



POLICE DEPARTMENT

Credit Card Fraud Prevention Tips

Many people use credit cards as their preferred method of payment. Unfortunately, the use of stolen or forged credit cards is also a popular tactic among crooks. You and your employees should follow the strict acceptance procedures set by each credit card company. Keep the following points in mind to further reduce your chances for loss.

- Keep a copy of credit card agreements on file so they can be easily retrieved.
- Post a procedural guide for credit card transactions next to the register.
- Install a telephone at the register; post authorization numbers nearby.
- If uneasy about a transaction, call the credit card company and ask their security personnel for advice before completing the transaction.
- Do not return the card until they instruct you to do so.
- Have employees initial credit transactions in the event of a discrepancy.
- Protect yourself and your customers by keeping credit card transactions confidential. Give charge slip carbons directly to the customer or have them destroyed immediately by personnel. Thieves can obtain names and numbers from the trash and use them for fraudulent mail or phone order scams.
- Charge-backs can occur if a cardholder disputes any charges, especially in mail or phone orders.

Special precautionary guidelines are available from each credit card company. Stay on the alert for merchants, typically telemarketers, who ask you to deposit their sales drafts. When a licensed business owner or employee runs the sales drafts for another business, the process is known as "factoring." Factoring is strictly prohibited in North Carolina. Chances are you will never be approached with such a proposition. If you are, contact your bank immediately. If you become involved in factoring, you will be held responsible for all financial losses, and if fraud is involved you will face criminal prosecution.