

# CONSUMER ADVISORY

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By Attorney General Tom Miller

## Beware: Counterfeit Check Scams

Counterfeit checks plus wiring money usually adds up to fraud.

There is no end to consumer scams that involve lowans being tricked into cashing counterfeit checks and wiring off all or part of the money to con-artists in Canada or overseas. Victims lose thousands of dollars, and there's no way to recover the money.

**“Check scams” are nasty, and they keep appearing with new variations:**

- **Phony lottery scams.** Example: You receive a letter (or perhaps a phone call or e-mail) saying you've won \$100,000 in an overseas lottery. All you have to do is cash the check they provide, and wire them \$3,500 for “taxes” or “fees.” You cash the check, you send the money, but you never get the prize -- and you must pay back the bank when the check “bounces.” The crooks can't be traced or punished.
- **Overpayment when you are selling on-line.** Example: You are selling a used car on-line (or any other product or service). You get an offer by e-mail -- but they have some reason for sending you a check for MORE than you are asking, and they want you to wire the overpayment back to them. You cash the check and send the overpayment to them – but the check bounces before long . . . . and the bank comes back at you for all its money. The money you wired is gone, and it could have been picked up anywhere in the world. The crooks can't be traced or caught.
- **“Secret Shopper” scams.** Example: You are invited to “evaluate the service” of a money transfer outlet, such as MoneyGram or Western Union. The “scammer” sends you a check for \$3,000 and tells you to cash it, keep \$200 as your payment, and wire \$2,800 to them as a “test.” You do it – but you lose the \$2,800 when the check eventually bounces. You must pay back the bank. It was all a hoax.

We constantly see new variations of these nasty schemes. The checks are superb facsimiles or copies, and they even fool banks – at first. They can be cashier's checks, corporate checks, or even U.S. Postal money orders. So, if someone wants to give you a check, be suspicious unless you know them and KNOW they are reputable.

NEVER wire money to a stranger. Con-artists of all kinds get victims to wire them money (not just counterfeit check scams.) If it's a scam, you will not get your money back.

If you have been cheated by a counterfeit check scam or wire-transfer scam of any kind, write to the Attorney General's Consumer Protection Division, Hoover Building, Des Moines, Iowa 50319. Call 515-281-5926, or 888-777-4590 toll free. The A.G. web site is: [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov). The Federal Trade Commission site is [www.ftc.gov](http://www.ftc.gov).