Duluth Police Department

DIVERSION PROGRAM

A RESTITUTION GUIDE FOR MERCHANTS AND RESIDENTS

Dear Duluth Merchants and Residents:

As consumers and taxpayers, we all pay higher prices because of the losses associated with people issuing worthless checks. Law enforcement spends significant resources investigating and prosecuting people who issue worthless checks. The number of worthless check cases increases every year.

In response to concerns regarding worthless checks, the Duluth Police Department has implemented a worthless check diversion program.

The main goals of the program are:

- Restitution for victims
- Increase accountability of people who issue worthless checks
- Educate and assist Duluth merchants and residents in reducing the number of worthless check cases
- Reduce the costs to law enforcement associated with investigating and prosecuting worthless check cases

The program is at no cost to the taxpayer or area merchants. It is solely supported by the people who issue the worthless checks.

If you have further questions after reviewing this packet, please contact the Check Diversion Program at 651-388-2569.

Gordon Ramsay
Duluth Chief of Police

PROGRAM SUMMARY

A. Check writer pays the Check Diversion Program - 100% of the face value of the check is returned to the merchant plus bank fees, if paid.

B. Offender completes a financial counseling program offered by the Check Diversion Program.

C. Check writer fails to pay – the check is sent for prosecution review and proceedings.

CHECKS ELIGIBLE FOR THE PROGRAM

- NSF, Account Closed, Refer to Maker, Stop Payment, and Electronic Checks received within city limits that do not exceed $1500.00.

  If your check exceeds $1500.00, please bring directly to your law enforcement center.

- Worthless checks LESS THAN 120 DAYS from the date issued by the check writer. (Exception: first time program users can send checks up to 2 years old)

CHECKS NOT ELIGIBLE FOR THE PROGRAM

- **Promissory notes and/or arrangement to hold the check for deposit or credit extensions**
- **Second party checks**
- **Checks that are currently in collections by a collection agency or attorney (law firm)** (checks can be forwarded to check diversion program after agency has sent them back)

STEPS TO FILING A COMPLAINT FORM

The two documents below must be completed before any checks can be processed in the program.

1. The "**Memorandum of Understanding.**" Send this with your first checks. You need to send this in one time only.

2. A completed **"Preliminary Worthless Check Report"** form must accompany <u>each batch of check(s) submitted.</u>

   You must submit the original check(s) stamped by the bank with the reason it was returned to you.

Mail checks to:

Duluth Check Diversion Program
P.O. Box 29
Red Wing, MN 55066

WORTHLESS CHECK PROGRAM REPORTING

For information on checks sent in call 651-388-2569.

Restitution recovered will be handled as follows:

- Paid in full restitution will be deposited into a trust account and paid back monthly.
- Payment plans will be deposited into a trust account and paid back after final payment is received.

WHEN TO CONTACT THE POLICE

Call the Police to report:

- Counterfeit check(s)
- Altered checks
- Forged checks of any amount
- Checking account opened using fraudulent information
- Stolen checks

When you are a victim of the above crimes, call 911 to file a police report. **You must report these crimes immediately upon knowing.**

Duluth Police Department Financial Crimes Unit
2030 North Arlington Avenue
Duluth, MN 55811-2030
Phone number: 218-730-5160
Fax number: 218-730-5905

SIGNAGE

The following signage is required by Minnesota law to allow merchants to enforce collection of service charges and civil penalties. This must be posted where your customers can see the service charge at the time the check is accepted by the merchant. Copy as needed.

