

DON'T FALL FOR FAKE CHECK SCAMS

If someone you don't know wants to pay you by check but wants you to wire some of the money back, beware! It's a scam that could cost you thousands of dollars.

How do fake check scams work?

There are many variations of the scam. It usually starts with someone offering to:

- ⇒ Buy something you advertised for sale,
- ⇒ Pay you to work at home,
- ⇒ Give you an "advance" on a sweepstakes you've won; or
- ⇒ Give you the first installment on the millions you'll receive for agreeing to transfer money in a foreign country to your bank account for safekeeping.

The scammers often claim to be in other countries and say it's too difficult to pay you directly, so they'll have someone in the U.S. who owes *them* money send you a check.

The amount of the check may be more than you are owed, so you are instructed to deposit it and wire the difference to the scammer. Or you are told to wire some of the money back to pay a fee to claim your "winnings." Whatever the set-up, the result is the same – after you've wire the money, you find out that the check has bounced.

Can my bank tell if the check is good or not when it is deposited?

These checks look so real that even bank tellers may be fooled. Some are phony cashiers checks, others look like they are from legitimate business accounts. You can ask the bank to contact the financial institution the check was drawn to verify the checks validity.

Under federal law, banks must make the funds you deposit available quickly – usually within one to five days. But just because you can withdraw the money doesn't mean the check is good, even if it's a cashier's check. *Forgeries can take weeks to be discovered.*

If the check turns out to be fake, isn't that the bank's problem?

You are responsible for the checks you deposit. That's because you are the one dealing directly with the person who is arranging for the check to be sent to you. If it bounces, you owe your bank the amount of the check.

How do these scammers find their victims?

Fake check scammers scan newspaper and online advertisements for people listing items for sale, and check postings on online job sites from people seeking employment, some even place their own ads. And they call or send emails or faxes to people randomly, knowing that some will take the bait.

How can I protect myself from fake check scams?

There is no legitimate reason for someone who is giving you money to ask you to wire money back – that's a clear sign that it's a scam. If a stranger wants to send you a check, insist on a cashier's check for the *exact amount*, preferably from a local bank.

If you think someone is trying to pull a fake check scam, don't deposit it – report it! Contact the National Consumers League's National Fraud Information Center, www.fraud.org or (800) 976-7060.