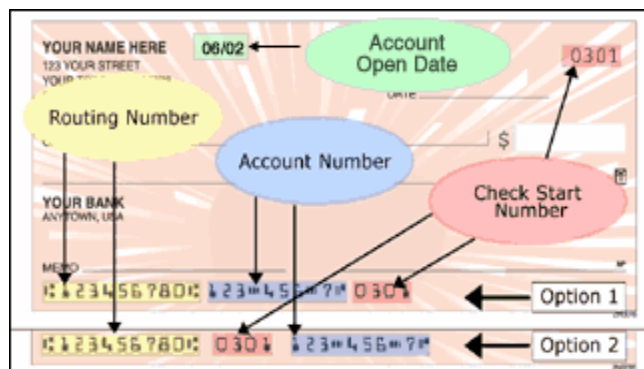
Fourth group of numbers: The amount of the check

Auxiliary group of numbers:

Generally on commercial checks next to the MICR line
Should match the number on the top right corner of a commercial check

Fractional routing/transit number:

At the top right corner of the check below the check number
Should match the bank identification number in the MICR line (digits 5 through 8 of the first group of numbers)



FEDERAL RESERVE DISTRICTS

01	BOSTON Connecticut New Hampshire	Maine Rhode Island	Massachusetts Vermont	
02	NEW YORK Connecticut	New Jersey	New York	
03	PHILADELPHIA Delaware	New Jersey	Pennsylvania	
04	CLEVELAND Kentucky	Ohio	Pennsylvania	West Virginia
05	RICHMOND Maryland Virginia	North Carolina West Virginia	South Carolina Washington, DC	
06	ATLANTA Alabama Louisiana	Florida Mississippi	Georgia Tennessee	
07	CHICAGO Illinois Michigan	Indiana Wisconsin	Iowa	
08	ST. LOUIS Arkansas Mississippi	Illinois Missouri	Indiana Tennessee	Kentucky
09	MINNEAPOLIS Michigan North Dakota	Minnesota South Dakota	Montana Wisconsin	
10	KANSAS CITY Colorado Nebraska	Iowa New Mexico	Kansas Oklahoma	Missouri Wyoming
11	DALLAS Arizona	Louisiana	New Mexico	Oklahoma
12	SAN FRANCISCO Alaska Idaho Washington	Arizona Nevada	California Oregon	Hawaii Utah

STATE CODES

50.	NY	60.	PA	70.	IL	80.	MO	90.	CA
51.	CT	61.	AL	71.	IN	81.	AR	91.	AZ
52.	ME	62.	DE	72.	IA	82.	CO	92.	ID
53.	MA	63.	FL	73.	KY	83.	KS	93.	MT
54.	NH	64.	GA	74.	MI	84.	LA	94.	NV
55.	NJ	65.	MD	75.	MN	85.	MS	95.	NM
56.	OH	66.	NC	76.	NE	86.	OK	96.	OR
57.	RI	67.	SC	77.	ND	87.	TN	97.	UT
58.	VT	68.	VA	78.	SD	88.	TX	98.	WA
59.	AK & HI	69.	WV	79.	WI	89.	N/A	99.	WY

CITY PREFIXES

1.	New York, NY	25.	Columbus, OH
2.	Chicago, IL	26.	Memphis, TN
3.	Philadelphia, PA	27.	Omaha, NE
4.	St. Louis, MO	28.	Spokane, WA
5.	Boston, MA	29.	Albany, NY
6.	Cleveland, OH	30.	San Antonio, TX
7.	Baltimore, MD	31.	Salt Lake City, UT
8.	Pittsburgh, PA	32.	Dallas, TX
9.	Detroit, MI	33.	Des Moines, IA
10.	Buffalo, NY	34.	Tacoma, WA
11.	San Francisco, CA	35.	Houston, TX
12.	Milwaukee, WI	36.	St. Joseph, MO
13.	Cincinnati, OH	37.	Fort Worth, TX
14.	New Orleans, LA	38.	Savannah, GA
15.	Washington, DC	39.	Oklahoma City, OK
16.	Los Angeles, CA	40.	Wichita, KS
17.	Minneapolis, MN	41.	Sioux City, IA
18.	Kansas City, MO	42.	Pueblo, CO
19.	Seattle, WA	43.	Lincoln, NE
20.	Indianapolis, IN	44.	Topeka, KS
21.	Louisville, KY	45.	Dubuque, IA
22.	St. Paul, MN	46.	Galveston, TX
23.	Denver, CO	47.	Cedar Rapids, IA
24.	Portland, OH	48.	Waco, TX
		49.	Muskogee, OK