



Isanti County Attorney and Sheriff's Offices

BAD CHECK DIVERSION PROGRAM

A RESTITUTION GUIDE FOR MERCHANTS AND
RESIDENTS



Dear Isanti County 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 who issue worthless checks. The number of worthless check cases increases every year.

In response to concerns regarding worthless checks, the Isanti County Attorney and Sheriff's Office, in conjunction with Financial Crimes Services (FCS), has 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 Isanti County 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 Services (FCS) check diversion program at 1-800-880-5420.

Isanti County Sheriff

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 FCS system.
2. Check writers are contacted by the FCS restitution program regarding the checks. Four 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 \$250.00.
If your check exceeds \$250.00, 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**
- **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)

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**

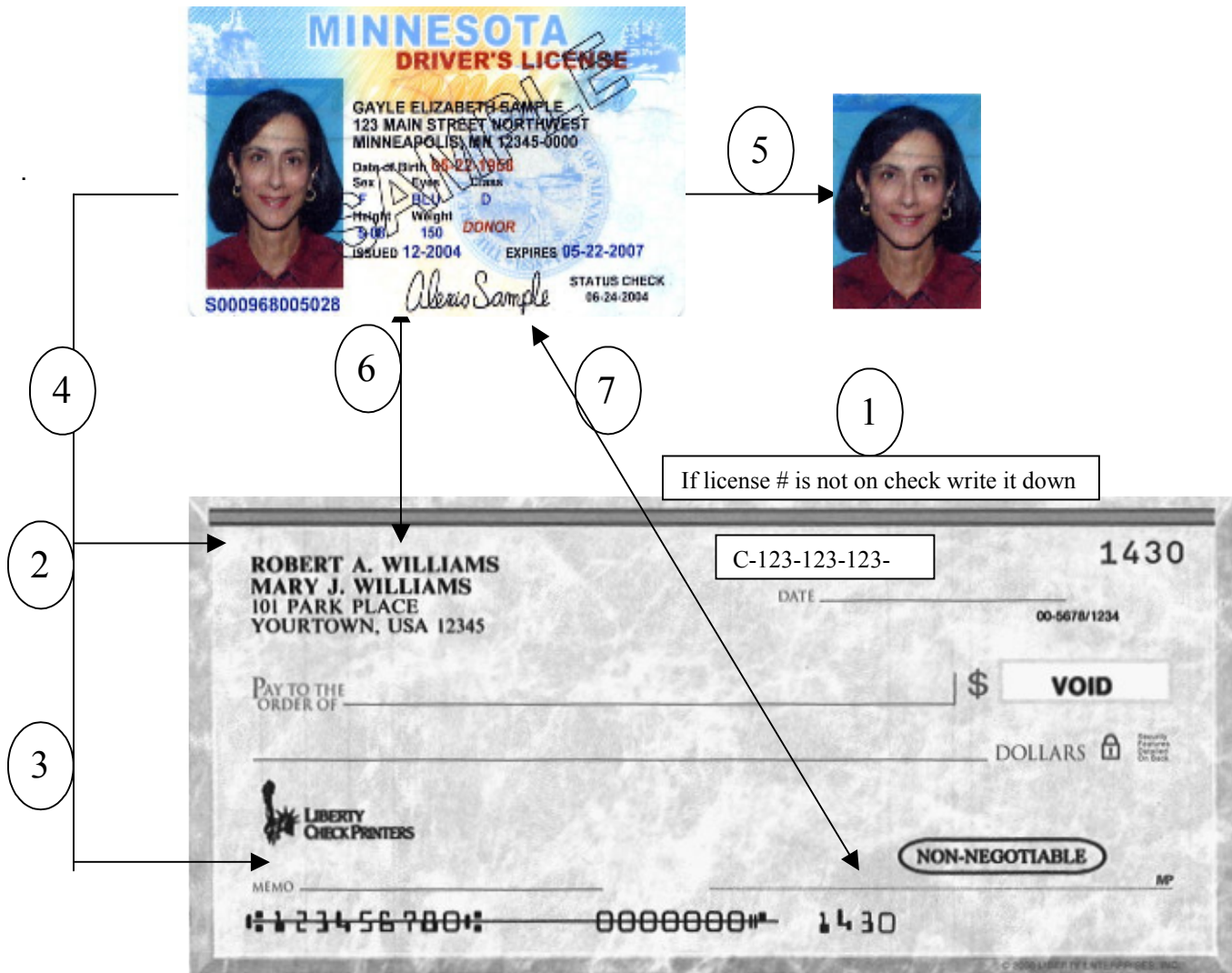
\$30

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

MEMORANDUM OF UNDERSTANDING

To: Financial Crimes Services
Check Diversion Program
P.O. Box 94
Red Wing, MN 55066-0094

It is my intention to submit worthless checks to the Financial Crimes Services (FCS) Check Diversion Program. This is an acknowledgement to cooperate with all aspects of this program including:

To appear as witness, or have my staff appear as witnesses, as required for any prosecution of a worthless check submitted in this program.

