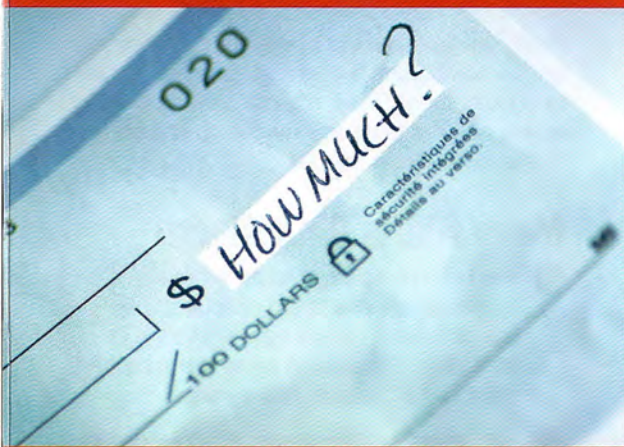


Ask Your Banker...

Fake Check Scams



American Bankers Association

Recognizing Fake Check Scams

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

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

- 1 Buy something you advertised for sale
- 2 Pay you to work at home
- 3 Give you an "advance" on a sweepstakes you've won
- 4 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

Fake check scammers place their own ads with phone numbers or e-mail addresses for people to contact them. They may call or send e-mails, letters or faxes to people randomly, knowing that some will take the bait.

More Signs It's a Scam

- 1 The scammers claim to be in other countries where it is too difficult to pay you directly, so they'll have someone in the United States who owes **them** money send you a check or money order.
- 2 The amount of the check or money order may be more than you are owed, so you are instructed to deposit it and wire the rest to the scammer or to someone else.

- 3 You are told to wire some of the deposited money back, to pay a fee to claim your "winnings."
- 4 The scammer promises to transfer money directly to your bank account if you provide your account information for an electronic fund transfer. Instead, the crook sends your bank a phony check or money order with instructions to deposit it in your account. When you check your balance, it looks like the funds have arrived.

Whatever the set-up, the result is the same—after you've wired the money, you find out that the check or money order has bounced.

Will My Bank Detect the Scam?

These fake checks look so real that even bank tellers may be fooled. Some are counterfeit money orders, some are phony cashier's checks; others look like they are from legitimate business accounts, but even if the companies whose names appear on the check are real, the checks are not.

What Is My Bank's Responsibility?

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 looks like a cashier's check or money order from the post office. Forgeries can take weeks to be discovered.

What Is My Responsibility?

You are responsible for the checks and money orders you deposit because you are in the best position to determine how risky the transaction is. This means that you owe your bank the money you withdrew if a check or money order bounces. The bank may be able to take it from your accounts or sue you to recover it. Law enforcement authorities could even bring charges against you if it appeared that you were involved in the scam and knew the check or money order was counterfeit.

What to Do If You Suspect a Scam

If you think someone is trying to pull a fake check scam, don't deposit the check—report it! Contact the National Consumers League's Fraud Center, www.fraud.org. For more information about fake check scams and how you can avoid them, go to www.fakechecks.org.