



## ABA News to Use

### *Keeping banking's frontline personnel informed*

#### **Fake Checks: Don't Get Fooled**

Fake check scams are on the rise. The best defense against this con is to be wary. Remember the old saw about something being too good to be true?

While there are many variations of fake check scams, they all usually start 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 or money order.

The amount of the check may be more than you’re owed, so you’re instructed to deposit it and wire the rest to the scammer. Or you’re 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 wired the money, you find out that the check has bounced.

Know that fake checks can look very authentic. Some are phony cashier’s checks, others look like they’re from legitimate business accounts. The companies whose names appear may be real, but someone has dummied up the checks without their knowledge.

Under federal law, banks must make funds that consumers deposit available quickly – usually within one to five days. But just because the unwary consumer 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.

Consumers are responsible for the checks they deposit. That’s because they are in the best position to determine the risk of a transaction.

The fake check scammers find their victims by scanning newspaper and online advertisements for people listing items for sale, and checking postings on online job sites from people seeking employment. They may also place their own ads with phone numbers or e-mail addresses for people to contact them. And they call or send e-mails or faxes to people randomly, knowing that some will take the bait.

How can you protect yourself 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 or one with a branch in your area.

If you think someone is trying to pull a fake check scam, report it. Consumers can visit the [National Consumers League's National Fraud Information Center - www.fraud.org](http://www.fraud.org), or call them at 1-800-876-7060. There are also more detailed tips about fake check scams in the telemarketing and Internet fraud sections of the NCL Web site.

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*For information about ABA News to Use, or to suggest subjects for future articles, please contact ABA's [Brian Nixon](#).*