I further agree that once a check has been submitted, I will NOT ACCEPT restitution from anyone, except from the FCS Check Diversion Program. If restitution is accepted from anyone other than the FCS Check Diversion Program, I could be liable for services performed and could be excluded from future service of this program for at least one year.

If I accept payment directly from the bad check writer, I will report payment to FCS within 24 hours. I understand that if payments directly to my business seem excessive, I may be assessed \$30 for each check for which I accept payment.

By this acknowledgement, when I forward a check to the FCS Check Diversion Program, I am foregoing my right to personally recover any service charges or civil penalties. These service charges or penalties, if any, will be collected through the FCS Check Diversion Program. I also understand that I am gifting the \$30.00 NSF fee allowed by state statute to the FCS Check Diversion Program.

I am aware, and fully understand, that this program was established by the Isanti County Sheriff's Office as a public service, and Isanti County is held harmless and has no liability for the inability to make recovery of any check(s).

I also understand that the Isanti County Sheriff's Office, City Attorney's and County Attorney's offices may pursue any and all legal criminal remedies for recovery of check(s) available to their offices.

I agree that in the event of a disputed check, a process for arbitration will be used to resolve the claims. I also agree to accept and abide by the decision of the mediator's judgment and make settlement of any fees, if found liable as a due course of arbitration. FCS may mediate my claims in good faith and be held harmless for any activities taken on my behalf.

I have received the copies of the restitution forms and guidelines for submitting checks to this program that I must complete. I recognize that a request for complaint form must be completed for each batch of checks being submitted.

As a merchant, I will ensure that I communicate to all my employees the proper check cashing/acceptance procedures and display our check cashing policy and Minnesota state law regarding check penalties as required by this program.

I understand that without proper photo identification such as a Minnesota driver's license or state identification card recorded or verified during the transaction, there may be limitations in pursuing the worthless check writer.

Signature of Company Representative

Title

Date

Please type or print the following information:

Business Name _____

Address _____

City/State/Zip _____

Contact Name _____ Telephone number _____

Email Address _____

PRELIMINARY WORTHLESS CHECK REPORT

AND REQUEST FOR COMPLAINT

Mail to: Financial Crimes Services (FCS)
 Isanti County (115) Check Diversion Program
 P.O. Box 94
 Red Wing, MN 55066-0094

The Isanti County Attorney's Office authorizes Financial Crimes Services (FCS) to provide this service and to report individuals for criminal prosecution who meet guidelines.

VICTIM OR FIRM NAME	ADDRESS	BANK FEE
PERSON FILING COMPLAINT	CITY, STATE, ZIP CODE	BUSINESS PHONE ()
	EMAIL ADDRESS	BUSINESS FAX ()
CAN ACCEPTOR ID CHECK WRITER THROUGH PHOTO LINE UP OR IN PERSON? (Please check yes or no)		
<input type="checkbox"/> YES	(ATTACH THE SINGLE CHECK WITH THIS FORM)	<input type="checkbox"/> NO (ATTACH AS MANY CHECKS AS YOU WOULD LIKE)
NAME OF CHECK ACCEPTOR	NAME OF ADDITIONAL WITNESS	
PHONE NUMBER	PHONE NUMBER	
ADDRESS	ADDRESS	
DOB	DOB	
DO YOU HAVE VIDEO RECORDING CUSTOMER?	SUSPECT COMPARED WITH ID?	
<input type="checkbox"/> YES (if it is still available, please make still images and attach to form)	<input type="checkbox"/> YES	
<input type="checkbox"/> NO	<input type="checkbox"/> NO	
PHONE CALLS/DATE:		
COMMENTS:		

The check(s) in question is (are) submitted for criminal prosecution. By submitting this check(s) for prosecution, I agree NOT to accept restitution from the suspect or his/her agent. I certify that this report is true, accurate and complete to the best of my knowledge.

Date Victim Signature and Title Company