SEACREST
WEALTH MANAGEMENT

10 steps you can take to help prevent check fraud

Classification: Schwab Internal

Check fraud is nothing new. But criminals are increasingly sophisticated, constantly improving the methods they use to commit these crimes.

In 2023, the Financial Crimes Enforcement Network announced that this type of fraud had more than doubled since 2020. Worse, successful check fraud can often be the gateway to other fraud attempts—after all, each check includes your name, address, and bank account number—in some cases, even your driver's license number and date of birth. Reselling this information on the dark web so another criminal can use it for additional frauds or even identity theft is a real threat.

The best way to prevent these frauds is to follow common-sense steps to make your checks more secure.

Top 10 steps you can take to help mitigate risk associated with check fraud

1. Consider signing up for the free Informed **Delivery service**, which the post office uses to send you electronic previews of upcoming mail.
2. Whenever possible, use an **electronic payment method** instead of a paper check (e.g. ACH (Schwab MoneyLink®), bill pay, or if needed, a wire).
3. If you're expecting a check for a large dollar amount, request a **direct deposit** into your checking account instead of a physical check in the mail.
4. Remember that **bringing your mail to the post office** is more secure than dropping it in a collection box. If you must use a box, drop it in prior to the final scheduled pickup—criminals tend to target mail that sits in collection boxes overnight.
5. **Monitor your accounts online** and review all check images to ensure they were deposited.
6. **Use pens with indelible black ink** so it is more difficult for fraudsters to remove and replace your writing and change the dollar amount on checks.
7. **Follow up** with charities and other businesses to make sure they received your check.
8. **Consider the risk** before adding checking features linked to your brokerage account.
9. **Report any fraud** and/or suspicious activity to your advisor and Schwab immediately.
10. **Shred cashed checks.**

If you identify fraud and/or suspicious activity in your Schwab account

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Contact your advisor and/or report the activity ASAP to Schwab Alliance at **1-800-515-2157**.

You can also report the activity to the FBI by submitting a report via IC3.gov.