

ConsumerAlert

Giving The Bounce To Counterfeit Check Scams

(NAPS)—A new scam is swindling consumers: checks that seem legitimate to both bank employees and consumers, but that are counterfeit and leave unsuspecting consumers footing the bill.

The Federal Trade Commission has a new brochure, "Giving the Bounce to Counterfeit Check Scams," which explains common angles used in these scams, the responsibilities of banks and consumers when it comes to counterfeit checks, and advice on how to avoid them.

While the angles used by scam artists may vary, the basics of the counterfeit check scam remain the same. The consumer receives a generous check with an explanation that he or she has just won an award, a prize, a lottery or some other windfall. The consumer is instructed to deposit the check and wire a portion back to pay fees, taxes or the like. The consumer deposits the check, the bank credits the funds to the consumer's account and the consumer wires the money to the sender. Some time later, both the bank and the consumer learn the check was bogus.

Unfortunately, the consumer is out of luck: The money that was wired can't be retrieved and, by law, the consumer is responsible for the deposited check—even though he or she didn't know it was fake.

The FTC advises consumers not to rely on funds from checks unless they know and trust the person who gave them the check or, better yet, until the bank confirms that the check has cleared. Other tips:

- Throw away any offer that asks you to pay for a prize or a



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gift. If it's free or a gift, you shouldn't pay for it.

- Resist the urge to enter foreign lotteries. It's illegal to play a foreign lottery through the mail or the telephone, and most foreign lottery solicitations are phony.

- Know who you're dealing with and never wire money to strangers.

- If you're selling something, don't accept a check for more than the selling price, no matter how tempting the offer or how convincing the story. Ask the buyer to write the check for the correct amount. If the buyer refuses to send the correct amount, return the check. Don't send the merchandise.

- If you accept payment by check, ask for a check drawn on a local bank or a bank with a local branch. That way, you can make a personal visit to make sure the check is valid.

- If the buyer insists that you wire back funds, end the transaction immediately.

- Resist any pressure to "act now." If the buyer's offer is good now, it should be good after the check clears.

To file a complaint and for more information, visit www.ftc.gov.

Did You Know?

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