

# THE CREDIT TIMES

  
of New York  
Serving the Credit Industry's Professionals

September 2012 / E-Newsletter #1



A Publication of The Commercial Collection Corp. of NY Inc.

## From the President...



The Commercial Collection Corp. of NY Inc. is celebrating its **50th Anniversary.**

Welcome to our new format. From Bernie's Brainers to What's Up and now, The Credit Times. We've been publishing a newsletter for over 25 years with one goal, to educate our customers with timely advice in trends on business credit. Also to have some fun along the way, hence, our puzzles, riddles and brain teasers. We hope you've enjoyed the product as much as we've enjoyed providing it.

I have resisted creating an electronic newsletter as we wanted to keep the personal touch, maintain old style customer service and give you something you get in your hands, read, and pass along.

Recently, however, clients have been telling us we are beginning to show our age. They prefer the new age method where they can read an article and pass it on to their staff! So you are now looking at the first ever - Electronic Newsletter from The Commercial Collection Corp. of NY Inc.

Your opinion is important, and if you would like to see us add something, please tell us. If you would like to be published, by all means, send along your thoughts, comments, or articles. The Credit Times is for all of us, and we welcome all input. Also, this is a work in progress, so you may see changes in style, content, and format. We're still CCC of NY and still want to educate and entertain you.

In September, we celebrate our 50th anniversary, and I want to thank all who have made this happen - clients, employees, vendors, and attorneys. We have partnered with so many of you over the years, there is no doubt in my mind that the success of CCC has been the success of all of you.

My sincerest thanks,

Robert Ingold, President

## Tips, tactics and techniques for dealing with Business Credit Fraud

There are numerous ways businesses are vulnerable to fraud and theft. Unsolicited applications for credit, large opening orders, increase in orders after initial order, unreasonable claims on financial statements, disproportionate profitability, unannounced change in ownership, and dramatic increases in the size of orders are only a few of the indicators of fraud and theft.



If you sell online or over the phone, there are a number of steps you can take to minimize the occurrence of fraud. One of the easiest to implement is to use address verification (AVS) and card code verification (CCV) for all card-not-present sales (i.e., online and mail order sales).

Next, be on the lookout for suspicious sales. These include:

- \* Unusually large orders placed through the Internet without any contact from the customer.
- \* Rush orders for large quantities or high-priced goods. Crooks may ask to have an order shipped overnight so they know exactly what day the order will arrive and they can be waiting to pick it up.
- \* Inquiries from buyers promising to place a large order, but who want you to send them a list of what you sell.
- \* Missing information or information the customer refuses to give, such as a daytime phone number.
- \* Orders that are shipped to a different address than the billing address.
- \* Orders from foreign countries.
- \* Orders on US cards shipped to foreign countries.
- \* Billing addresses that don't match the information on file with the credit card company.

As consumers, we all pay for the costs of fraud and theft. In order to remain profitable in today's competitive business environment, we must recognize this enormous fraud problem and do our best to prevent it from occurring. The costs of your services to your clients, your ratios and profitability are all at stake.

Article Courtesy of:  
Credit Research Foundation

### Our Management Team:

Robert Ingold - President / Joseph Grieco - Exec. Vice President  
Judith Mattioli - Sr. Vice President

Patricia Stelter - VP/Controller / John Chotkowski - VP of Collections  
Susan Landel - VP of Collections / Darlene Evans - VP of Operations  
Bryan Rafferty - VP of Sales / Frank Vecchio - Legal Manager  
Valerie Ingold - Outsource Manager

## Fraudulent Practices

### “Bustouts” or “Overbuys”

These terms describe criminal activity that aims to obtain large amounts of merchandise without paying for it. The swindler orders merchandise from a few suppliers and pays promptly. These suppliers are then used as credit references for larger and larger orders. The bogus company soon becomes a slow-payer and then a non-payer. At some point in the future, creditors are stuck for “the last payment.”

This type of fraud is often well planned, highly organized and involves substantial financial backing. Unpaid merchandise is sold below cost to other illegitimate businesses, at “flea-markets” or peddled door-to-door.

### Hit and Run

A swindler moves into a location and orders merchandise COD, paying with phony certified or cashier’s checks. By the time the counterfeit check bounces, the “skip artist” has moved on to a new location to repeat the fraud.

### Advance Fee Scams

In this type of fraud, an up-front payment is obtained for services to be rendered later, supposedly to “cover costs.” This advance fee is accepted with no intention of providing the service. Example: The swindler, acting as a broker, is paid to secure a loan for a business. After some time, the swindler skips town or tells the victim that a suitable lender could not be found and refuses to return the fee.

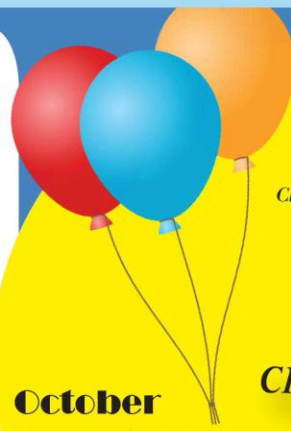
### Fictitious Stock Transfers

A fictitious company exchanges its worthless stock for the stock of a sound company. The swindler then creates false financial statements with inflated assets. These statements are used to get other businesses to swap stock for a piece of a bogus holding company. The assets of a legitimate company acquired in this way are then sold off or used as collateral on bank loans that are never paid.

### Bank Loans and Leases

Fake trade and bank references are used to obtain loans not intended to be repaid or to arrange financing for the leasing of stolen or non-existent equipment.

Article Courtesy of:  
Credit Research Foundation



### September

#### Happy Birthday to:

Chris Burgess      Steve Shumate  
Lisa Long          Christy Kriz  
Patty Hammer     Shelby Metz

Join our  
Client Birthday Club!

### October

#### Happy Birthday to:

Steve Riska  
Mitzi Hood  
Christina Henson

To join our Birthday Club: E-mail  
jmattioli@commercialcollection.com

## Brain Teaser

Using the letters AAEEIIMMPPTT  
complete this grid with valid words.  
The grid reads the same across as down.



#### Winners of Last Drawing

1. Mr. Tony Santos (Dedham, MA)
2. Ms. Lori Boniface (Pine Bush, NY)
3. Mr. Mark McKeehan (Amherst, NY)
4. Ms. Debra Laughlin (Clarion, PA)
5. Ms. Julie Mellon (Batavia, NY)

Answer to last Brain Teaser: Deidre, because you  
can spell a State name with the other 3.

Send your answer to  
apoole@commercialcollection.com.  
Five Special Placement Forms will be pulled  
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next account!  
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## The Voice

NEW ADDITION TO OUR NEWSLETTER!

Voice your credit questions and/or opinions.

To submit, please e-mail:  
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