

# Kimball, Tirey & St. John LLP

## Legal Alert

May 20, 2013

### Theft of Rent Checks from Your Drop Box

Many of our clients have been experiencing an extraordinary increase in the number of drop box thefts. The losses can be significant. Thefts can also create significant frustration and legal issues between landlords and tenants.

Typically thieves place a sticky substance on the end of a wire, and then feed it through the leasing office drop box slot to “fish” for money orders, cashier’s checks and/or personal checks placed into the drop box. Once “fished” out of the drop box, the check is then “washed” (information removed by chemical or electronic means) from the money order, cashier’s check and/or personal check. The name of the thief (or an affiliate) is placed on the payment, which is then cashed. Sometimes the payment amount is also altered.

Thefts typically occur near the first of the month, when most rent payments are made.

While tenants have recourse if a personal check or cashier’s check is altered without their consent, they don’t have the same rights when a money order is altered. Therefore, altered money orders create more significant problems than altered personal checks or cashier’s checks.

Landlords concerned about drop box thefts should consider the following options:

- **Discontinue use of drop boxes.** As an alternative, some landlords will allow use of drop boxes for communications, but not payments. Notice should be given to tenants of the changed policy through written notices and posted signage at the drop box. If there are concerns that this will reduce collections if tenants are unable to pay in person during normal leasing office hours, management may want to offer extended leasing office hours for one or more days at the beginning of the month, when most rent payments are made;
- **Encourage alternate payment methods** (such as payment to the leasing office during office hours, accepting online payments, and encouraging payment by mail);
- **Install a new drop box with “anti-fish” baffles**, which may hamper thieves efforts; and/or
- **Increase security around drop boxes**, by cutting back vegetation, installing additional lighting, installing security cameras, and/or increasing security patrols.

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