

Thumbprint Signature Program

In an effort to strike back at check fraud, many Wisconsin financial institutions are now using a security device referred to as the **Thumbprint Signature Program**. This innovative program is intended to deter check fraud by obtaining a Thumbprint Signature from non-customers when cashing checks. The inkless touch pad used provides a clear, clean thumbprint for identification without the messy ink used in traditional methods of fingerprinting. Institutions need not maintain a database of thumbprints, but can instead, refer back to the print that was placed on the check in cases of suspected fraud. To protect the privacy of those printed, signatures may be provided specifically to law enforcement officials, and only in cases of suspected fraud.



The Texas Bankers Association developed the Thumbprint Signature program after the success of pilot programs in Arizona and Nevada. Early reports indicated 40 to 80 percent reduction in check fraud after the implementation of the program. In addition, less than 1 percent of non-customers asked to provide their Thumbprint Signature refused to do so. The Wisconsin Bankers Association (WBA) became involved in the Thumbprint Signature Program after seeing the positive results of the pilot programs, and realized there would be clear member benefit in participating. Financial Institution Products Corporation (FIPCO[®]), a subsidiary of the WBA, markets the program to financial institutions across the state.

The Thumbprint Signature "touch pad" is a two-inch, inkless fingerprinting device that leaves no residue on the finger when used. The presenter of the check presses the thumb of his or her right hand on the pad and places the impression of the finger on the face of the check between the memo and signature lines. If the presenter is disabled and cannot use his or her right thumb, an impression of the left thumb is placed on the check and noted "left hand" next to the print. Should both thumbs be disabled, an impression of the right index finger is taken and "right index finger" is noted next to the print. The substance used in the touch pad is not the same as a traditional ink pad, and will not leave ink on a user's finger or clothing. Users simply rub their fingers together and all residue disappears. To prevent the touch pads from drying out, the cases should be closed when not in use. When cared for properly, the pads will last up to 18 months or will produce 400 to 600 impressions before having to be replaced.

Note: The Thumbprint Signature is not used as a primary method of identification, but as an addition to customary I.D. procedures.

Thumbprint Signature should be obtained when:

- A non-customer presents a check for encashment. This includes employees of commercial or business accounts, and customers who present payroll checks drawn on the participating institution.
- A non-customer presents an "on-us" check for exchange to a cashier's check. A non-customer presents a government check for encashment.

If the presenter leaves the branch abruptly and leaves identification or the check, immediately contact a supervisor or security personnel. Tellers should document the time and date of the transaction and the presenter's description. Tellers and officers should follow established documentation and reporting procedures regarding known or suspected fraudulent transactions.

Note: To comply with all applicable federal laws and regulations, a Thumbprint Signature should be obtained from every non-customer each time a check is presented for payment. Distinctions should not be made based on appearance, or suspicious versus non-suspicious circumstances. Financial institutions in rural markets may want to develop a specific policy requiring a Thumbprint Signature from non-residents of the community, and note that it is important to apply equal treatment to all non-customers once a policy is adopted.

Significant fraud losses can also be incurred in the process of opening new accounts. It is strongly recommended to obtain a Thumbprint Signature when opening new accounts for individuals who do not maintain an account with the institution. It is beneficial for program participants to utilize the check cashing program for a minimum of six months, and consult legal counsel before expanding the program to new accounts.

It is recommended that all participating financial institutions notify their business/commercial customers at least two weeks prior to implementing the Thumbprint Signature program. A sample notification letter is included in the informational packet.

Note: Some of your business customers may see a benefit to using the Thumbprint Signature program at their place of business, especially those who accept checks for encashment. You may consider offering the Thumbprint Signature program to your commercial customers as a value-added service from your institution!

When using the program in drive-up facilities, it is recommended that non-customers seeking to cash a check be required to enter the premises to complete their transaction, and to affix their Thumbprint Signature to the face of the check. Certain program participants may elect to adopt policies providing for the use of Thumbprint Signature pads in drive-up facilities, and others may elect to permit non-customers to cash checks through drive-up facilities only after normal banking hours. Touch pads should be used sparingly with pneumatic canisters, as constant and repeated pressure may cause the pads to implode.

Generic customer information materials are available for use in making customers and non-customers aware of an institution's participation in the program. Use of Thumbprint Signature decals on all entrances to institution facilities can be a natural and significant fraud deterrent. Camera-ready collateral materials are available and can be customized with specific institution names and logos.