



Check Scams on the Rise

PLEASE remember to NEVER provide your Online Banking or Mobile Banking credentials to ANYONE. If you ever are asked for this information and have concerns let us know immediately.

That said enhancements to fraud detection within electronic payments and services over the past several years have made it harder for scammers to exploit these systems – so the bad guys have come full circle and returned their efforts to paper check fraud.

Counterfeit or fake checks (including Cashier's Checks) are being used in a growing number of fraudulent schemes. Be on the lookout for these type of check over-payment scams below.

Online Classifieds (AKA Craigslist)

Check overpayment scams target folks selling cars and high priced items through online classified ads – particularly Craigslist. Here's how it happens:

A scam artist replies to a classified ad or Craigslist posting you've published and offers to pay for the item with a check, they then come up with a reason for writing the check for more than the purchase price. The scammer asks the seller to send back the difference after depositing the check – either by wire, by mailing cash, or forwarding via Western Union or Moneygram. The seller does it, and later, when the scammer's check bounces, the seller is left liable for the entire amount.

Personal Assistant

In this scam a con artist posts an offer to work from home online typically as a "personal assistant". The personal assistant is hired and instructed to carry-out a few small, simple tasks in return for a salary. The con artist then sends a counterfeit "paycheck", along with instructions to deposit the check to the assistant's bank account – but to forward most of the funds back to the employer. The assistant then sends funds in cash or by wire back to their fake employer – then typically several days later the paycheck is returned as fraudulent.

- **Key Red Flags:** When selling an item via classifieds or hired to do a job from home, and you're sent a check for substantially more than the agreed upon amount.
- **What To Do:** If you're selling something or working for someone over the Internet, say "no" to a check for more than you're owed, no matter how tempting the plea or convincing the story.

Who is Responsible for What?

Just because funds are available on a check you've deposited doesn't mean the check is good. It's best not to rely on money from any type of check (cashier's check, money order, business or personal check) unless you know and trust the person you're dealing with. Forgeries can take weeks to be discovered and untangled. In most cases, the bottom line is if you are scammed into depositing a fraudulent check, you are responsible for any funds you withdraw against that check when it's returned.

Protecting Yourself

Here's how to avoid a counterfeit check scam:

- If you're selling something, 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.
- As a seller, you can suggest an alternative way for the buyer to pay, including online services like Paypal. If the buyer insists on using an online payment service you've never heard of, check it out. Visit its website, and read its terms of agreement and privacy policy. Call the customer service line. If there isn't one — or if you call and can't get answers about the service's reliability — don't use the service.
- 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 that's not possible, call the bank where the check was purchased, and ask if it is valid. Get the bank's phone number from directory assistance or an Internet site that you know and trust, not from the check or from the person who gave you the check.
- If the buyer insists that you wire back funds, end the transaction immediately. Legitimate buyers don't pressure you to send money by wire transfer services. In addition, you have little recourse if there's a problem with a wire transaction.
- Resist any pressure to "act now." If the buyer's offer is good now, it should be good after the check clears.
- Also remember the common sense phrase "If it sounds too good to be true it probably is".

Sources: Federal Trade Commission (FTC) website

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