IT'S AGAINST THE LAW TO WRITE A BAD CHECK IN MINNESOTA

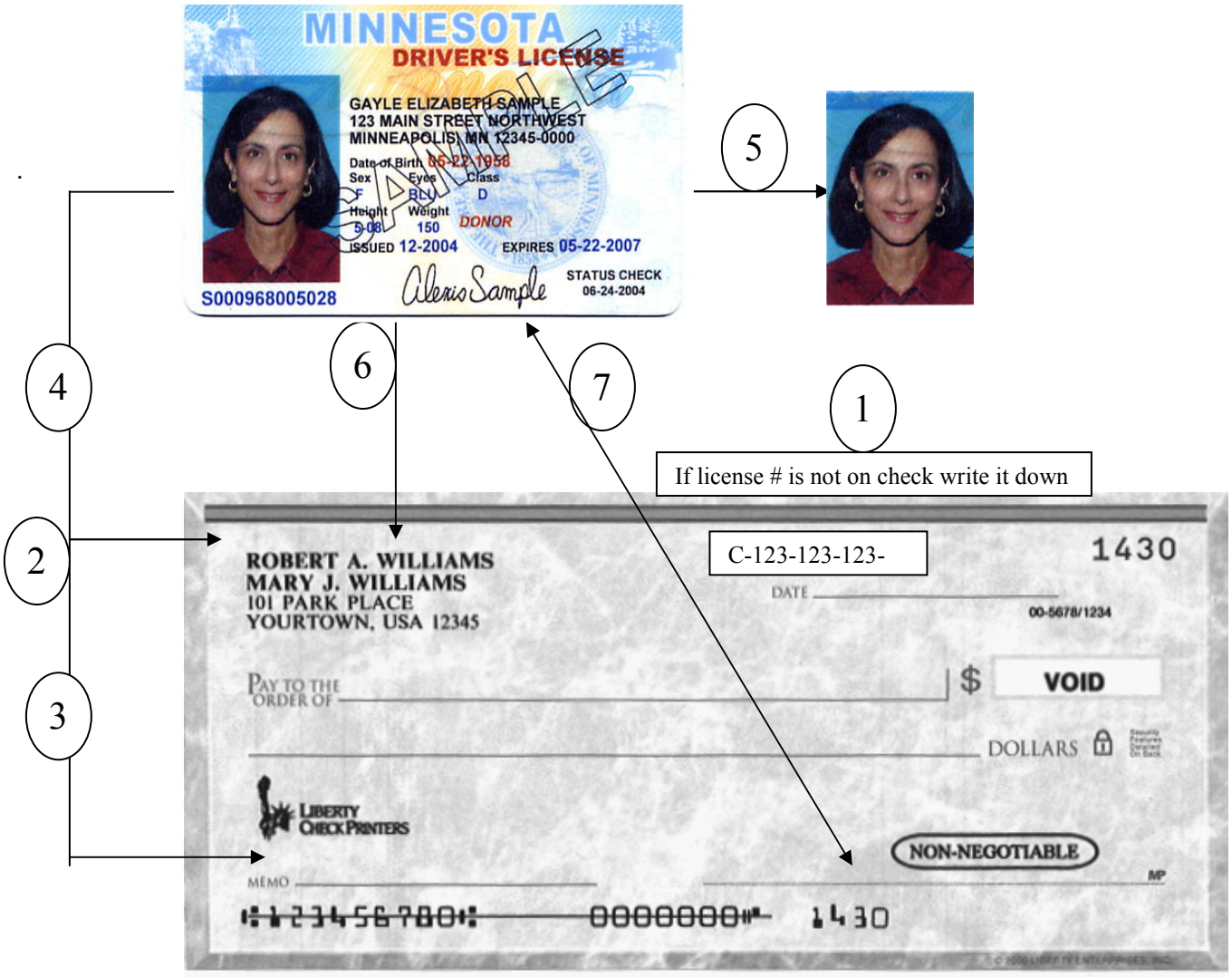
Checks returned to us for nonpayment are subject to a service charge of

$30

Additional civil penalty may be imposed
on checks returned for nonpayment after 30 days.

