



CHECK FRAUD

How it works and how to Identify the Signs

*Check fraud is on the rise and continues to be the number one payment method used in fraud schemes. Although the use of checks has declined overall, check fraud has increased. This is because checks present the ideal opportunity to fraudsters. Fraudsters merely need a photo or a copy of a check to make a profit. Between 2021 and 2022, reported incidents of check fraud nearly **doubled** and maintained a steady upward trend in 2023 (Financial Crimes Enforcement Network).*

Mail theft is the most widespread way that fraudsters acquire checks to utilize in fraud schemes. Fraudsters break into USPS mailboxes stealing checks and even going as far as to threaten postal workers in order to obtain "arrow keys" giving them access to all USPS mailboxes within a postal code. Once the thieves have used the stolen arrow key to access a postal box and take the checks inside, they then post the items for sale online. Next, the stolen checks are altered, washed, or duplicated, allowing fraudsters to access funds from the victim's account.

As checks contain personal information such as your name, home address, bank account number, and routing number, it is important to be mindful of who could potentially have access to your checks.



How to Protect Yourself from Becoming a Victim of Check Fraud

- Utilize alternative payment methods such as Bill Pay or ACH to make payments and send funds. When writing a check, use pens with indelible black ink. This makes it more challenging for fraudsters to alter the checks or remove ink from written checks.
- Refrain from adding unnecessary personal information from checks such as credit card numbers, phone numbers, social security number, etc.
- Avoid leaving blank spaces in the dollar amount box or on the payee line as this provides the fraudster with the opportunity to add additional information or alter the check's amount.
- If you have to send a check via mail, be vigilant in monitoring your account. Once the check posts to your account, review the check to ensure the intended payee deposited the check, no alterations were made, and the endorsement is consistent with past checks sent to the same payee.
- Follow up with the intended payee and bank if you notice inconsistencies in the check that posts and the check that was mailed.

Resources

[NY Times: Check Fraud Is Rising and the Thieves Are Winning](#)
[American Bankers Association: Check Washing and Check Theft Scams](#)
[Federal Reserve Bank of Boston: Why is check fraud suddenly rampant?](#)
[AP: Cases of check fraud escalate dramatically, with Americans warned not to mail checks if possible](#)

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