

# SCAM #10 ALERT

## Checking accounts being targeted by simple scam

You've been warned about protecting your credit card account numbers from being stolen, but did you know that by disclosing your checking account information you could be exposing yourself to unnecessary risk? Recent news reports warn about "demand draft" (or pre-authorized drafts) scams.

### What is a "demand draft"?

Originally created to allow legitimate telemarketers who received authorization from customers to debit their checking account for payment, demand drafts are simply checks. While they look just like one you would write out of your checkbook, these documents are generated by a third party and indicate "signature not required". In many instances, demand drafts are a legitimate way to pay a debtor, however if a criminal obtains your checking account number, they can pay all *their* bills with money from *your* checking account!

### Who should you share your account number with?

Never disclose your checking account information to anyone you do not know, or for any purpose other than to pay for a purchase through direct debiting of your account. Keep in mind that legitimate companies that use demand drafts as a payment method, fully disclose the terms of the sale and the payment, including their purpose in requesting checking account information. They will also state that the information will *only* be used to obtain payment for goods or services by debiting funds from your checking account.

### How can you stay safe?

The most important thing you can do is to protect your checking account number like you would a credit card number, or your social security number. This also includes your checks and checkbook since your SEFCU account number and our routing number are printed on the bottom. If anyone you don't know requests your checking account number, or if you feel uncomfortable providing that information, simply decline, and consider an alternative payment method.



SEFCU is committed to helping members protect themselves against fraud. This is the tenth in a series of SCAM ALERTS to educate members about deceptive activities that could harm members' financial security. While we cannot advise members of every scam, we hope the series will advance awareness of privacy and security issues.

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