Seniors vs. Crime
Anatomy of a Fake Check Scam

Fake checks drive many types of scams—like those involving phony prize wins, fake jobs, mystery shoppers, online classified ad sales, and others. In a fake check scam, a person you don’t know asks you to deposit a check—sometimes for several thousand dollars and usually for more than what you are owed—and wire some of the money back to that person. The scammers always have a good story to explain the overpayment—they’re stuck out of the country, they need you to cover taxes or fees, you need to buy supplies, or something else. But by the time your bank discovers you’ve deposited a bad check, the scammer already has the money you sent, and you’re stuck paying the rest of the check back to the bank.

According to Colleen Tressler, a Consumer Education Specialist with the FTC, they receive tens of thousands of reports each year about fake checks. Over the last three years, the number of complaints has steadily increased, and so have the dollars lost.

The FTC, in conjunction with the American Bankers Association Foundation, offers some tip-offs to rip-offs and what to do if you get a check from someone you don’t know.

If it’s a fake check, why is money in your account?
That’s a reasonable question. Banks have to make deposited funds available quickly. It’s the law. But the bank may not learn for days that the check was bad. By then, the scammer has your money. And you have to repay the bank. Remember—just because the check has CLEARED does not necessarily mean it is GOOD.

What can you do to avoid a fake check scam?
• Be wary. Talk to someone you trust and contact your bank before you act.
• Never take a check for more than your selling price.
• Selling online? Consider using an escrow or online payment service.
• Never send money back to someone who sent you a check.
• Did you spot this scam and avoid becoming a victim? Tell the Federal Trade Commission: ftc.gov/complaint

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According to the FTC and to the American Bankers Association Foundation, in all cases, if any of the following conditions apply to your check, it is a SCAM!

• Did someone send you a check and ask you to send some money back?
• You win a prize and are told to send back taxes and fees.
• You sold an item online and the buyer overpays.
• You get paid as a “secret shopper” and are told to wire back money.