



BBB CONSUMER TIP

BBB serving Central, Northern & Western Arizona
1569 West Gurley Street, Prescott, AZ 86305
Start at arizonabbb.org

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BBB Warns Against Three Common Check Scams

(Prescott, AZ – July 28, 2009) Experts estimate that billions of dollars have been lost as the result of fake check scams. Scams involving fake checks come in many different forms and counterfeit checks can be very hard to identify as the printing technology used by scammers improves. Better Business Bureau warns against some common check scams and offers tips on identifying the red flags of check scams.

According to a recent survey by the Consumer Federation of America, nearly one-third of adults have been approached by a scammer trying to pass off fake checks and at least 1.3 million people have become victim of the scam with an average loss of \$3,000 to \$4,000.

“It can be practically impossible to tell a fake check from a real one using only the naked eye because fake checks can be printed in full color and even include watermarks,” said Matthew Fehling, BBB President/CEO. “Many check scams plaguing consumers in the U.S. are the work of scammers operating outside of the country. These scams often originate in Canada, Jamaica or Africa, which makes it extremely difficult for law enforcement to track scammers down and bring them to justice.”

Scams involving fake checks typically require the victim to deposit a check into their bank account and then wire money back to the scammers. While the check may initially be deposited into the victim’s bank account—leading to a false sense of security—the check will ultimately be determined to be stolen or fake within a couple weeks. The bank will then take the funds out of the consumer’s account. Victims of this scam are out whatever money they sent to the scammers—and will be responsible for paying the bank any overdraft fees.

Following are three common scams that rely on fake checks and can cost victims thousands of dollars:

Lottery and Government Grant Scam

Victims receive a letter claiming they’ve won a lottery or sweepstakes—or perhaps qualify for a financial assistance grant. Included with the letter is a check for a partial amount of the total money they are told they have been awarded. The victim is told that, in order to receive the rest of the money,

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they are to deposit the check and wire back as much as several thousand dollars. The victim is often told this is to cover taxes or administrative fees. In June, a Nebraska woman lost \$58,000 after being told she'd won \$11 million in the Jamaica Lottery. **The catch: the victim has not won anything; lost the money wired; and very likely the victim's money will not be recovered.**

Mystery Shopping Scam

The BBB office in Yavapai County has received a number of calls from residents in Northern Arizona about mystery shopping scams. In this scenario, a person receives a letter from an unknown company stating they want to hire the individual as a mystery-shopper. Again, the letter is accompanied by a fraudulent check. The victim believes they are going to earn a generous salary by working for the company. The victim is instructed to deposit the check into their bank account, and then wire most of the money, usually via Western Union or MoneyGram. The scammers tell the victims that they will be "mystery-shopping" or "evaluating" the customer service of the staff at the money-wiring office. **The catch: the check is fake; the victim has lost the money wired; and there really is no mystery-shopping job.**

Overpayment Scam

The victim is selling an item through a newspaper classified ad or an online site such as Craigslist. A buyer shows interest and asks to pay for the item by check. When the check arrives the amount is higher than the price of the item. The victim is told that it was a mistake and is asked to wire the extra back. Or the victim might be told that the extra cost is for the victim to wire a shipping payment to a shipping company that the scammer has chosen. Of course the supposed shipping company is actually the scammers. **The catch: the check was fake; the scammer now has the item that was shipped—and the victim's money that was wired.**

Fake check scams aren't limited to the schemes already mentioned and BBB offers the following red flags to look out for:

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- You're told you won a lottery or received a grant you didn't apply for.
- The name on the check does not match the name of the company or individual you're supposedly dealing with.
- You're given instructions to deposit a check into your account and promptly wire part of those funds back to the sender or to another specified company or contact.
- Don't be fooled by a phone call. Just because you've spoken to the scammer over the phone, it doesn't mean they're not trying to rip you off.

If you believe you were the victim of a fake check scam, contact your BBB, the Arizona Office of the Attorney General and your local law enforcement agency. For more advice you can trust from your BBB on avoiding common scams, visit www.bbb.org

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BBB is an unbiased organization that sets and upholds high standards for fair and honest business behavior. Businesses that earn BBB accreditation contractually agree and adhere to the organization's high standards of ethical business behavior. Incorporated locally in 1938, today your BBB serves communities in Central, Northern and Western Arizona, supported by over 10,000 BBB Accredited Businesses. BBB provides objective advice, free business BBB Reliability Reports™ and charity BBB Wise Giving Reports™, and educational information on topics affecting marketplace trust.

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