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## Check Fraud Protection: Individual and Business Accounts Are Not Treated The Same

Today's advanced technology makes it easier than ever for criminals to fraudulently replicate your checks.

Individuals generally have 30 days from the receipt of their monthly bank statement to notify the bank of suspicious activity in their account. Typically, the bank offers free protection from fraudulent activity, and will happily reverse the transactions to keep their customers' accounts secure.

But did you know that business accounts usually have only 24 hours from the presentation of a fraudulent check to notify the bank in order to receive the same protection? City National Bank, with whom we have had a close relationship for over 20 years, has a system which allows any bank customer, whether individual or business, to be able to protect their bank accounts from fraudulent activity through their **Positive Pay** service.

City National Bank's Positive Pay service is an effective tool in the fight against check fraud. Their Payee Verify feature offers additional protection by identifying payee name suspects. Positive Pay works with you to verify that you have actually issued the checks that post to your account. They will even verify checks as they are cashed at their banking offices – a feature many banks don't offer.

### How Does It Work?

**1. Simply log your check information in a data file.**

A data file is created for each check that you issue, logging the issue date, the serial number, and the amount of each check. This is similar to a check register, but instead of your pocketbook, the information is stored securely online. When using the Payee Verify feature, you can also store the name of the payee. You then send the data file electronically to the team at City National Bank.

**2. City National Bank verifies the checks.**

CNB's team then compares your check data to the checks posted to your account. They'll even match the info with checks presented over-the-counter.

**3. You receive an Exceptions Report each morning.**

When CNB notices a mismatch between your issue data and the checks posted to your account, it is recorded on an Exceptions Report. You can view the report early each morning online via the Treasury Net Positive Pay service. Even if you have no mismatches, you can still view the Exceptions Report daily. When using Payee Verify, any differences in payees will also be noted in the Exceptions Report.

**4. Make payment decisions on your terms.**

You can decide whether to pay the checks that pop up on your Exceptions Report easily through the online system.

### Benefits

The Positive Pay service is a great tool for small businesses to avoid check fraud. Fraudulent items and payee suspects are quickly identified so you can notify the bank as soon as possible.

All checks from your account – even the ones presented at banking offices – are verified by CNB's team and you through the Exceptions Report.

For added protection, you can use the Payee Verify feature, specify dollar limits, and review stale-dated checks in your Exceptions Report.

The protection provided by this system is invaluable to both individuals and businesses alike. We encourage you to check with your bank to see if they offer a similar program to defend against this growing problem.





## SPS's Post Tax Season trip to Las Vegas

After a busy tax season, we at Sobul, Primes and Schenkel always like to do something special for the staff, to reward them for the long hours that they have put in over the last few months. What better way to blow off some steam than a trip to Las Vegas!

On Sunday, April 19th, the SPS staff, all 25 of us, took a jet plane or hit the road to travel to "Lost Wages"! SPS provided rooms at the Wynn Hotel for everyone, but we sure didn't stay there too long! On Sunday evening, we boarded the "party bus" from the Wynn to Caesar's Palace Hotel, where we all enjoyed wine, beer, cocktails and hors d'oeuvres at TREVI Restaurant in the Caesar's Shops area.

We then walked the short distance over to the Mesa Grill Restaurant for a fabulous three course meal. Of course, our master of ceremonies, Rick Schenkel, made sure that everyone had a terrific time and represented the partners in thanking the staff for all of their hard work.

## Fraudulent IRS "Collection Calls"

In our last newsletter, we highlighted a telephone scam where callers, claiming to represent the U.S. Treasury or the Internal Revenue Service, are calling individuals and aggressively demanding immediate payment of "taxes" that are owed. The caller will claim that a warrant is already outstanding for the individual's arrest, or that law enforcement will be notified if payment is not made immediately. They will ask for credit card or bank account information in order to facilitate payment of the amount "owed." This is a fraudulent scare tactic to get you to comply with a scam.

We have received word that these calls are still occurring at an alarming rate. To keep yourself safe from a scam, please keep in mind these four tips from the IRS about collections:

1. The IRS will **never** initiate collection activity by telephone. They will always send out a series of notices by mail.
2. The IRS will **not** demand payment of a tax liability via a credit card or debit to your bank account.
3. The IRS will **never** request credit card information over the telephone.
4. The IRS will **never** threaten to bring in local law enforcement or have you arrested for not paying an outstanding tax liability.



If you have received one of these fraudulent calls, you may report the call to the Treasury Inspector General for Tax Administration by calling 1-800-366-4484 or at [www.tigta.gov](http://www.tigta.gov).

## SPS Spotlight: Mark Umemoto and AthletesTouch

Sobul, Primes & Schenkel is excited and proud its newest principal, Mark Umemoto, exemplifies the spirit of community service that we cherish at SPS.

Mark is an active member in the networking organization, AthletesTouch ([www.athletestouch.co](http://www.athletestouch.co)). AthletesTouch is a collective of over 300 former college and professional athletes who work together to grow and succeed in the business world. Mark played baseball at UC Santa Barbara for four years and coached another. Those of us who're lucky to work with him know he brings the same drive and passion to his professional life as he did to the diamond.

AthletesTouch is also a philanthropic organization that loves to give back, holding over 100 meetings and events a year. This year, the Fifth Annual AthletesTouch Golf Classic, held at Strawberry Farms Golf Club, raised more than \$45,000 for charity.



This year's charity was The Painted Turtle, founded by Paul Newman in 2004 ([www.thepaintedturtle.org](http://www.thepaintedturtle.org)). The Painted Turtle is a camp-based program where kids with serious medical conditions can meet others like them and celebrate just being kids.

SPS encourages its staff to not just broaden their horizons professionally, but to enliven their communities as well. "Every individual in our firm is involved in at least one charitable or service organization. It's just what we do" says Managing Shareholder Rick Schenkel.

We're proud of Mark as he sets another great example of SPS's passion for helping others.

Please note that these articles contain general information and are not a complete analysis that you should rely on in making decisions. Our goal is to bring these matters to your attention and suggest that you review your practices. We are here to assist you. These may be difficult issues to address, and you may need to consult with your legal counsel.

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