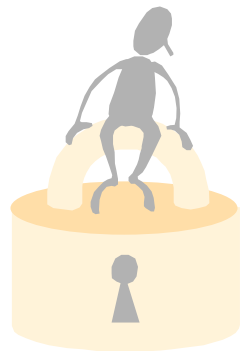


# NCR Systemedia Security

- *Are you and your documents protected from fraud?*
- *Is your organization exercising due diligence in making your documents secure?*



Transforming Transactions  
into Relationships

# FRAUD STATISTICS

- Over 10 billion dollars is lost to fraud each year
- 500 Million checks are forged annually
- Only 13% of all check fraud losses are ever recovered
- 54% Community, 94% Mid-Sized, and 88% Large Banks Sustain Losses From Check Fraud
- Losses to fraud include:
  - Financial
  - Investigation Costs
  - Court Costs
  - Higher Insurance Premiums
  - Damaged Reputations
  - Loss of Customer Trust

# RISK & RESPONSIBILITY

- 1990 UCC revisions limit the liability of financial institutions
  - Change reflected shared responsibility of check fraud between financial institutions and corporations
  - Businesses must prove “due diligence” in making checks reasonably safe from fraud & theft
  - Failure to do so may preclude you from remedy
- Recent court cases use “comparative negligence” in distributing liability for losses due to alterations & counterfeiting
  - The measure of negligence is the doctrine of “ordinary care”
- *The bottom line is that your company must be able to prove that it tried to protect itself and it's negotiable documents from fraud*

# FRAUD & SECURITY

## Types of Fraud

- Forged Signatures
- Forged Endorsements
- Dummy Accounts
- Check Kiting
- \* ***Counterfeit Checks***
- \* ***Altered Checks***
- \* Are the most common and account for over \$6 billion of check fraud

## Countermeasures

- Positive Pay
- Signature Verification
- Pattern Recognition
- Negative Databases
- Automated Clearing House
- Biometric Identification
- Inkless Fingerprinting
- Security Features on Negotiable Documents

# SYSTEMEDIA A SECURITY FEATURE PROGRAM

- **Security Papers:** A class of papers, available from certain paper mills, that have a number of built-in security features. These physical document security features are incorporated directly into the paper stock during the actual paper making process.
  - Artificial Watermark
  - Background Pattern
  - Brownstain
  - Chemical Reactive
  - Solvent Reactive
  - Fibers
  - Toner Adhesion
  - Genuine Watermark
  - UV Dull Base Sheet
  - Optically Dead Base Sheet
  - Planchettes (Custom Only)
  - Security Thread (Custom Only)

# SYSTEMEDIA SECURITY FEATURE PROGRAM

- **Document Design:** Physical check or document designed security features, such as graphics, text or layouts that appear on a negotiable document. These features are incorporated into the document or check by the manufacturer.
  - Account Number Verification
  - ANSI Padlock Icon & Warning Box
  - Artificial Watermark
  - Background Design
  - Check Digit Validation
  - Decorative Borders
  - Micro Line Printing
  - Void Pantographs
  - Warning Bands
  - Prismatic Printing
  - Security Screen
  - Embossment
  - Foil Stamping
  - Hologram

# SYSTEMEDIA A SECURITY FEATURE PROGRAM

- **Printing (Inks):** Security features incorporated into the design elements of any document through the actual printing process. These features are incorporated into the document or check by the manufacturer.
  - Colored Inks
  - UV Fluorescent Ink
  - Magnetic Ink
  - Penetrating Numbering Ink
  - Erasure Ink
  - Thermochromic Ink
  - Metallic Ink