

Worthless checks diversion program is successful

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by Peter Bodley
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A city of Coon Rapids program to deal with writers of worthless checks has proved effective.

In 2007, the Coon Rapids City Council entered into a three-year contract with Financial Crimes Services, Inc. (FCS), Red Wing, to manage the program.

Dec. 21, the council, on the recommendation of City Attorney Stoney Hiljus, approved an agreement with FCS to manage the pretrial diversion program for another three years.

The program involves both the city attorney's office and the Coon Rapids Police Department.

It is a diversion program for people who write worthless checks to merchants and businesses, rather than going through the court process.

The program not only ensures that the victim is paid full restitution from the offender who had issued the worthless check, but it provides financial training for the first-time offender.

Check diversion fees charged to the offender cover the cost of the program.

According to Hiljus, when an offender writes a worthless check, it is immediately turned over to FCS for investigation and action.

"The police department and city attorney's office are relieved of this work," Hiljus said.

Once FCS completes its investigation, an offender who qualifies is offered the option to pay restitution to the victim and participate in financial education to avoid prosecution, he said.

“The police department and city attorney’s office are only involved if the case is referred back by FCS for prosecution,” Hiljus said.

“Typically, FCS refers cases back that involve fraud and forgery or where the offender chooses not to participate in diversion.”

When FCS refers the case back, the investigation has already been completed by FCS investigators, many of whom are former police officers, Hiljus said.

“FCS is well known for successfully managing these kinds of diversion programs,” he said.

According to Hiljus, in the past three years, FCS has handled 1,361 worthless check cases for the city.

The number of cases has decreased each year with 667 cases in 2008, 418 in 2009 and 276 cases in 2010, Hiljus said.

Over the three years, FCS has collected \$39,407.40 in restitutions for victims of worthless checks.

In 2008, there were 25 fraud and forgery cases and another 40 forwarded for prosecution, while in 2009 the number of fraud and forgery cases dropped to eight and the cases forwarded for prosecution dipped to seven.

The drop-off in the number of referred cases can be attributed to the fact that people write fewer checks now, according to Councilmember Scott Schulte.

Through his business, Schulte has had occasion to use the city’s worthless checks diversion program and has found it to be “very functional and very effective,” he said. “I heartily endorse it,” Schulte said.

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