
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

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On-Line Counterfeit Check & Overseas Wire Transfer Scam

If you are selling an item on the Internet and someone offers to give you more than the asking price, BEWARE! This IS a scam and THE CHECKS ARE COUNTERFEIT.

After years of flooding mailboxes, fax machines and e-mail accounts with letters promising lucrative profits from money transfers, the scam artists have put a new spin on things. In this variation of the "Nigerian" scam, the scam artist responds by e-mail to an online ad placed in a classified Internet advertising site. The buyer does not seem to care what is being sold, as long as it is a big-ticket item. The buyer and seller agree on a price, but as the sale draws closer, the prospective buyer explains that a business associate in the United States will send a cashier's check to the seller via a courier. The amount of the cashier's check will be for more than the purchase price of the item for sale. The seller is instructed to deposit the cashier's check and then wire the balance (less the purchase price) back to the buyer or on to a third person. The buyer may provide various bogus reasons to explain why the check exceeds the purchase price.

A week or so after the check clears and the money has been wired, the seller's bank notifies the seller the check was counterfeit. The counterfeit cashier's checks are very realistic and have fooled many bank tellers. In some cases, bank tellers have even called the issuing bank, and falsely been told the account is legitimate.

Victims of this scam have admitted that they were skeptical when the buyer made the initial contacts, but after receiving and depositing a cashier's check that appeared to clear, they assumed all was well.

This scam takes advantage of a little-known loophole in the U.S. banking system. Many people do not realize that when a bank says the funds have cleared, it doesn't mean the check is good. Under federal law, depending on the type of checks deposited, banks must give consumers access to the money within one to five days. Longer holds can be placed on deposits over \$5,000, but this is not often done because it may inconvenience the customer. It can take weeks for fake checks to be detected in the banking system. The consumers are left holding the bag for the money they have withdrawn. The depositor, not the bank, is responsible if a check turns out to be bad.

Recently, some sellers have received counterfeit postal money orders in payment for the item they are selling on-line. In several cases, the watermark on the money order is missing and in others, the watermark is very faint and hard to recognize.

Don't be fooled by what appears to be a harmless request made by someone who seems very friendly. You will not sell your item, but you will lose the money you wire out of the country. The bottom line is: No legitimate buyer will offer to pay you by sending a check and asking you to wire some of the money elsewhere. If that is the pitch, it is always a scam.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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