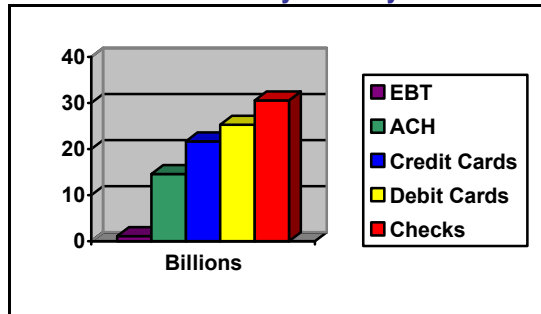


## CHECK FRAUD DATA

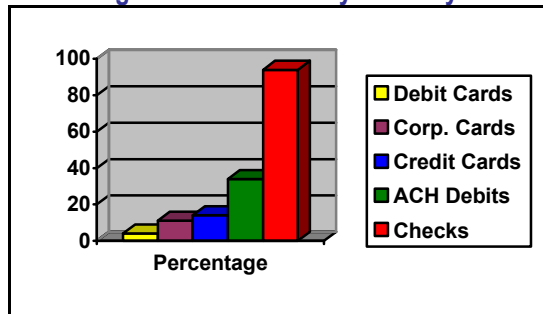
Mark Twain wrote in 1897, "...the report of my death was an exaggeration." So, too, was the predicted demise of the paper check in 1973. Now, over 35 years later, not only are checks still being used, they represent the largest category of non-cash payment instruments. Not surprisingly, check fraud – the paper check's evil twin – is the most dominant method of fraudulent payments and produces the greatest financial losses. Check fraud continues to be one of America's least prosecuted financial crimes, and every individual, company and organization is at risk.

**Total Non-Cash Payments by Method**



In the *Payments Fraud and Control Survey* conducted by the Association of Financial Professionals (March 2005), 55% of the organizations responding confirmed that they had been a victim of payments fraud. The vast majority – 94% – indicated that they were victims of check fraud. This was true whether the organization was large or small.

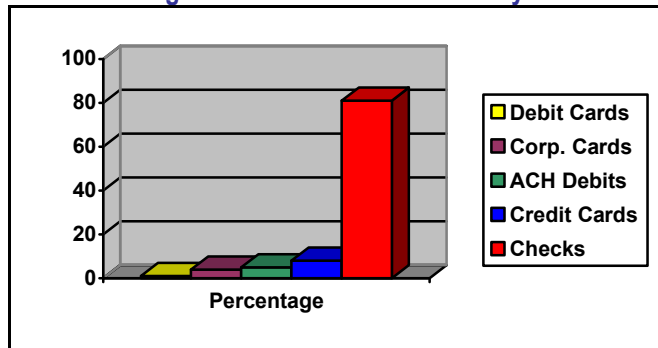
**Percentage of Fraudulent Payments by Method**



*BankInfoSecurity.com* (November 2007) reported that while the actual number of check fraud cases decreased between 2003 and 2006, the average loss per case increased from \$1,098 to \$1,727. More than 1.2 million worthless checks enter the banking system each day. The Nilson Report advises that annual check fraud losses now exceed \$20 billion, up from \$5 billion in 1993.

Only 7% of the companies experiencing fraud attempts were able to avoid any losses. In other words, 93% of the organizations that had fraud attempted against them suffered a financial loss. This supports the conclusion offered by Mr. Abagnale, world-renowned fraud prevention specialist: **"Prevention is the only viable course of action."**

**Percentage of Greatest Fraud Losses by Method**



For information regarding check fraud prevention, contact SAFEChecks at [info@safechecks.com](mailto:info@safechecks.com) or (800) 755-2265.