Fraud Prevention – Counterfeit Currency and Fraudulent Checks

All personnel who handle cash or checks should be aware of fraudulent checks and counterfeit currency. Please review the list below:

Currency

- If a questionable bill is received, the department should retain possession of the bill.
- Contact the University Police immediately.
- Do not return the bill to the payor.
- Do not handle the counterfeit note. Place it inside an envelope to protect it until you place it in the hands of an identified police officer.

How to Detect Counterfeit US Currency

- **Texture** - Feel the texture of the bill. Genuine currency has slightly raised ink. You should be able to feel the texture of this ink, especially if you are holding a new dollar bill.
- **Printing Techniques** - Real U.S. bills are printed using printing and digital techniques that cannot be replicated. Look for blurry areas especially in fine details around the borders; real bills have clear, unbroken borders. Portraits in fake bills may appear dull, blurred, and flat, while in real currency, the portraits are sharp and contain very fine detailing.
- **Fibers part of genuine currency** - All U.S. bills have tiny red and blue fibers embedded in the paper. Counterfeiters sometimes try to reproduce these by printing or drawing these fibers onto the paper. However, close inspection reveals that on the counterfeit note you will see they are printed on the paper rather than being part of the paper.
- **Security Thread “USA”** - Look for a security thread (a plastic strip) running from top to bottom. The printing will say "USA" followed by the denomination of the bill, which is spelled out for $5, $10, and $20 bills but presented in numerals on the $50 and $100 bills.
- **Watermark** - Hold the bill up to a light to check for a watermark. A watermark bearing the image of the person whose portrait is on the bill can be found on all $10, $20, $50, and $100 bills series 1996 and later, and on $5 bills series 1999 and later.

Checks

- Each check must be initialed by the accepting cashier.
- Suspicious activity shall be reported to the University police by dialing 292-2121 and Internal Audit 292-9680.
How to Detect Counterfeit Checks

- **Perforated Edge** - Most checks have perforation on one side of the check where it is detached from the detail. Counterfeit checks may lack a perforated edge.
- **MICR line shiny** - The numbers printed along the bottom of the check (MICR line) are shiny. Real magnetic ink is dull and non-glossy in appearance.
- **Authorized Signature** - The check lacks an authorized signature from known university individual.
- **Address Information and Logo** - Address or logo information for the University looks incorrect or is missing.
- **Fraction at top right of check** - The “fraction form” in the top right corner of the check has a numerator and a denominator. These numbers are used to determine the routing number if the MICR line has been destroyed. However, it can also be used in fraud prevention. Parts of the fraction correspond to information at the bottom of the check. See below.
  - The numerator consists of two parts separated by a dash. The prefix (no longer used in check processing, yet still printed on most checks) is a 1 or 2 digit code (P or PP) indicating the region where the bank is located.
  - The second part of the numerator (after the dash) is the bank’s ABA Institution Identifier, which also forms digits 5 to 8 of the nine digit routing number (YYYY).
  - The denominator is also part of the routing number; by adding leading zeroes to make up four digits where necessary (e.g. 212 is written as 0212, 31 is written as 0031, etc.), it forms the first four digits of the routing number (XXXX).
  - For example, a fraction of 55-2/212 corresponds to a routing number of 021200025. The prefix (55) no longer has any relevance, but from the remainder of the fraction, the first 8 digits of the routing number (02120002) can be determined.

Policy 5.13 – Please refer to the policy for check acceptance guidelines

Contact Information
The Office of the Treasurer
1590 North High Street, Suite 400
Columbus, Ohio 43201
Amy McMahon, mcmahon.100@osu.edu
674-688-4118