

## State Department Federal Credit Union Topics of Interest

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### **A New Check Cashing Scam is On The Rise. Make Sure You Don't Become a Victim.**

The setup is simple – You place an ad on an online auction site selling an old treasure. A few days later, your item is sold and you receive a check for more than what you should be paid. Simple mistake you think- I'll just cash the check and refund the difference back to the buyer. As you wait for the check to clear, you have already sent your item to the buyer.

Doing this could cost you greatly. The check that was sent to you was counterfeit and now you owe your financial institution the entire amount of the check.

The scam artists, usually from overseas, typically target online sellers of expensive items, such as cars or antiques. In a variation of the scam, consumers have received calls telling them they have won a large prize and telling them to remit part of a cashier's check to pay “expenses.”

The moment you are asked to send money back to a buyer, you should be wary.

Phony buyers sometimes offer explanations for the cashier's check being greater than the purchase price. The purchaser may claim the check was mistakenly made out for a greater amount, is a refund from an unrelated transaction, or includes transportation or import/export fees that need to be refunded. The scam artists typically ask the seller to wire money to a foreign country.

“We had a member say that this is why he loves his credit union. The fact that we took the time to ask questions and work with him to save him from being scammed,” said Kevin Everette, Manager of our Arlington Branch. “Every time we keep a member from becoming a victim you feel you have improved someone’s financial life.”

There are several steps that you can take to avoid scams:

- Read all alerts related to Internet sales. Go to this [web site](#) for more information.
  
- Be wary of prospective “buyers” who send e-mails from overseas, want to pay more than the purchase price, or ask pay by cashier's check but then cancel the transaction and ask for a refund.

- Make sure to check the addresses of everything you receive- return address label, postmark, and the address on check. If these addresses do not match, be wary.
- Do not assume that the cashier's check has cleared and is not counterfeit even if your bank says that funds are “available.”
- Do not withdraw cash or write checks on any cashier's check until the check has cleared, and there is no risk that you will have to reimburse the financial institution.
- Check with the financial institution which issued the cashier's check. Ask if it has had problems with counterfeit cashier's checks.

If you are the victim of a counterfeit check cashing scam, submit your complaint to FDIC's Special Activities Section, 550 17th St., NW, Room F-4040, Washington, D.C. 20429, or send your information electronically to [alert@fdic.gov](mailto:alert@fdic.gov).

You can also [contact us](#) for more information.