

The Pima County Attorney's Office

BAD CHECK PROGRAM GUIDEBOOK



***BAD CHECKS ARE BAD NEWS
THE PIMA COUNTY ATTORNEY'S OFFICE
CAN HELP YOU COLLECT YOUR MONEY!***

Dear Members of the Business Community:

The passing of bad checks is a very serious problem in Pima County. That is why the Pima County Attorney's Office joined with local law enforcement agencies and many local business people in 1996 to establish the Pima County Attorney's Bad Check Program.

The program is designed to help reimburse individuals or merchants for the losses they suffer from receiving bad checks and those losses are substantial. We are very pleased to have been able to return millions of dollars to businesses participating in this program.

This program is available to any person or organization in Pima County. The guidebook contains all the information and forms you will need in order to take advantage of this **free** service. If you have any suggestions on how we can help you further, please let us know. By working together, we can make a difference for Pima County.

Sincerely,

Barbara LaWall
Pima County Attorney

Table of Contents

A message from the Pima County Attorney.....	1
Introduction.....	3
When you receive a check.....	4-7
What to do with a bad check.....	7-8
Matters not handled by the Bad Check Program.....	8-9
How to contact the Bad Check Program.....	9
What becomes of the bad check writer.....	9-10
Bad check filing forms:	
Demand for Payment Notice	
Form A: For checks \$4999.00 or less	
Form B: For checks \$5000.00 or more	
Cover Sheet	
Witness Form	
Affidavit of Mailing	

Introduction

The Legislature has empowered the Pima County Attorney to establish a Bad Check Program. The Pima County Attorney's Bad Check Program will provide an opportunity for most bad check offenders to avoid prosecution by paying full restitution for the check, along with a statutory collection fee.

If you receive a bad check, you will first be required to notify the check writer that they must reimburse you for the entire amount within the specified time period set by statute. If you do not receive full payment within that time frame, the check writer may be prosecuted.

This guidebook is intended to inform you of ways to avoid receiving bad checks. In the event you become a victim, it is intended to help you utilize the Bad Check Program in recovering your loss. Please read the guidebook completely, and follow all the steps to avoid delays.

Our desire is to reduce the occurrence of bad check writing in Pima County, and to reduce the losses incurred by everyone. Please help the community by using and supporting this important program.

WHEN YOU RECEIVE A CHECK

The first thing you should do when receiving a check is put it through a simple screening process. Try to recognize a bad check before you accept it. Learn the preventive measures outlined below and teach them to your employees. These measures will help reduce your losses and increase the chances for full recovery on bad checks.

Look at the check:

- Be suspicious of checks that have a low check number or no printed check number. Nearly 90% of bad checks are drawn on accounts less than one year old. If the check numbers are handwritten or lower than 125, exercise caution.
- Checks must be dated the day you receive them. Post-dated checks may not be prosecuted by this office. You take them at your own risk.
- **DO NOT** accept pre-signed checks. Make certain that every check you receive is signed in your presence. It is vital that the signature is legible. If not, ask the writer to print his/her name on the check. Compare the name with a valid driver's license or other I.D.
- Make sure that the numeric dollar amount matches the written dollar amount. A check for \$16.25 should say in words: "Sixteen and twenty-five/100 dollars" or "Sixteen and 25/100 dollars".
- Banks will not accept checks with discrepancies. Verify to see if any words or numerals on the checks have been altered. Look for different handwriting, different color ink, or any other suspicious differences. If you notice discrepancies, you should reject the check.
- Look for changes or additions to the name of the payee. If the color, density, or writing of the name appears different, there may have been an alteration. If the check appears to be made payable to two or more payees (for example: "John or Sue") and the second name appears different in color, density, or writing, there may have been an alteration.
- Make sure the check writer **DOES NOT** write his/her Driver's License number or other information on the check. Ask for I.D. and do it yourself. This protects against false numbers being provided. The presence of your handwriting is another way for you to identify the check at a later date, as required for prosecution.

