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Kim Inglis, BCom, CIM

Close your till to counterfeiters

Well-trained staff keeps scammers at bay



The best safeguard is to ensure your staff has sufficient training to recognize common scams like credit card fraud, counterfeit money, or bad cheques and money orders.

In the past few weeks there's been extensive media coverage about Bernie Madoff and his fifty billion dollar Ponzi scheme. While that's to be expected, due to the perpetrator's name and the size of the fraud, it's also unfortunate because it tends to reduce focus on an insect that is crawling out from under rocks everywhere. The vermin is a scammer.

I'm sure that many business readers are saying "Excuse me, I don't need to be warned. I didn't get to have a portfolio by being stupid." I'm sure that's true, but keeping your money isn't just about protecting your portfolio. It's also about keeping the money that's

outside your portfolio – money that's in your pocket or in your business.

If you operate a small business you're a favorite scammer target. Some come through your front door and their contact is your employee - who will determine whether you get to keep or lose your money. Are you certain your staff has sufficient training to recognize common scams like credit card fraud, counterfeit money, or bad cheques and money orders?

People using fraudulent credit cards have very specific buying patterns (only expensive items, no concern

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about price or warranty, et cetera) that should raise red flags, and there are simple things your employees can do such as checking signatures or examining credit card security features. However, if your staff is unaware of the techniques, it's likely that someone will successfully steal your merchandise.

If fraudsters have determined they're going to target your business for a bad cheque or money order scam, they arrive well prepared. They will have scouted your business and printed false ID and authentic looking cheques with fake 'verification' numbers. Again, there are specific signs and preventive procedures – but they don't do any good if your staff doesn't know about them.

Some scammers don't come through your door because their chosen weapon is the telephone, either by talking to one of your employees or through 'fax back' scams. The Office Supply Scam has been known for decades yet it still succeeds. Ditto the 'Fax Back' scams, with small print in the fax committing you to very expensive phone charges.

These and other frauds continue unabated and successful mostly because businesses don't have proper controls in place and they haven't trained their staff. Some prevention can be as simple as hard-and-fast rules about never divulging or clarifying any information about your business, or never agreeing to a telephone business proposal.

If you're in a business that handles a lot of cash, like a restaurant, you can expect additional scams aimed at you and your servers. Passing counterfeit money is the favorite. By the way, if you have one of those signs "We don't accept bills \$50 or higher" you can expect more than average. Your sign suggests to

counterfeiters that you're less vigilant with lower denominations.

The Canadian banknote is quite remarkable. It has several quite clear and easily employable methods to verify its authenticity. It should be difficult for a crook to pass counterfeit Canadian currency but even the best deterrents are useless if your people are neither aware nor vigilant.

And think about this. Suppose a fake bill gets through your business and ends up in the change you give a customer? What happens to that customer's trust in your business and what damage is done to your reputation? The cost could be dramatically greater than the value of the counterfeit bill.

The Bank of Canada has a series of excellent training booklets and videos covering a range of common frauds. They are available in various languages and are free for the asking. In addition they have materials that you can post, telling fraudsters that your company is vigilant.

In several cities the Bank of Canada offers staff training seminars customized to suit specific businesses. They are free and, in some cases, may be conducted in concert with local law enforcement. If you are a small business owner it might be wise to contact the Bank of Canada either by phone (1-888-513-8212) or through their website.

kim_inglis@canaccord.com

Kim Inglis is an Investment Advisor with Canaccord Capital, Member CIPF. The views in this column are solely those of the author.