



AVOID FRAUDULENT CHECK-CASHING SCHEMES

by Texas Attorney General Greg Abbott

WHILE MOST TEXANS ARE OUT WORKING HARD to earn their paychecks each month, a few unscrupulous con artists are at home dreaming up new ways to make a fraudulent buck. An increasingly common scheme involves counterfeit checks.

Texans can protect themselves by learning how to recognize common counterfeit check schemes, which can manifest themselves in the mail, through e-mail or over the telephone. Frequently, counterfeit check schemes arrive in the form of an unsolicited offer for a prize or a job that seems too good to be true.

Foreign lottery and sweepstakes scam. Texans can rest assured they did not win the Spanish lottery, the Canadian lottery, the Jamaican lottery or any other foreign lottery.

Every day, families around the state receive official-looking announcements in the mail or telephone calls from con artists posing as government officials claiming the recipient has won a foreign lottery or sweepstakes. Each year, Texans lose millions of dollars to these types of lottery scams. Sadly, the criminals who perpetrate lottery and sweepstakes scams often prey on senior citizens. Texans who receive these solicitations should stop, delete the e-mails, throw away the letters and hang up the telephone.

In most cases, the con artist promises victims that they have won a large sum of money, usually in the form of a grand

prize, winnings from a foreign lottery or some kind of inheritance. But, to collect their prize, victims are told they must pay “fees and taxes” or “verify” their bank account information so that the money can be wired to them. Once the money is wired or the bank account is compromised, the criminals disappear with their victims’ hard-earned money.

Scammers also attempt to trick some victims by sending a phony cashier’s check. The counterfeits are very good – so good, in fact, that even banks have been fooled. Convinced that they’ve received their prize, victims let down their guard and wire money to cover non-existent fees and taxes. The cashier’s check turns out to be worthless, and the victim’s money is gone. The Office of the Attorney General has seen several cases in which senior citizens lost their life savings to this scheme.

Mystery shopper scam. The mystery or secret shopper scam works in much the same way as the foreign lottery. Victims receive letters bearing names and logos of major retail businesses that announce an exciting outside income opportunity as a secret shopper. Mock checks, which appear to be drawn from the administrator’s bank account, are included with the letters. Recipients are instructed to deposit the check and wire a portion of the deposited amount to a so-called training agent, whom the victim allegedly owes for training

costs. Ultimately, the counterfeit checks are rejected by whatever bank was falsely printed on the document face. As a result, the recipient has the check value withdrawn from their bank accounts and the criminals make off with the wire transfer.

Authorities have uncovered several other variations of the counterfeit check scheme. One variation features checks that claim to cover rental deposits. Because the fake check exceeds the deposit, landlords are asked to refund the difference. In other cases, con artists have used counterfeit checks to buy Internet auction items and then return the purchased goods and request cash back. Even worse, some schemes even send fraudulent checks to charities, requesting that part of the donation be wired back to the donor.

Texans must keep in mind that if it sounds too good to be true, it’s usually just that. It’s highly unlikely that lucrative business deals, large cash prizes, inherited fortunes or any other windfall will arrive unsolicited in a mailbox or e-mail inbox. Far too often, the fancy paperwork is just another attempt to steal Texans’ hard-earned money. Con artists often operate abroad and spend as fast as they steal, so money lost in these scams is hard to recover. Prevention is the key to stopping thieves in their tracks

POINTS TO REMEMBER



AVOID FRAUDULENT CHECK-CASHING SCHEMES

Common variations used in check-cashing schemes:

- Promising victims they won millions in a sweepstakes or foreign lottery
- Pleading with victims to serve as a conduit for a financial transaction
- Offering victims an inheritance
- Surprising victims with mystery or secret shopper opportunities
- Surprising charities with generous, unexpected donations
- Sending online sellers a larger amount than the agreed price
- Asking potential employees to cover travel and training expenses up front

To report a scam, contact the Texas Attorney General’s Office at (800) 252-8011 or visit our Web site at www.texasattorneygeneral.gov.



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