

Avoid Fake Check Scams: Five Things You Should Know

You've won millions in a lottery, or you've been offered a job as a "mystery shopper." Great news, right? All you have to do is deposit the checks or money orders you'll receive and send the money somewhere, minus your "pay." Is this your lucky day? NO! It's a fake check scam that will cost you thousands unless you know the danger signs.

The letter says that you've won millions in a sweepstakes or lottery, and there is a check or money order enclosed as part of your winnings. All you need to do to get the rest is send money to pay the taxes. Or someone offers you a job working at home as a "mystery shopper" or accounts manager. It's easy – you deposit the checks or money orders you'll receive and send the money somewhere, minus your "pay." Is this your lucky day? NO! It's a fake check scam that will cost you thousands unless you know the danger signs.

1. If someone gives you a check or money order and asks you to send money somewhere in return, it's a scam. That is not how legitimate sweepstakes operators or other companies operate. If you have really won, you will pay taxes directly to the government. Legitimate mystery shopper or account manager jobs don't involve using money transfer services to send money.
2. A familiar name doesn't guarantee that it's legitimate. Crooks often pretend to be from well-known companies to gain people's trust. Find the company's contact information independently, online or through directory assistance, and contact it yourself to verify the information.
3. The check or money order may be fake even if your bank or credit union lets you have the cash. You have the right to get the cash quickly, usually within 1-2 days, but your bank or credit union can't tell if there is a problem with the check or money order until it has gone through the system to the person or company that supposedly issued it. That can take weeks. By the time the fraud is discovered, the crook has pocketed the cash.
4. When the check or money order bounces, you will have to pay the money back to your bank or credit union. You are responsible because you are in the best position to know if the person who gave it to you is trustworthy. If you don't pay the money back, your account could be frozen or closed, and you could be sued. Some victims are even charged with fraud.
5. Sending money using a money transfer service is like sending cash – once the crook picks it up you can't get it back from the service. It's not like a check that you can stop after you've given it to someone or a credit card charge that you can dispute. But if the money has not been picked up yet, you may be able to stop the transaction. Contact the money transfer service immediately if you think you've been scammed.