



# **Milwaukee County**

## **District Attorney**

### **Diversion/Accountability**

### **Worthless Check Program**

RESTITUTION GUIDE FOR MERCHANTS AND  
RESIDENTS



OFFICE OF DISTRICT ATTORNEY

*Milwaukee County*

John T. Chisholm • District Attorney

Dear Merchants and Residents,

The responsibility of investigating and prosecuting crimes which are committed in Milwaukee County falls upon law enforcement and our office. During periods of economic hardship, the number of worthless check cases increases. Consumers and taxpayers pay higher prices because of the losses associated with people issuing worthless checks. Law enforcement, investigating violent crimes, is forced to make difficult decisions in allocating resources to investigate worthless check offenses. Historically, some of these offenses have not received the attention that we all would have liked.

In response to concerns regarding worthless checks, my office and your local law enforcement, in conjunction with Financial Crimes Services (FCS) have 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 Milwaukee County merchants and residents in reducing the number of worthless check written
- Reduce the costs for 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 Financial Crimes Services, Inc. (FCS) check diversion program at 414-393-9385.

Very truly yours,

John T. Chisholm  
District Attorney

## **INTRODUCTION**

The worthless check restitution program has four main goals. They are:

- Increase the amount of restitution returned to victims of bad checks
- Increase the accountability of all worthless check writers, regardless of the amount of the check
- Promote to local merchants more effective check acceptance and protection procedures
- Reduce the risk of repeat worthless check activity through proper training

## **Program Summary**

The restitution program process is as follows:

1. Checks are entered into the FCS system.
2. Check writers are contacted by the FCS restitution program regarding the checks. Three scenarios are then possible:
  - 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 and Offender completes a financial counseling program.
  - B. Check writer fails to pay – the check is sent for prosecution review and proceedings.
  - C. If check is not at prosecutable limit check writer is red flagged. The system will then notify if more checks are entered and prosecution review is done again.

## **Checks eligible for the Program**

- NSF, Account Closed, Stop Payment, Refer to Maker, Business to Business, Rent, Debit card charge backs, ACH NSF's and Electronic Checks received within Milwaukee County that do not exceed \$2500.00.  
**If your check exceeds \$2500.00 please report to law enforcement.**
- 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**
- **Payroll 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 each batch of check(s) submitted.  
**You must submit the original check(s) or copy (if checks are imaged) stamped by the bank with the reason it was returned to you.**

**Mail checks to :**                      **Milwaukee County District Attorney  
Check Diversion Program  
PO Box 514  
Milwaukee, WI 53201-0514**

## **WORTHLESS CHECK PROGRAM REPORTING**

Once a worthless check has been entered into the program:

1. **For information on checks sent in call (414) 393-9385 or visit [www.financialcrimes.net](http://www.financialcrimes.net)**
2. Restitution recovered will be handled as follows:
  - a. Paid in full restitution will be deposited into a trust account and paid back weekly.
  - b. Partial restitution payments made on payment plans will be deposited into a trust account and paid back weekly.
  - c. All reports are available on line and only payments will be mailed.  
(there will be no reports sent out – you must sign on for online reporting to review activity)

## **WHEN TO CONTACT YOUR LOCAL LAW ENFORCEMENT AGENCY**

Report:

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

**You must report these crimes immediately upon knowing.**

## SIGNAGE

The following signage is required by Wisconsin 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.

