# **Real-Life Examples**

A stranger on the street asks you to cash a check for \$5,000. In return for the favor, she'll take \$4,000 and let you keep the difference.

Would you take this offer?

Daily, thousands of people get these kinds of offers. Sadly, a few bite, only to find that the stranger's check is bogus. By then, the stranger is nowhere to be found, and the victim is out thousands, even tens of thousands of dollars.

Here's how some of these frauds work:

#### **Internet Buyer Con**

The scheme begins with a legitimate and honest person selling goods on the Internet. A buyer agrees to the price and sends a check. When the seller receives the check, he discovers that the amount on the check is in excess of the sale price, sometimes by a hugh amount (\$87,000 instead of \$8,700, for example). The buyer then asks the seller to wire the difference, and to "keep a few hundred dollars for the trouble." A week or two later, the seller discovers that the check is fraudulent, and the money he wired is long gone.

In another variation, the seller is told she will receive a wire, but in reality the seller's bank receives an overnight package with a check and instructions to deposit in the seller's account. The seller thinks she has received good funds by wire, and doesn't realize a bogus check has been deposited in her account.

### The "Help Move Money" Con

This started as the typical Nigerian Scam in which victims are asked to help move millions of dollars out of a country due to government corruption, high taxes, etc. In return for help, the victim is promised a windfall of millions of dollars.

The more successful variation of this scam is the poor widow with a child who was just awarded millions in an oil company accident lawsuit. She needs to move her money from Nigeria to a safe place in the United States before the corrupt government steals it. Eventually, the victim receives a check for about \$2,000,000 and is told to wire 80% of the funds to another account. This results in the victim cashing a worthless check and sending the money to a stranger. When the check is later returned, the victim is 100% liable for the wired funds.

## **Lottery Scam Con**

In the lottery scam the victim is told he won a \$5 million dollar lottery, but taxes and fees must be paid before winnings can be collected. When the victim says he doesn't have the \$250,000 for the taxes and fees, the con arranges for someone to loan the funds. The victim deposits the \$250,000 check and sends the funds by wire. A week or two later, the check comes back worthless, and the customer is out the entire \$250,000.

The funds don't have to be that significant. A recent scam seen in Kansas is a letter announcing a \$60,000 jackpot. When the victim calls the number on the letter, she is told that a \$4,000 processing fee is required, for which the company will send a \$5,000 cashier's check to cover. Needless to say, that official looking cashier's check is fraudulent.

#### How to avoid becoming a Victim:

**Never cash a check for a stranger.** You are liable when an altered or fraudulent check is returned weeks or even months later. Your bank cannot guarantee that any check is valid and collectible.

Be extremely suspicious of any unexpected calls announcing any sort of financial windfall. If it sounds too good to be true, it probably is.

**Do not be intimidated by a caller** who suggests dire consequences if you do not immediately provide or verify financial information.

**Never provide personal financial information**, including your Social Security number, account numbers or passwords, over the phone or the Internet if you did not initiate the contact.

**Transact only with those you know and trust**. Don't provide any financial or personal information unless you know and trust the company.