Always Demand Identification

The main purpose of requiring identification is to minimize the chance of receiving a bad check. Also, each form of identification you record on a check is another way for the Bad Check

Program to identify the check writer at a later date. For example, the driver's license number written on each check allows the Bad Check Program to obtain a copy of the license. The copy of the license supplies a photo, handwriting sample, and description of the check writer, which is needed for successful prosecution, and issuance of an arrest warrant.

- The best form of identification is an Arizona Driver's License or an Arizona Identification Card. A photo I.D. card with a signature is your best defense against forgery.
- Compare the name, address, and signature on the license with those on the check. Also, be sure to compare the photo on the I.D. with the person. Check the license for the expiration date. **DO NOT** accept checks with expired identification.
- Secondary identification may also help you identify the check writer. Examples of secondary identification are military or business I.D.'s (preferably with a picture). These are often times helpful in identifying a subject.
- **RECORD ALL INFORMATION ON THE FRONT OF THE CHECK.** Information recorded on the back of a check may be obscured by the bank's stamp.
- Always record your name, initials, or employee I.D. number as the receiver of the check. The Pima County Attorney's Office must have a witness to successfully prosecute a criminal case. The witness must be the person who accepted the check. Be certain that the acceptor's identity and branch location, if applicable, can be determined from the face of the check by the person in your company who is responsible for preparing the paperwork for submission to our office. We may return the check to you if all of the proper identification is not provided.
- Write the check writer's driver's license number on the front of the check. Record the home address and telephone number unless this information is already printed on the check.
- Remember to include any other identifying information, such as: names, vehicle license plate numbers, etc.

If you still have doubts about a check, don't accept it

You are not required by law to accept checks. You may lose the sale, but you won't lose the merchandise. Remember, you can't determine if a check is good by the appearance of the check writer. Only through the careful examination of each check and the diligent use of the guidelines in this section can you reasonably assume that a check is good. Your knowledge and use of these techniques are your main deterrent to bad check writers.

When you receive a bad check

Use the information in this section of the guidebook to establish a store policy, and be ready to submit the needed paperwork to the Bad Check Program. Pre-print the required Demand for Payment Notice on your letterhead. You may also remove and photocopy the Demand for Payment Notice provided in the appendix. Maintain a supply of the needed forms: Demand for Payment, Witness Forms and the Bad Check Program Cover Sheets all of which can be found in the appendix and online at www.pcao.pima.gov.

- **NOTE: there are two different types of Demand for Payment Forms:**

- A) **Form A** is for checks **\$4999.99 or less**; a Class 1 Misdemeanor or

- B) **Form B** is for checks **\$5000.00 or more**; a Class 6 Felony

- Prepare the Demand for Payment Notice and have it served or sent to the person who wrote or passed the check. **DO NOT** change the language in the Demand for Payment Notice because it is written with language required by law.
- The Demand for Payment Notice may be actual notice or notice in writing that is sent by registered or certified mail, return receipt requested, or by regular mail that is supported by an Affidavit of Service by mailing. Written notice shall be addressed to the issuer at the issuer=s address shown on any of the following:
 - 1) The Check
 - 2) The records of the bank or other drawee
 - 3) The records of the person to whom the check is issued or passed
- You may select the method of delivery, but it is required that you attempt notice.
- If the check is **\$4999.99 or less**, and the Demand for Payment Notice is hand delivered, wait 12 calendar days before submitting the check to the Bad Check program. If sent by regular mail, the law adds 5 days for mailing; so you must wait 17 days from the date of mailing before submitting the check to the Bad Check Program.
- If the check is **\$5000.00 or more**, mail certified or hand deliver the Demand for Payment Notice, you must wait 60 calendar days before submitting the check to the Bad Check Program. Issuing a bad check in the amount of \$5000.00 or more is a Class 6 Felony. You are entitled to demand the full amount of the check, including accrued interest at the rate of 12% per year and any other applicable fees.
- If you mail the Demand for Payment Notice, you should print or type AAddress Correction Requested@ on the envelope in the event the addressee has moved.
- If an individual offers to pay you for their bad checks within the statutory **12, 17 or 60** day period following receipt of the Demand for Payment Notice, accept only cash, money orders or cashier=s checks. You may also collect a fee for reasonable costs. **DO NOT**

