



# ATTORNEY GENERAL

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FOR IMMEDIATE RELEASE

## WEEKLY CONSUMER COLUMN

### **DON'T CASH THAT CHECK!** *How to Avoid Fake Check Scams*

**(Baton Rouge, LA)**—The Louisiana Attorney General's Office is warning consumers of fake check scams that can hit you where it hurts—the pocketbook. Fake check scams are designed to steal your hard earned money. The following tips are provided to let you know how to recognize a fake check scam.

Victims are usually told that they are winners of a foreign sweepstakes, or that someone wants to buy merchandise that the victim has advertised. The checks or money orders are counterfeit but they look so real that even bank tellers may be fooled. Some are counterfeit money orders, some are phony cashier's checks, and others look like they are from legitimate business accounts. The companies or bank institutions whose names appear on the check may be real, but a con-artist created the check without the company's knowledge. The scam artist often resides outside of the United States, which makes it extremely difficult to catch them.

Under Federal law, banks must make deposited funds available quickly—usually within one to five business days. However, it may take weeks for the forgeries to be discovered. By the time the check bounces, the victims have often accessed the funds, and are therefore liable to repay the bank the money they withdrew against the bad check. When the check or money order bounces, the bank deducts the amount that was originally credited to their accounts. If the funds are inefficient, the bank has no choice but to recover the funds from the victim.

The National Consumers League recommends the following for recognizing and avoiding fake check scams:

- There are many variations of the fake check scam. The stories range from the scam artist offering to buy something you advertised and offering to pay you to do work at home, to giving you an “advance” on a sweepstakes contest that you've won.
- The scam artist often claims to be in a foreign country. If you question this, the scammer will tell you that it's too difficult and complicated to send you the

- money directly from their country, so they'll arrange for someone in the United States to send you a check or money order.
- They tell you to wire some of the money after you've deposited the check. For example, in the sweepstakes variation of the scam, they tell you to wire them money for taxes, processing, legal fees or other expenses that must be paid before you can get the rest of the money.
  - The scam artist may falsely promise to transfer money directly to your bank account. Once you give the scam artist your account number, they send your bank a check or money order with instructions to deposit it in your account. It appears the money has been deposited into your account; however, you learn later that the check or money order was phony.
  - If you have truly won a prize, there should be no cost to you. There is no legitimate reason for someone who is giving you money to ask you to wire money back to him or her for any reason.

Since many of these scams originate outside the United States, it can be quite difficult to prosecute the responsible parties. However, authorities do need to know if you believe you have been the victim of the fake check scam. You can file a complaint with the National Fraud Information Center at [www.fraud.org](http://www.fraud.org) or (800) 876-7060, the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov) or the Federal Bureau of Investigation at [www.fbi.gov](http://www.fbi.gov).

For more information, please contact the Louisiana Attorney General's Consumer Protection Hotline at **1-800-351-4889** or [www.agbuddycaldwell.com](http://www.agbuddycaldwell.com).

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