MN Statute 604.113 **Minnesota Retail Merchants Association**

CHECK ACCEPTANCE PROCEDURES



1. **Record or circle the identification number (DL # D-123-123-123-123)**
2. **Have employee initial upper left corner**
3. **Record home or work telephone number**
4. **Record date of birth (i.e. DOB 1/29/72)**
5. **Make sure photo on identification card matches customer**
6. **Make sure the identification card matches name and address on the check**
   If time permits, write down good address as indicated by customer
7. **Check the signatures on the identification card and match this signature to the signature on the check (endorsement line). If these signatures do not match, acceptance should be declined.**

MEMORANDUM OF UNDERSTANDING

It is my intention to submit worthless checks to the Check Diversion Program. This is an acknowledgement to cooperate with all aspects of this program including:

To appear as witness, or have my staff appear as witnesses, as required for any prosecution of a worthless check submitted in this program.

I further agree that once a check has been submitted, I will NOT ACCEPT restitution from anyone, except from the Check Diversion Program. If restitution is accepted from anyone other than the Check Diversion Program, I could be liable for services performed and could be excluded from future service of this program for at least one year**.**

If I accept payment directly from the bad check writer, I will report payment within 24 hours. I understand that if payments directly to my business seem excessive, I may be assessed $30 for each check for which I accept payment.

By this acknowledgement, when I forward a check to the Check Diversion Program, I am foregoing my right to personally recover any service charges or civil penalties. These service charges or penalties, if any, will be collected through the Check Diversion Program. I also understand that I am gifting the $30.00 NSF fee allowed by state statute to the Check Diversion Program.
I am aware, and fully understand, that this program was established by the Duluth Police as a public service, and the City of Duluth is held harmless and has no liability for the inability to make recovery of any check(s).

I also understand that the Duluth Police, City Attorney and County Attorney's offices may pursue any and all legal criminal remedies for recovery of check(s) available to their offices.

I agree that in the event of a disputed check, a process for arbitration will be used to resolve the claims. I also agree to accept and abide by the decision of the mediator's judgment and make settlement of any fees, if found liable as a due course of arbitration. CDP may mediate my claims in good faith and be held harmless for any activities taken on my behalf.

I have received the copies of the restitution forms and guidelines for submitting checks to this program that I must complete. I recognize that a request for complaint form must be completed for each batch of checks being submitted.

As a merchant, I will ensure that I communicate to all my employees the proper check cashing/acceptance procedures and display our check cashing policy and Minnesota state law regarding check penalties as required by this program.

I understand that without proper photo identification such as a Minnesota driver's license or state identification card recorded or verified during the transaction, there may be limitations in pursuing the worthless check writer.

_____	_____	_____
Signature of Company Representative	Title	Date

Please type or print the following information:

Business Name _____

Address _____

City/State/Zip _____

Contact Name _____Telephone number_____

Email Address_____

PRELIMINARY WORTHLESS CHECK REPORT

AND REQUEST FOR COMPLAINT

Mail to: Duluth Check Diversion Program
P.O. Box 29
Red Wing, MN 55066

VICTIM OR FIRM NAME	ADDRESS	BANK FEE PER CHECK
PERSON FILING COMPLAINT	CITY, STATE, ZIP CODE	BUSINESS PHONE ( )
SUSPECT COMPARED WITH ID? YES NO	EMAIL ADDRESS	BUSINESS FAX ( )
CAN EMPLOYEE/INDIVIDUAL WHO ACCEPTED THE CHECK IDENTIFY THE CHECK WRITER BY PHOTO LINE UP OR IN PERSON**?** (Please check yes or no)	**YES** (ATTACH THE SINGLE CHECK WITH THIS FORM)	**NO** (ATTACH AS MANY CHECKS AS YOU WOULD LIKE)

NAME OF EMPLOYEE/CHECK ACCEPTOR PHONE NUMBER ADDRESS DOB	NAME OF ADDITIONAL WITNESS PHONE NUMBER ADDRESS DOB
DO YOU HAVE VIDEO RECORDING CUSTOMER? YES (if it is still available, please make still images and attach to form) NO	

PHONE CALL DATES:

COMMENTS:

The check(s) in question is (are) submitted for criminal prosecution. By submitting this check(s) for prosecution, I agree NOT to accept restitution from the suspect or his/her agent. I certify that this report is true, accurate and complete to the best of my knowledge.

Date _____ Victim Signature and Title _____ Company _____