AT ANY TIME ACCEPT PARTIAL PAYMENT FROM THE CHECK WRITER. DO NOT return the bad check to the check writer until you have received payment in full.

- Prepare the Witness Form. Complete those blanks for which you have immediate information. The remaining blanks may be completed later, but prior to the time you send the check(s) and other documents to the Bad Check Program.

What To Do With A Bad Check

Submitting the check to the Pima County Attorney's Office

- If the check writer does not respond to the Demand For Payment Notice, the check may then be submitted to the Pima County Attorney's Bad Check Program. In doing so, please be certain that all items on the witness form are completed. If you have a more current address than the address printed on the check, include that address on the witness form.
- A Cover Sheet is needed the first time you send in bad checks. You only need to send another Cover Sheet if you change your business name, address or phone number.
- Place the following items in a large mailing envelope:
 - One Cover Sheet, regardless of the number of checks you are sending.
 - Original check(s) or certified bank copy or original documentation returned to you by the bank.
 - A witness form for each check.
 - Copy of the Demand For Payment Notice.
 - Or an unopened envelope containing the Demand Notice if the mail is returned.

4) Mail to: Pima County Attorney or Hand Deliver to: Pima County Attorney
Bad Check Program Bad Check Program
P.O. Box 111 32 N. Stone 2nd Floor
Tucson, Arizona 85702 Tucson, AZ 85701

Information concerning case status

Persons requesting information or status on a case that has been submitted to the Bad Check Program should wait at least 60 days before making an inquiry. You may either call our office or make a written inquiry. If it is in writing, please include your name and daytime phone number and the name of the bad check writer.

Once you have filed a bad check complaint with the Pima County Attorney's Bad Check Program, **DO NOT ACCEPT RESTITUTION FOR THE CHECK FROM ANYONE EXCEPT**

THE PIMA COUNTY ATTORNEY'S BAD CHECK PROGRAM. All restitution for such checks must be collected by the Bad Check Program. If you accept funds from anyone other than the Pima County Attorney's Office, you may be liable for the statutory fee. Also, you will not have the check in your possession to return to the writer once you have been reimbursed.

We collect the face value of each check, plus a \$25.00 service fee for the victim for each check submitted, authorized under A.R.S. 44-6852.

Restitution Payments

When a bad check writer makes a payment to the Bad Check Program, it is recorded and deposited into an account. Restitution checks will be issued to the victims the following month after a payment is received. Along with your payment, you will receive a computer printout containing the Bad Check Program I.D. number, the name of the bad check writer, the bad check number, the date and amount of the check.

Original checks cannot be returned

Once a check is submitted to the Bad Check Program, the Pima County Attorney's Office retains the right to proceed with criminal prosecution of the check writer. When the Pima County Attorney's Office proceeds with prosecution, the check becomes evidence in the criminal proceeding and sole control of that check rests with the Pima County Attorney's Office. In summary, no checks will be returned without the consent of the Pima County Attorney's Office, and no checks will be returned if a criminal complaint has been filed in court.

If, after you have requested prosecution, the check writer contacts you and wants to pay for the check(s), you must refer him/her to the Pima County Attorney's Bad Check Program. **DO NOT** accept full or partial payment on the face value of the check. Doing this will end all collection efforts by our office on your behalf.

Matters Not Handled By The Bad Check Program

Bad checks that are included in a civil action, or if you have already obtained a civil judgment against a check writer that includes the bad check, it cannot be submitted to this office.

