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WHO's "THE GREAT IMPOSTER?"

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It's con artist-turned-good-guy, Frank W. Abagnale, now proudly celebrating 25 years of volunteer Bureau service. Mr. Abagnale, who has lectured extensively at the FBI Academy and for field offices, visited FBI Headquarters in June to talk about fraud prevention.

Fraud prevention: it's a subject he knows...literally from the inside out. After cashing $2.5 million in fraudulent checks in every U.S. state and 26 other countries within five years, Abagnale was taken into custody by the French police at the age of 21. Between the ages of 16 and 21, he posed as an international airline pilot, pediatrician, stockbroker, college professor, and an assistant attorney general. He spent five years in French, Swedish, and U.S. prisons before obtaining a conditional release to aid the government in preventing white collar crime.

Now a retained consultant for secure document printers, credit card manufacturers, and an accounts payable auditing firm, Frank Abagnale has helped innovate the field of fraud prevention. He designed the IPS (Integrated Payment System) Official Check in place of cashiers checks. He designed the new 2000 ADP payroll check. And he designed and developed the SAFEchecks(TM) and Check Plus(TM) programs, to be used by small and medium-size businesses.

In his fascinating lecture, Mr. Abagnale raised and answered the following questions:

● **Believe check fraud couldn't happen to you?** Think again. According to Mr. Abagnale, if you write a check to the wrong person, he or she could use that check to mail-order a package of new blanks. Think your bank will question the signature on the check? American banks process 69 billion checks a year, which are sorted at 2,000 items per minute. This means automation has allowed the banks to process checks through the assorter at a speed of over 400 miles an hour. Can bank employees read that fast?

● **How safe are check verification companies?** The cashier places your check through the electronic check system and returns your check to you for a receipt of your purchases. In three days the money will automatically be deducted from your checking account. But what if it's your check with your signature forged? No evidence! The forged check was returned to the forger as their receipt.

● **Are you protected by new laws?** Revisions to the Uniform Commercial Code, Article 3, Part 4, allow banks to share the liability of check fraud with their customers even if it's proven the bank made a mistake. And, if your checks were stolen by your own negligence, you are solely reliable. Last year, banks took a 10% loss on account of forgeries, leaving their customers with the other 90%.

Mr. Abagnale also discussed the impact of technology in the field of counterfeiting—"tricks of the trade" that make you realize it's just not that hard to commit these crimes.

● Want an excellent replica of an official document? Just copy one sheet on a photocopy machine 5 times in a row. This creates enough toner build-up to achieve the exact raised digital size and resolution of the original document, obtaining a perfect replica.

● Likewise, what if you need great college transcripts to get ahead in life...but didn't do so well at school? Easy. Get the transcripts of a smart friend and substitute your own information as follows: scan the original transcript onto your personal computer, match the registrar's office's font, then type in your own name, address, and student identification. Rerun the document with the registrar's office's seal in color. This criminal technique works well for counterfeiting, too, if you use rice paper purchased from any stationery store. You're all set...to go to jail, that is. And please note: 43% of all counterfeit money is made in the privacy of a person's home on a personal computer, often by kids under the age of 19.

Last, Mr. Abagnale discussed what measures the U.S. Government has taken and is taking to prevent the counterfeiting of America's great obsession: MONEY.

● First look at the number on the bottom left front of the $100 bill, "USA 100" is microprinted inside the number and it can't be read by copiers or scanners. Then look at Benjamin Franklin's clothing: "United States of America" expands around his lapel, but you can only see that through a magnifying glass. On the fifty-dollar bill, every time the scroll on the left and the right loops in, the word "fifty" appears. Microprinting is used on checks as well. "MP" at the end of the signature line indicates microprinted, and only a magnifying glass will reveal what has been microprinted.

● Now check out the shiny metallic green color ink on the right corner of the bills. It's called optical variable ink (OVI). This ink is produced by only one manufacturer located in Geneva, Switzerland. It is uniquely designed to color shift—or "diffract"—changing from black to green when tilted. Multilayered metallic flakes are added to the ink. When the light reflects off the flakes at different wavelengths, the color changes.

● Just around the corner: the U.S. is planning to introduce a multicolored bill in 2003, similar to the Euro.