

From: Hugo Rizzuto
Subject: Electronic Fund Transfers

Date: Nov 10, 2004

Proposal: Regulation E - Electronic Funds
Transfer
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November 9, 2004

Mr. Tom Reilly, Massachusetts Attorney General - Via Fax to 617-727-3265 attn.
CCIS
Federal Reserve Board / Attn. Chairman - Via Mail:
Mr. Peter Bergantino, Channel 4 -
Ms. Susan Wornick, Channel 5 -
Ms. Hank Phillipi-Ryan, Channel 7 - Via email: hphillipi-ryan@whdh.com
Ms. Shannon O'Brien, Channel 56 - Via Mail: Channel 56, 75 Morrissey
Boulevard, Boston, MA 02125
Boston Globe -
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To whomever it may concern:

Jet Printing, located in Revere, MA is a small family owned business. Three family members and two employees realize their modest income from this small entity. Like many other small businesses, everybody working there does their part to keep the business going, pay their taxes and earn an honest living.

Unfortunately, there are some scrupulous members in our society that prey on others in ways that most governmental authorities discount as insignificant. You have heard of credit card fraud and identity theft, these schemes are the tip of the iceberg.

In early September, our small business was confronted with another type of white-collar crime which is seldom in the news or in the mind of millions unsuspecting honest law-abiding citizens, it is check fraud. This is now a serious matter and can become even a bigger problem, particularly with the new check cashing law recently enacted, where paper checks are not required to be returned. With this new law, funds are immediately drawn from your account as soon as a check is presented for payment. There are no safeguards in place to protect consumers with paper checks, and the time to react to a fraudulent incident is non-existent. Paper checks are just that, paper, they are worthless paper and yet in the hands of a criminal they are your hard earned money.

We discovered an employee, who was responsible for handling the bookkeeping for the company, was stealing company checks. She was filling them out in her name, and forging the owner's signature. She would take these checks to the bank and cash them at a local branch. This only happens in corporate America, you would think, not true. This type of crime is far too common and far too easy for people to get away with. Yes, we made the mistake to hire a criminal who would steal from us without conscience. We later found out that she had committed the same crime before us and is now walking the streets in preparation to do it again to another small business.

What's more disturbing, is that the police informed us that the culprit would probably be caught, brought before a judge to face justice, only to let be let out. Restitution, which may be part of a insignificant sentence, would be doubtful. The police are themselves frustrated with a system that regards white-collar crime lightly and treats it with an insignificant punishment. The legal system focuses on the more serious crimes in our society, and rightly so. The courts are too busy, too inundated with cases that they simply try to move on to the next case. Additionally, the banks with their high paid lobbyists, hide behind a cushy Massachusetts law (Chapter 106, Section 3-405B) which protects them from any responsibility, even if the signature on the check and the ID presented to cash that check are fake. They simply do not care to create a safer system, considering today's technology. A simple ID check by scanning a license would show the use of a fake ID. Information sharing between banks would have alerted the bank the first time a forged check was paid to this perpetrator. The banks also deal with this every day, but refuse to do anything about it, when they can; they blame the victim and wash their hands of it. In other cases, they simply write the loss off, add it to the cost of doing business, and charge everybody a few cents extra to make up the difference. Much like a department store write off losses, they charge more for the items they do sell.

I was raised by parents who taught me to respect my fellow man, go to work daily and earn an honest living. I believe that when someone perpetrates a crime, that person should be made to pay its debt to the victim and to society. Are we willing to foster an atmosphere of irresponsibility and disregard? If we shrug our shoulders and simply look the other way, then we deserve the consequences. I think we must all accept some responsibility and deal with criminals in a serious fashion, even if we have no room in our jails.

I will at some point, may come to terms that in this once incident I lost three times. First, I lost money by being defrauded by the criminal, secondly by being deserted by the bank I have been doing business with for over twenty-five years and thirdly by being abandoned by the legal system that I believed in.

I bring this matter to your attention in the hope you can help our company find a way to convince the bank in this case to accept some responsibility in

this case and refund some of the funds. If not, conduct an investigation into this matter or at the very least alert the public about the epidemic of check fraud and how easy it is of a crime it is to perpetrate.

Respectfully,

Hugo Rizzuto
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