

# Beware Of Fake Checks! Protect Yourself From The Latest Scam

Despite a rapidly changing economy and a constantly evolving banking system, personal checks don't look all that different from the way they looked 50 years ago. They represent a system of trust and goodwill. Recently, though, they've been used as the means for pulling off some nasty scams.

The National Credit Union Administration (NCUA) has cautioned consumers to be extra wary of an uptick in the circulation of fake check scams. The Federal Trade Commission (FTC) also issued an alert regarding a fake check scam.

There are several variations of the fake check scam, but they all end with the victim losing thousands of dollars.

The scam may be done under the pretext of a work-at-home job, an online sale or a sweepstakes that you've miraculously "won." You'll be asked to deposit a check or money order worth several thousands of dollars more than the amount you're supposedly owed and then wire the difference to your contact. They'll always have a story to explain why that process is necessary – such as they're avoiding complicated overseas tax laws, an error on their part or they need you to cover fees. If they've "employed" you, they may claim that these checks are from their "clients" and need to be processed after you've deducted your portion.

Of course, these checks are completely phony. Unfortunately, it can take several weeks for a financial institution to recognize a fake check. By that time, you may have already sent the requested amount to the scammer, and by the time you realize the check was fraudulent, it's too late to reclaim your money. Worse yet, you'll be responsible to pay the fee for the bounced check. If you didn't have sufficient funds to pay the amount you sent to the scammers and you were relying on their check to cover the amount, you'll also need to reimburse the financial institution for that money.

If you think you're too smart to fall for this scam, think again. Fake checks can be extremely hard to recognize, as they often bear the name and logo of legitimate financial institutions. In fact, the Council of Better Business Bureaus recently released list of the most risky scams, fake check scams rated number two.

## **Keep yourself safe by following these tips:**

### **1.) Wait for clearance**

It's hard to tell if an online job is bogus until your first paycheck clears. Wait several weeks until you can verify that the funds from a deposited check are completely available before making any wire transfers with that money. Never use the funds from a deposited check from an unknown source until you are absolutely certain it has cleared.

### **2.) Ask questions**

If an online sale or job sounds suspicious, don't be afraid to be curious. Ask about the overpayment and the inflated checks. When you're told a long, rambling tale about overseas charges and company errors, ask more questions. Demand a new check and some sound answers. If you don't receive what you ask for, rip up the check and shut down any communication you might have had with them.

### **3.) Play hard to get**

Scammers find your information by buying lists of potential victims from other scammers, randomly calling thousands of numbers and reviewing your online activity to see if you're a good target. They'll check if you click on enticing but unbelievable offers, and determine whether you're looking for a job. They'll check whether you open every email you receive and answer every phone call.

Stay one step ahead of their game by being as anonymous as possible. Make sure your number is on the [FTC's Do Not Call List](#). You can add your number to the list at [donotcall.gov](http://donotcall.gov). Strengthen your spam filter and never answer emails that sound too incredible to be true. Be wary of answering calls from unknown numbers – just picking up the phone makes you a credible target.

Lastly, if you or someone you know has been victimized by a fake check scam, be sure to report the scam to your local law enforcement agency and to contact your state's attorney general. It's also important to file a complaint with the FTC, where it will be filed in a secure online database used to help international law enforcement agencies track down the criminals responsible for these reprehensible scams.

Remember: the best protection against scams is to be informed and to be aware. Always be on the alert for those low-down scammers who are trying to take advantage of your trust and goodwill. Stay in the know, and stay safe!