

Counterfeit Check Scams

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

Tips for recognizing and avoiding counterfeit check scams (provided by CUNA Mutual Group)

There are many variations of the counterfeit check scam. It could start with someone offering to buy something you advertised, pay you to do work at home, give you an "advance" on a sweepstakes you've supposedly won, or pay the first installment on the millions that you'll receive for agreeing to have money in a foreign country transferred to your account for safekeeping. Whatever the pitch, the person may sound quite believable.

Counterfeit check scammers hunt for victims. They scan newspaper and online advertisements for people listing items for sale, and check postings online job sites from people seeking employment. They place their own ads with phone numbers or e-mail addresses for people to contact them. And they call or send emails or faxes to people randomly, knowing that someone will take the bait.

They often claim to be in another country. The scammers say it's too difficult and complicated to send you the money directly from their country, so they'll arrange for someone in the U.S. to send you a check.

They tell you to wire money to them after you've deposited the check. If you're selling something, they say they'll pay you by having someone in the U.S. who owes them money send you a check. It will be for more than the sale price; you deposit the check, keep what you're owed, and wire the rest to them. If it's part of a work-at-home scheme, they may claim that you'll be processing checks from their "clients". You deposit the checks and then wire them the money minus your "pay". Or, they may send you a check for more than your pay "by mistake" and ask you to wire them the excess. In the sweepstakes and foreign money offer, they tell you to wire them more money for taxes, customs, bonding, processing, legal fees, or other expenses that must be paid before you can get the rest of the money.

The checks are counterfeit but they look real. In fact, they look so real that even tellers may be fooled. 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.

You don't have to wait long to use the money, but that doesn't mean the check is good. Under federal law (Regulation CC), financial institutions have to make the funds you deposit available – usually within one to five business days (sometimes longer) depending on the type of the check. **But just because you can withdraw the money does not mean the check is good**, even if it's a cashier's check. It can take weeks for the counterfeit or forgery to be discovered and the check to bounce.

You are responsible for the checks you deposit. That's because you're in the best position to determine the risk – you're the one dealing directly with the person who is arranging for the check to be sent to you. When a check bounces, the financial institution deducts the amount that was originally credited to your account. If there isn't enough to cover it, the financial institution may be able to take money from other accounts you have at that institution, or sue you to recover the funds.

There is no legitimate reason for someone who is giving you money to ask you to wire the money back. If a stranger wants to pay you for something, insist on a cashier's check for the exact amount, preferably from a local credit union or bank, or a credit union or bank that has a branch in your area.

Don't deposit it – report it! Report counterfeit check scams to [the National Fraud Information Center/Internet Fraud Watch](#), a service of the nonprofit [National Consumers League](#), at www.fraud.org or (800) 876-7060. The information will be transmitted to the appropriate law enforcement agencies.

Please contact us at 860-292-2940 if you have questions or we can help you in any way.