

State and Local

Students warned to guard against check fraud

By Mary Ann Fisher
Reporter

Paying bills with checks is a way of life for most people. Yet few people realize that check fraud is a major problem in Texas, and they could be setting themselves up for fraud each time they write a check.

Charles Zickerman, sales representative for Hedman F&E Check Protectors, educates companies and individuals about fraudulent checks and methods criminals use to forge them.

He said some Texas companies have gone bankrupt because of check fraud and believes students need to know about check fraud so they can guard against it in the business world.

Dr. Barbara Morris, accounting professor at Texas A&M, said Texas has a problem with check fraud.

"Check fraud is a particularly pervasive problem in Texas because of the bad economy," Morris said. "Students need to be aware of the problem so they can advise clients (when they enter the business world) and know what's available to protect them."

Earlier this semester, Zickerman spoke to A&M accounting students, and Morris said she would like to have him speak every semester.

Jennifer Rankin, an accounting major, said the seminar was interesting and useful.

She said she found the most useful information was that a person

shouldn't have their names printed on their checks the same way they sign their checks.

Zickerman used the example of a person with the name Edward E. Hoffman. He said Hoffman should have his name printed on his checks as E.E. Hoffman instead of Edward Hoffman.

If a person stole a check from Hoffman, he would most likely forge Hoffman's signature as Hoffman's name appears on the top of the check, E.E. Hoffman. When the bank received that check, it would know that it was a forgery because the bank has it on record that Hoffman signs his checks as Edward Hoffman, not E.E. Hoffman.

Zickerman said that by law the only thing a bank is responsible for is the signature. And even then, if the forgery is a good one, the bank almost always wins and the individual suffers the loss, he said.

"Most people don't read all the fine print when they open an account," Zickerman said. "Banks are generally freeing themselves of liability when a person opens an account."

He said there are six U.S. Supreme Court decisions that favor banks. Those decisions indicate that when people write checks they must exercise all care possible to prevent fraud.

The courts say the loss is the individual's responsibility if he writes checks carelessly and leaves himself open to fraud.

Zickerman added that forgeries

are hard to prove because some people can skillfully copy another person's signature.

Signatures also can be obtained in other ways, he said, and demonstrated how easily signatures can be obtained by lifting them off a piece of paper with wax paper.

Zickerman said a serious problem with check fraud is the short prison sentences offenders receive — they usually serve light sentences and are then released.

He said the danger of these short sentences is that while offenders are in prison, they almost always learn more sophisticated methods of check fraud which are more difficult for police to detect.

He cited an example of a man who met another check-fraud offender in prison.

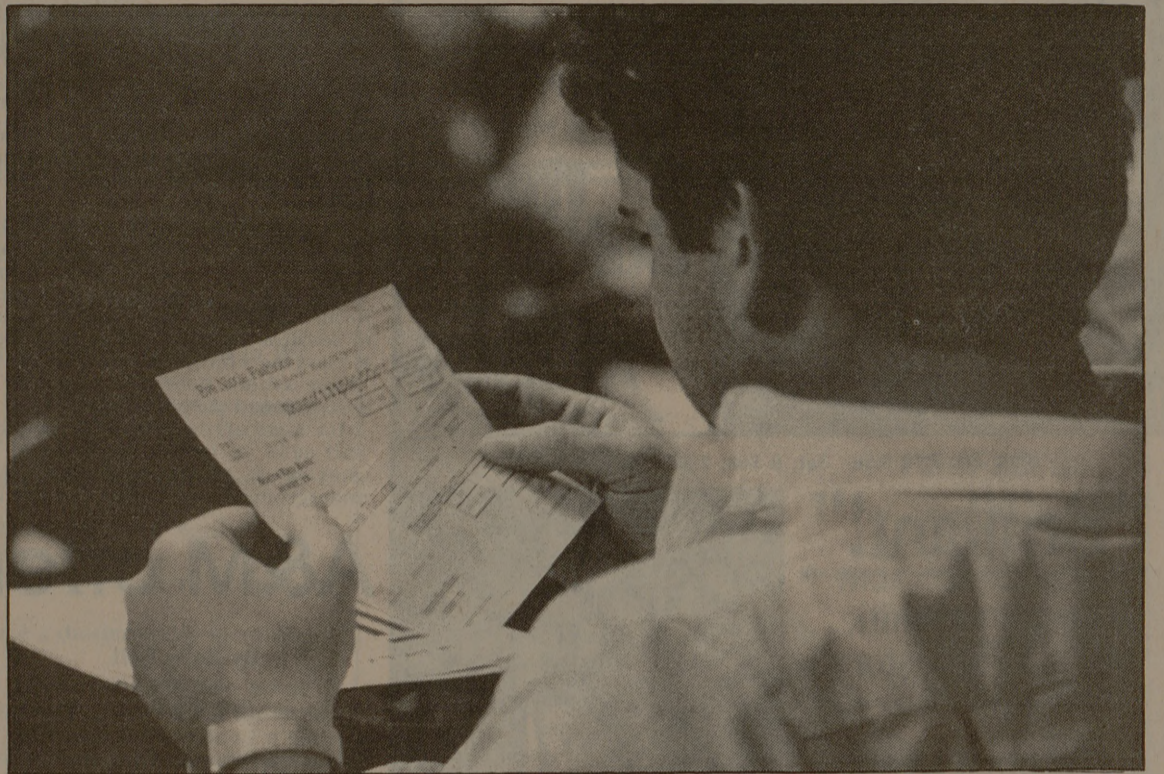
While they were serving their sentences, they developed a scheme they implemented after they were released, he said, and police worked for months to uncover the scheme.