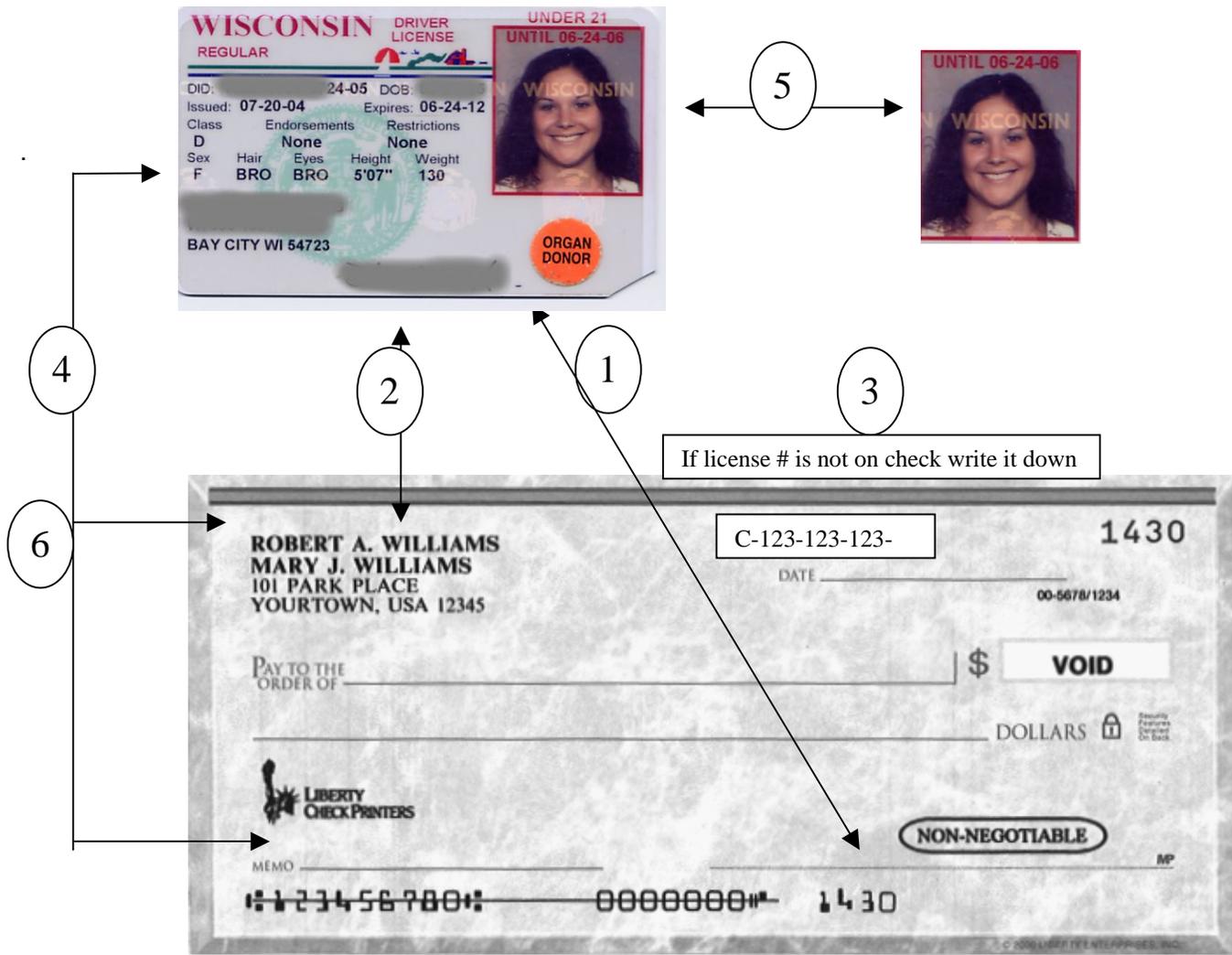
IT'S AGAINST THE LAW TO WRITE A BAD  
CHECK IN WISCONSIN

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.**

# CHECK ACCEPTANCE PROCEDURES



1. 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
2. Make sure the identification card matches name and address on the check  
Write correct address on check from Drivers License
3. Record or circle the Drivers License number or identification number
4. Record date of birth (i.e. DOB 1/29/72)
5. Make sure photo on identification card matches customer
6. Have employee initial upper left corner
7. Telephone number (home, work, cell)

# MEMORANDUM OF UNDERSTANDING

**To:** Financial Crimes Services  
Milwaukee County DA Program  
P.O. Box 514  
Milwaukee, WI 53201-0514

It is my intention to submit worthless checks to Financial Crimes Services (FCS) which is contracted to run the Milwaukee County DA 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 to FCS 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 FCS for the Milwaukee County District Attorney's 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 Financial Crimes Services to provide this service

I am aware, and fully understand that this program was established by the Milwaukee County District Attorney. The Milwaukee County District Attorney's Office is held harmless and has no liability for the inability to make recovery of any check(s).

I also understand that the Milwaukee County Sheriff's Office, Police Departments and District Attorney's office 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. FCS 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 Wisconsin state law regarding check penalties as required by this program.

I understand that without proper photo identification such as a drivers 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: \_\_\_\_\_