The checks listed below are not accepted by the Bad Check Program, however, they may be pursued in a civil action. For further information regarding civil action contact the Pima County Consolidated Justice Court at 115 N. Church Avenue, Tucson, Arizona 85701.

- "Stop Payment" check(s).
- Checks issued in matters which constitute civil disputes.
- Checks not written or passed within Pima County.
- Checks that are altered or suspected of being forgeries. (These must be reported to law enforcement agencies having jurisdiction in your area).

- Checks dated more than two (2) years ago.
- Dual signature checks. Such checks require the signature of both account holders.
- Post-dated checks for which the payee has been expressly notified or has reason to believe that the drawer did not have on deposit sufficient funds to ensure payment on presentation.
- Checks dishonored as a result of an adjustment to the person's account by a credit institution without notice to the person.
- Credit card slips or electronic checks.
- Checks issued by a debtor to a credit adjustment company or a collection agency.
- Checks redeemed by a guarantor, i.e. assigned by a payee to a guarantor.
- Two party checks
- Stale dated checks (a check must be presented to a financial institution for payment within 30 days of the date written on the face of the check).

How to contact the Bad Check Program

- Telephone: (520) 740-4100
- Fax: (520) 882-5966
- Mail to: Pima County Attorney
Bad Check Program
P.O. Box 111
Tucson, Arizona 85702
- In Person: Pima County Attorney
Bad Check Program
32 North Stone Avenue, 2nd Floor
Tucson, Arizona

What Becomes Of the Bad Check Writer

As soon as the Pima County Attorney's Bad Check Program receives the completed packet with the check(s), the check writer's name is entered into the Bad Check Program database. A decision is made as to whether the person will be offered the opportunity to enter into the Diversion Program and pay restitution, or whether the Bad Check Program will proceed

immediately with prosecution. If the check writer has no prior history of writing bad checks, he/she will be given the opportunity to enter into diversion, pay restitution and statutory fees.

For those check writers who do not respond to the requests to pay full restitution, criminal charges are possible. A check writer who fails to respond risks arrest, time in jail, and possible conviction, which would result in paying full restitution and the statutory fines and fees. In addition, after conviction, he/she could have their income tax refund intercepted, restitution liens filed and wages garnished.

The filing of charges against a check writer depends on whether sufficient evidence exists to charge the person with a criminal offense. If charges are filed and the check writer enters a plea of not guilty, a trial date will be set. The recipient of the check, and any witnesses that are needed will be subpoenaed to appear at the time of the trial. If restitution is paid prior or subsequent to a trial, funds will be disbursed through the Bad Check Program as indicated under “Restitution Payments” outlined in the Guidebook.

Bad Check Program forms

This guidebook contains copies of all the forms that you will need to submit to the Bad Check Program in order to start collection/prosecution process. They may be torn out and photocopied for your future use.

NOTICE OF DISHONORED CHECK
DEMAND FOR PAYMENT

Form A: use for check(s) \$4999.99 or less; a Class 1 Misdemeanor

TO: _____ DATE: _____

Pursuant to ARS 13-1807, the check or instrument shown or described below, issued by you has been dishonored:

Instrument/check No: _____ Instrument /check date: _____

Originating Institution, Bank or other Drawer: _____

Amount payable to: _____

Reason for dishonor (marked on instrument) _____

Pursuant to ARS 13-1808, you have 12 calendar days from the date of this notice to pay or tender to the holder named below the full amount of the check or instrument, together with all reasonable costs, and statutory fees. **Payment must be in the form of a money order, cashier's check or cash.** You are hereby notified that unless this amount is paid in full within the time specified, the holder of the dishonored check or instrument may turn it and all other available information relating to this incident over to the Pima County Attorney's Office for criminal prosecution.

