



IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS

Protect Yourself Against Check Fraud

If someone you do not know wants to pay you by check but wants you to wire some money back, beware. It is a scam that could cost you thousands of dollars.

How Fake Checks Work

There are many variations of the scam. It usually starts with someone offering to:

- ✓ Buy something you advertised for sale.
- ✓ Pay you to work at home.
- ✓ Give you an “advance” on a sweepstakes you have won.
- ✓ Give you the first installment on the millions you will receive for agreeing to transfer money in a foreign country to your bank account for safekeeping.

The scammers often claim to be in other countries and say it is too difficult to pay you directly, so they will have someone in the U.S. who owes them money send you a check. The amount may be more than you are owed, so you are told to deposit it and wire them the rest. Or you are told to wire some of the money back to pay a fee to claim your “winnings.” After you have wired the money, you find out that the check has bounced.

Tips for Avoiding Check Overpayment Scams

Know who you are dealing with. In any transaction, independently confirm the buyer’s name, street address and telephone number.

Do not accept a check for more than your selling price, no matter how tempting. Ask the buyer to write the check for the correct amount. If the buyer refuses to send the correct amount, return the check and do not send the merchandise.

Consider an alternative method of payment. As a seller, you can suggest an escrow service or online payment service.

If you accept payment by check, ask for a check drawn on a local bank or bank with a local branch. Make a personal visit to make sure the check is valid or call the bank where it was drawn on and ask if the check is valid.

If the buyer insists that you wire back funds, end the transaction immediately. Legitimate buyers do not pressure you to send money by Western Union or a similar company.

Resist any pressure to “act now.” If the buyer’s offer is good now, it should be good after the check clears the issuing bank.

Throw away any offer that asks you to pay for a prize or a gift. If it is free, you should not have to pay for it. Free is free.

Resist the urge to enter foreign lotteries. Most foreign lottery solicitations are phony. Also, it is illegal to play a foreign lottery through the mail or the telephone.

If you think you have been the target of a check overpayment scam, contact one of the following:



SD Division of Consumer Protection:

1-800-300-1986 (in-state), (605) 773-4400
or [www.state.sd.us/attorney/office/
divisions/consumer](http://www.state.sd.us/attorney/office/divisions/consumer)



Federal Trade Commission:

1-877-382-4357 or www.ftc.gov



National Fraud Information Center:

1-800-876-7060 or www.fraud.org