

Protecting Your Money

The Truth About Direct Deposit— Survey Uncovers Payment Myths

(NAPSA)—Despite 95 percent of Americans having heard or read about identity theft, a new survey reveals that many are unaware of the security differences between direct deposit and paper checks—placing them at greater risk for identity theft and fraud.

The survey, sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks, is the latest public service initiative of the *Go Direct* campaign. *Go Direct* aims to motivate people who receive Social Security by paper check to switch to the safer, easier option of direct deposit.

Despite the fact that direct deposit has been around for more than two decades, the survey found that four out of 10 Americans (40 percent) do not use it.

According to the Treasury, direct deposit is simply the best way to receive federal benefits. Direct deposit eliminates the risk of lost or stolen checks, reduces fraud, protects against identity theft and gives people more control over their money. Plus, direct deposit provides people with immediate access to their money from virtually everywhere.

In addition, the survey found many Americans don't know the facts about safeguarding their money and identity. Key myths about direct deposit and paper checks are:

• **MYTH:** Sixty-two percent of those surveyed said a paper check with your name on it can only be cashed if you sign or endorse it.

FACT: Checks can be forged—some more easily than others. Payments that come in the mail are especially vulnerable to theft and forgery.

• **MYTH:** Nearly half of those polled said direct deposit of payments such as wages, salary or government benefits go through the Internet to be deposited into your account.

FACT: Direct deposit works by transferring funds directly into your account through a highly secure electronic banking system—not the Internet. It is the same system used by

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(800) 333-1795



the world's leading financial institutions.

• **MYTH:** Nearly 40 percent of respondents replied false to the statement, "No direct deposit has ever been lost or stolen."

FACT: The direct deposit system creates records of transactions so payments can be traced, and that means problems—although very rare—are quickly fixed. It's also a fact that you are 30 times more likely to have a problem with a check than with direct deposit. In 2004, more than 70,000 checks issued by the Treasury fell prey to endorsement forgeries. These checks totaled more than \$61 million.

These are all reasons why the Treasury and the Federal Reserve Banks are encouraging people who receive Social Security and other federal benefits to use direct deposit—the safest, easiest way to get payments. With direct deposit, people can be confident their payment will be in their savings or checking account on their payment day—on time, every time.

To sign up for direct deposit, people who get Social Security and SSI payments can call the *Go Direct* helpline at (800) 333-1795 (English and Spanish), visit www.GoDirect.org to sign up online, or visit their local bank or credit union.

The telephone survey of 1,400 adults was conducted by KRC Research and has a +/- 2.6 percent margin of error.

The preceding information is provided by the Treasury and the Federal Reserve Banks as part of their *Go Direct* campaign.