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Fact Sheet

F-9

THE WORCESTER COUNTY FRAUDULENT CHECK ASSOCIATION:
COMMUNITY COOPERATION IN LAW ENFORCEMENT

by

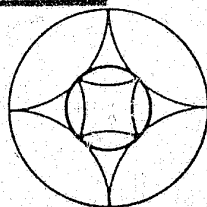
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THE WORCESTER COUNTY FRAUDULENT CHECK ASSOCIATION:
COMMUNITY COOPERATION IN LAW ENFORCEMENT

Each year the stealing and forging of checks, stock certificates, and bank notes increases. This trend has been a growing concern among many law enforcement officials as well as members of the business community and the general public. In one area, Worcester County, Massachusetts, a group of businessmen, bankers, and police officers has united against persons stealing and/or passing bad checks.

Enactment of a Federal Law: An Impetus to Cooperation

Since the Second World War, the number of bank robberies has risen continuously. In February 1964, the Government Operations Committee of the U.S. House of Representatives reported that no standards for banking structures, vaults, alarm systems, or any other security devices were specified by federal regulations (House Report 1147). At that time, committee members expressed their belief that the security of financial institutions was a matter of industry self-regulation. But, their report concluded, while "the banking institutions have done a creditable job in the area of crime prevention," this "must be viewed in light of the fact that the bank crime rate keeps increasing."

Passage of the Bank Protection Act by Congress in 1968 required banks to undertake intensive security evaluation programs and to supplement existing security. The U.S. Department of Justice suggested a "package" of security devices for meeting the law's

requirement that the various federal bank supervisory agencies "establish minimum security system standards for banking institutions under their jurisdiction as a deterrent to robbers." The suggested security package included a camera, an alarm system, a microphone and speaker system, and ADT (American District Telegraph Protection Service) at an estimated installation cost of \$2,115 for each package, with an additional \$475 annual maintenance charge.

In addition to increasing security standards, the Bank Protection Act resulted in greater interaction between law enforcement officials and members of the banking industry. In many instances, this increased contact has encouraged a positive spirit of cooperation. This increased cooperation, combined with the assistance of the new security devices (particularly cameras), provided the atmosphere, information, manpower, and facilities needed for establishing the Worcester County Fraudulent Check Association

Membership

For nearly 15 years, an informal working group existed in the city of Worcester to handle "paper-hanging" problems. Passage of the Bank Protection Act did much to improve police-bank contact and the flow of information. In April 1974, due in part to a sudden influx of bad checks, the group was formally organized as the Worcester County Fraudulent Check Association (WCFCA). Within a year, the association grew to include all areas of Worcester County. There are presently 57 dues paying members. These include

banks, supermarkets, and convenience stores representing more than 250 outlets. All police agencies are considered voluntary, "non-paying" members. This group includes all town and city police departments within Worcester County, campus police departments, as well as the FBI, U.S. Post Office, U.S. Department of the Treasury, Massachusetts Registry of Motor Vehicles, Massachusetts State Police, and Massachusetts Department of Corrections. Although Police agencies do not pay dues to the organization, they do provide background information, manpower (not specifically assigned to the WCFCFA as such, but for any assistance a member might need), and handle prosecution. The WCFCFA uses its funds to increase its information capacity and for clerical assistance. The Association hopes to be able to hire an investigative specialist at a future date.

Operations

The goals of the WCFCFA can be broken down into three broad categories: prevention and identification, apprehension and prosecution, and restitution.

Toward these ends, the WCFCFA meets monthly to exchange information among members about the check passing problems in the Worcester County area. At each meeting, considerable time is allocated to the recent activity of bad check passers. Warning bulletins are passed out to all members. These bulletins contain photographs of suspects, names (if known), date of birth (if known), type of checks or bonds passed, identification used, and, in the case of

unknown suspects, previously used aliases. The effectiveness of these bulletins was immediately obvious to the association three days after the first bulletin was released to members, three unknown suspects had been identified from their pictures.

The monthly meetings also provide a forum for law enforcement experts to share technical knowledge with WCFCA members. Handwriting samples, methods of criminal operation, pictures of suspects, and copies of IDs, checks, and bonds are compared, often with positive results.

The association has also issued warnings to the public -- in particular to business and professional people. In a recent newspaper article on the WCFCA, for instance, two association members, Detective Patrolment Edward J. Waters and Francis P. Shugue of the Worcester Police Department, warned citizens: "Secure your checks like you would your money." The law enforcement members of the WCFCA are attempting to alert potential victims about necessary precautions for their checks -- both at home and in the office.

The WCFCA has created an emergency phone system to immediately notify police authorities of the identification/location of a suspect and to warn all other association members of the recent activities of bad check passers in the area. By calling a central emergency phone number, any association members may touch off a pyramidal system of calls to other members so that all are notified within an hour.

Effectiveness

How effective is the WCFCA? To date, the major gains have been in the identification of bad check passers. For example, in the city of Worcester during 1974, approximately 150 persons were arrested and charged on bad check offenses -- an increase of 140 percent over 1973. (One should note, however, that the actual number of bad checks also increased during this period. The absolute improvement in arrest and prosecution of check passers, therefore, is not as high as 140 percent.)

The WCFCA has had an effect on the operation of check passers. Because the membership initially consisted of law enforcement officials, bankers and businessmen in the county's central city, WCFCA pressure forced many of the bad check passers into the surrounding towns in the county. One result has been an improvement in cooperation between law enforcement officials around the county and a large increase in the size of the WCFCA.

One major problem the WCFCA has had is with the prosecution of cases. The courts have relied primarily on orders to make restitution. These orders are usually accompanied by probation or a suspended sentence.

The WCFCA is, however, attempting to collect additional information on the disposition of cases. Because of the failure to make restitution or the continued passing of fraudulent checks after making restitution -- or, in some cases, the passing of fraudulent checks to make restitution -- the WCFCA would like to see stiffer penalties imposed on check passers. For the moment,

however, association members still believe the WCFCFA has been highly successful - "We may not be able to put the bad check passer out of business but with enough support for the association, we can sure make his profession a tough one to be in," Detective Patrolman F.P. Shugue of the Worcester Police Department observes.

Additional information on the WCFCFA is available from William F. Gearin, President of the WCFCFA and Security Officer at the Worcester County National Bank, Worcester, Massachusetts.

Sources

- 1) Interview with Mr. William F. Gearin, President-WCFCA, January 7, 1975.
- 2) Blunt, Jr., Roscoe C. "New Group Battles Bad Check Passers" The Worcester Evening Gazette, November 25, 1974, p. 22.
- 3) Congressional Quarterly Almanac, 1968.
- 4) House Report 15345 - The Bank Protection Act (1968).
- 5) Senate Report 1263 (1968).