Rankin said another interesting fact she learned was how household chemicals and a cotton swab have been used to erase ink on checks.

With this method, a forger can alter dollar amounts and the parties to which the checks are made out to, she said.

Zickerman said "safety checks" can guard against this type of forgery because they have the word "cancel" printed on the paper under the dye of the checks.

Zickerman demonstrated that



A Texas A&M student looks at examples of forged checks.

Photo by Anthony S. Casper

when a person tries to remove the ink from the paper, the word "cancel" appears and voids the check.

But this precaution isn't a guarantee, he said, since certain chemi-

cals can cover the word "cancel" and restore the check to its normal appearance.

Zickerman said the best method to guard against fraud is to use

equipment which cuts into the paper fibers. Names and dollar amounts can never be altered with this method, he said.

He said A&M uses this method.

Clements criticizes Texas prison system, blames White

HOUSTON (AP) — Republican gubernatorial candidate Bill Clements said Thursday that Texas Corrections Director O.L. McCotter, McCotter's top aides and the members of the Board of Corrections should be fired for mismanaging the prison system.

"I can't personally as governor terminate McCotter, but . . . he comes under the authority of the board," Clements said. "I will ask for those resignations, too."

Clements on Thursday continued his attack on Democratic incumbent Gov. Mark White's

handling of prison issues, concentrating on what he says is a dramatic increase in the early release of inmates, which he has labeled the most sensitive issue of the campaign.

"As a result of Mark White's irresponsible leadership, thousands of prisoners are being released," Clements said.

"The average criminal now serves one of five days behind bars," Clements said, listing 2,070 murderers, rapists and sex offenders and 13,593 robbers and burglars among inmates released early.

Clements, who earlier called for McCotter's ouster during the primary campaign, also said White should recommend McCotter's firing.

McCotter, in Austin to attend a prison board meeting, said he does not respond to political rhetoric.

"I just don't think the prison system ought to be a political football. . . . We're running good, safe constitutional prisons," he said. "We've made tremendous strides in the last two years."

The prison issue surfaced earlier this month with the airing of a Clements television com-

mmercial in which a Dallas woman, Susan Key, complains that an inmate paroled by White tried to rape her attacked her just two months after he was released.

The Dallas Times Herald on Thursday reported the Corrections Department has been changing rules to allow the speedy release of prisoners.

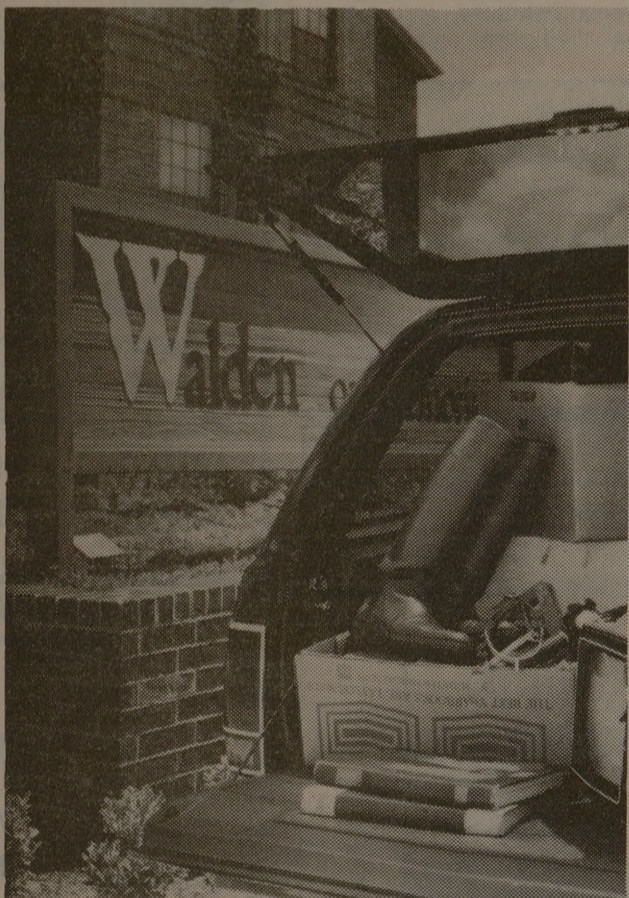
Clements, speaking on a Houston radio talk show early Thursday, also said he would ask that the members of the Public Utility Commission also quit.

Newsweek insert delayed 1 week

Because of a last minute advertising insert, the October issue of Newsweek On Campus magazine was not inserted in Thursday's issue of The Battalion.

The issue, which features a two-page article on Texas A&M, will be inserted Oct. 30.

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