

Why is the IBA involved in the Thumbprint Signature Program?

Experience from other states has shown that the program is more successful when a united effort can be achieved. In this manner, public criticism of any one institution can be deflected. Banks can join the program at any time simply by contacting the IBA. IBA maintains an inventory of supplies that will allow us to fill orders on the same day we receive them.

Will the fingerprint actually be visible on the check?

Yes, the fingerprint will be immediately visible on the check so that a bank employee can tell if there is a good impression. The “inkless” feature refers to the fact that the fingerprint pad will not leave a residue on your hand. In addition, the print is clearly visible on a photocopy or microfilm of the check.

Where are the thumbprints stored? Is a database maintained?

The thumbprint check travels through the normal channels of the bank, just as any check would. The checks are not segregated and no database is maintained. The thumbprint checks are used by law enforcement agencies only in the case of check fraud.

For more information, contact
Paul Freeman with the
Indiana Bankers Association
317-387-9380



Must the bank obtain a fingerprint on every noncustomer?

Each bank participating in Thumbprint Signature is advised to have written policies and procedures governing how the program will be used. Although a bank has some discretion in establishing its policy, it is critical that the policy is applied consistently to avoid allegations of discriminatory treatment.

Generally, the simpler the policy, i.e., requiring fingerprints on all noncustomers, the easier it will be to carry out. In evaluating your policy, be mindful that unlawful discrimination can occur in three ways:

- ♦ When a policy is discriminatory on its face;
- ♦ When a policy is not discriminatory on its face, but is applied in a discriminatory manner;
- ♦ When a policy is neither discriminatory on its face nor applied in a discriminatory manner, but has the effect of discriminating against a protected class.

What about the angry noncustomer?

The program has met with only minimal public criticism (less than 1% of noncustomers refused to provide thumbprints in the pilot program). If a noncustomer objects to providing a thumbprint, you have two options: invite him/her to open an account or refer the person to another institution. Not all banks are going to participate in the program.

Although it is best if bank personnel avoid engaging in a discussion of the legalities of the program, you should be assured that the request for a thumbprint of a noncustomer is not a violation of either federal or state laws.

PROTECT YOUR BANK AGAINST FRAUD



What is the Thumbprint Signature Program? Where did it come from?

On December 1, 1995, a number of Texas financial institutions began using a new security device known as the Thumbprint Signature touch pad. The touch pad is intended to deter counterfeit and stolen check fraud by obtaining a thumbprint signature (fingerprint) from non-customers (who do not have a depository relationship with the institution) when cashing on-us and not-on-us checks.

The thumbprint signature can be used by law enforcement agencies in the investigation of fraud claims made by account holders, and financial institutions' usage of the program is a natural deterrent. Participating banks will retain the thumbprint signature in their files, and the signature will be shared with law enforcement officials only in cases of suspected fraud.

Why should my bank implement this program?

The Thumbprint Signature Program has been proven to dramatically decrease check fraud, and security professionals believe that early visibility of the program (through signage) acts as a significant deterrent. Early reports indicated up to a 75% decrease in check fraud after the implementation of this program.

Thumbprint Signature has become very popular with banks of all sizes because it offers an easy, inexpensive way to prevent fraud without inconveniencing customers. While the program is designed to deter check fraud, it has also proved to be an effective crime fighting tool.

What should I do if I suspect fraud?

Tellers and officers should follow established reporting procedures regarding known or suspected fraudulent transactions, including contacting local law enforcement personnel, as well as the FBI.

YES, we want to be a Thumbprint Signature Program participating member.

Name: _____

Bank: _____

Address: _____
(No P.O. Box. Please use street address.)

City/Zip: _____

Phone: _____ **Fax:** _____

All items listed below feature the Thumbprint Signature logo printed in red and black.

Touch Pads - the pads have a shelf life of 18 months or a minimum of 500 impressions. Be sure to order enough for all tellers.

Teller Window Display - post these 6" x 3" tent-style display signs at your teller windows as an additional reminder that you participate in the program.

Statement Stuffers - these 3.5" x 7.5" brochures explain the mechanics of the program. Send them as a public service announcement to all your account holders, and make sure to have plenty on hand for anyone who might have questions about the program.

Decals - post decals at all entrances to let people know you are participating in the program and to warn potential criminals that their crimes will not go undetected. You may also want to post decals in your drive-through stations.

<u>Item & Quantity</u>	<u>IBA Member Price</u>	<u>IBA Nonmember Price</u>	<u>Total</u>
Touch Pads			
_____ 1-100 pads	\$4.00 each	\$5.25 each	\$ _____
_____ 101-250 pads	\$3.50 each	\$4.75 each	\$ _____
_____ More than 250	\$3.00 each	\$4.25 each	\$ _____
Decals	\$2.50 each	\$4.75 each	\$ _____
Teller Window Displays	\$2.25 each	\$4.50 each	\$ _____
Statement Stuffers (Please order in increments of 500)			
_____ 500-1500 copies	\$.15 each	\$.20 each	\$ _____
_____ 2000-3000 copies	\$.14 each	\$.19 each	\$ _____
_____ 3500-4500 copies	\$.13 each	\$.18 each	\$ _____
_____ More than 4500 copies	\$.12 each	\$.17 each	\$ _____

Charge my: MasterCard Visa

Account Number _____ Expiration _____

Please make your check payable to Indiana Bankers Association, and return it with your order to:
**Indiana Bankers Association
Thumbprint Signature Program
6925 Parkdale Place
Indianapolis, IN 46254-4673
FAX: 317-387-9374**

Subtotal	\$ _____
Shipping & Handling	\$ <u>5.00</u>
Total	\$ _____
Sales Tax (.07)	\$ _____
Grand Total	\$ _____