



Le Center

Police Department

BAD CHECK DIVERSION PROGRAM

**A RESTITUTION GUIDE FOR MERCHANTS AND
RESIDENTS**



Dear Le Center Merchants and Residents:

As consumers and taxpayers, we all pay higher prices because of the losses associated with people issuing worthless checks. Law enforcement spends significant resources investigating and prosecuting people that issue worthless checks. The number of worthless check cases increase every year.

In response to concerns regarding worthless checks, the Le Center Police Department, in conjunction with Retailers Protections Association (FCTS) have implemented a worthless check diversion program.

The main goals of the program are:

- ? Restitution for victims
- ? Increase accountability of people who issue worthless checks
- ? Educate and assist Le Center merchants and residents in reducing the number of worthless check cases
- ? Reduce the costs to law enforcement associated with investigating and prosecuting worthless check cases

The program is at no cost to the taxpayer or area merchants. It is solely supported by the people who issue the worthless checks.

If you have further questions after reviewing this packet, please contact the Financial Crimes Technology Services (FCTS) check diversion program at 1-800-880-5420 or visit www.financialcrimes.net.

Robert Pfarr
Le Center Chief of Police

INTRODUCTION

The worthless check restitution program has four main goals. They are:

- Increase the amount of restitution returned to victims of bad checks;
- Increase the accountability of all worthless check writers, regardless of the amount of the check;
- Promote to local merchants more effective check acceptance and protection procedures;
- Reduce the risk of repeat worthless check activity.

Program Summary

The restitution program process is as follows:

1. Checks are entered into the FCTS system.
2. Check writers are contacted by the FCTS restitution program regarding the checks. Three scenarios are then possible:
 - A. Check writer pays the Check Diversion Program - 100% of the face value of the check is returned to the merchant plus bank fees if paid.
 - B. Offender completes a financial counseling program offered by the Check Diversion Program.
 - C. Check writer fails to pay – the check is sent for prosecution review and proceedings.
 - D. If check is not at prosecutable limit check writer is red flagged. The system will then notify if more checks are entered and prosecution review is done again

Checks eligible for the Program

- NSF, Account Closed, Refer to Maker, Stop Payment, and Electronic Checks received within city limits that do not exceed \$500.00.
If your check exceeds \$500.00 please bring directly to your law enforcement center.
- Worthless checks LESS THAN 120 DAYS from the date issued by the check writer.
(exception: first time program users can send checks up to 2 years old)

Checks not eligible for the Program

- **Promissory notes and/or arrangement to hold the check for deposit or credit extensions.**
- **Second party checks**
- **Payroll Checks**
- **Checks that are currently in collections by a collection agency or attorney (law firm)**
(checks can be forwarded to check diversion program after agency has sent them back)

STEPS TO FILING A COMPLAINT FORM

The two documents below must be completed before any checks can be processed in the program.

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**

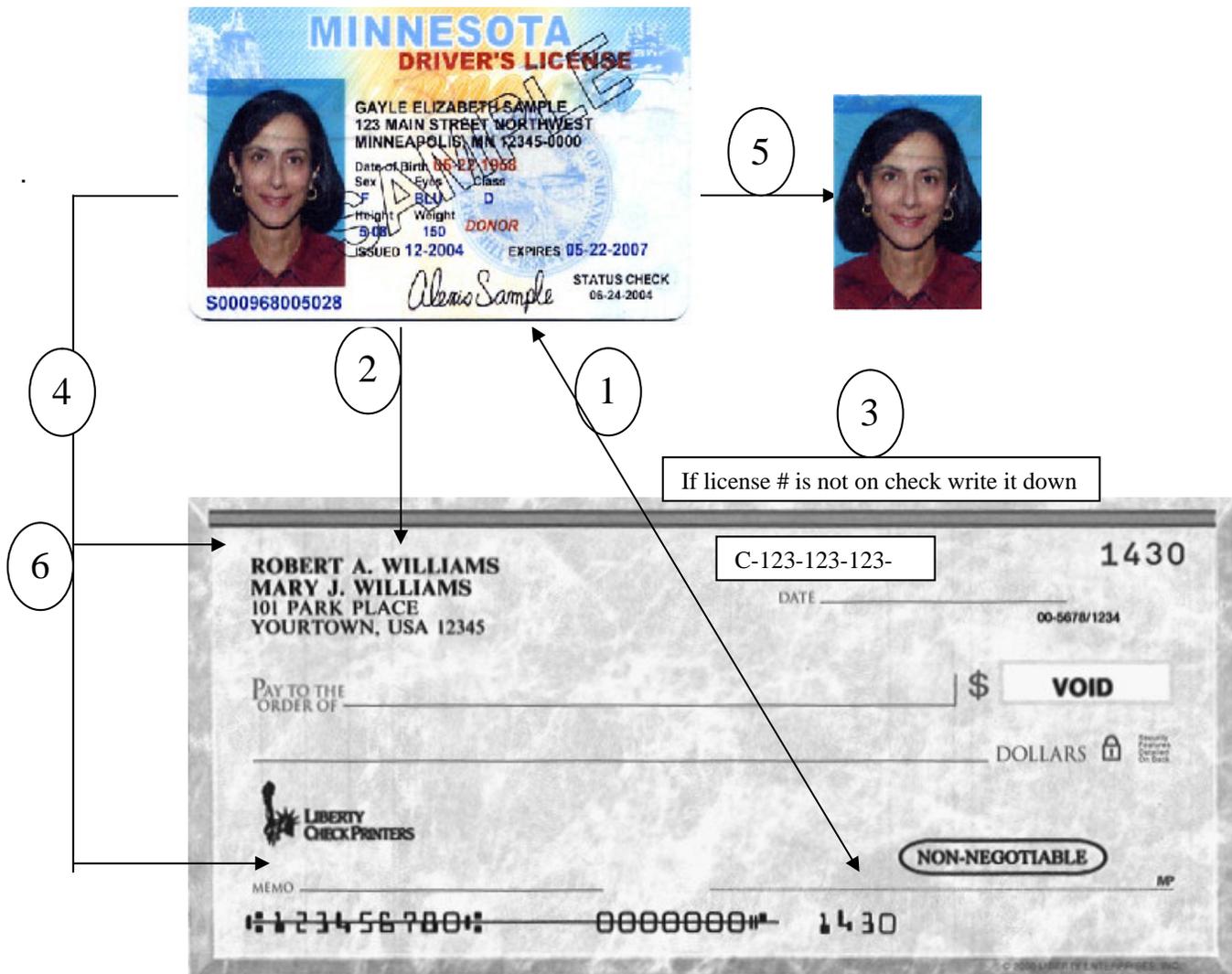
\$30

**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. 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
 (New drivers Licenses printed after 12/15/2004 will have new DL number – make sure you copy DL number off of drivers license not check – old checks will have old DL)
2. Make sure the identification card matches name and address on the check
 If time permits write down good address as indicated by customer
3. Record or circle the identification number (DL # D-123-123-123-123)
4. Record date of birth (i.e. DOB 1/29/72)
5. Make sure photo on identification card matches customer
6. Have employee initial upper left corner