Check Amount \$ _____

Fee Amount \$ _____

Total Owed \$ _____

Victim's signature: _____ Telephone #: (____) _____

Business Name: _____

Address: _____

NOTICE OF DISHONORED CHECK
DEMAND FOR PAYMENT

Form B: use for check(s) \$5000.00 or more; a Class 6 Felony

TO _____ DATE _____

Pursuant to ARS 13-1807, the check or instrument shown or described below, issued by you has been dishonored:

Instrument/Check No: _____ Instrument /Check Date: _____

Originating Institution, Bank or other Drawee: _____

Amount payable to: _____

Reason for dishonor (marked on instrument): _____

Pursuant to ARS 13-1807(E), you have 60 calendar days from the date of this notice to pay or tender to the holder named below the full amount of the check or instrument, together with all reasonable costs, statutory fees and including accrued interest at the rate of 12% per year .

Payment must be in the form of a money order, cashier's check or cash. Pursuant to ARS 13-1808, you are hereby notified that unless this amount is paid in full within the time specified, the holder of the dishonored check or instrument may turn it and all other available information relating to this incident over to the Pima County Attorney's Office for criminal prosecution.

Check Amount \$ _____

Fee Amount \$ _____

Accrued Interest \$ _____ **at 12% per year**

Total Owed \$ _____

Victim's signature: _____ Telephone #: _____

Business Name: _____

Address: _____

WITNESS FORM

INSTRUCTIONS: Please read the GUIDEBOOK before completing this form. Incomplete Witness Statements may be returned to you. DO NOT ACCEPT PAYMENT from the check writer after you have submitted the forms and check(s) to the Bad Check Program.

A. VICTIM

Name: _____

Address: _____

Person handling check cases: _____

B. CHECK PASSER

Name: _____

Address: _____

Telephone: _____

(Essential Information) AZ Driver's License No: _____

Other I.D. information (job, family, friends): _____

Check Number _____ \$ Amount _____ Date _____

C. EMPLOYEE/WITNESS who accepted check

Name: _____

Address: _____

Telephone (work): _____ (home): _____

Date Demand Letter mailed: _____

Be sure to enclose **ORIGINAL** check(s), or a certified bank copy and a copy of Demand for Payment Notice.

I CERTIFY THAT THE INFORMATION CONTAINED IN THIS STATEMENT IS COMPLETE AND TRUE TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Signature of Victim/Representative: _____ Date: _____

Cover Sheet

Please read the GUIDEBOOK before completing this form. Incomplete or improperly prepared submissions may be returned to you. This form only has to be completed the first time you submit a check to the Bad Check Program, unless you change your address.

Date: _____ Name: _____

Your business name: _____

Owner or President of company: _____

Address: _____

Telephone: (____) _____

Number of checks enclosed: _____
(each check MUST be accompanied by a Witness Form)

Make restitution checks payable to: _____

Where should we send your restitution: _____

Attention: _____

Does your business have more than one location: _____

How many locations: _____

Headquarters' address: _____

Telephone number: _____ Contact person: _____

Fax number: (____) _____ Email address: _____

Type of business: _____

If you have any questions concerning this form, or any of the procedures you must follow to submit bad checks to us, please refer to your GUIDEBOOK or call the Bad Check Program, Monday through Friday, 8:00 a.m. to 4:30 p.m., at (520) 740-4100 (excluding legal holidays).

AFFIDAVIT OF MAILING

Your Name & Address

STATE OF ARIZONA)
) ss. AFFIDAVIT OF MAILING
County of Pima)

I, _____, being first duly sworn, depose and
(Name of Person that mailed letter)

state that I mailed, by regular first class mail, on _____, a
(Date of mailing)

Demand for Payment letter addressed as follows:

Name: _____

Street Address: _____

City/State/Zip Code: _____

Dated this _____ day of _____, 20_____

(Signature)

(Print Name)

SUBSCRIBED AND SWORN TO before me this ____ day of _____,
20_____.

Notary Public

My Commission Expires