

# NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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SCDCA Media Contact: Maria Audas, 803.734.4296

1.800.922.1594 (toll free in SC)

Email: [scdca@scconsumer.gov](mailto:scdca@scconsumer.gov)

## FOR IMMEDIATE RELEASE

### Fake Checks Still Cashing in on South Carolinians

[Columbia, SC] The South Carolina Department of Consumer Affairs continues to receive calls and other inquiries, from banks and consumers, concerning checks that appear to be real, but turn out to be phony. Fake check scams defraud thousands each year and consumers lose an average of \$5,000. Con artists are looking to gain your trust, so they are friendly and very convincing. They are especially dangerous during this economic downturn because they prey on consumers who are facing financial hardships and are hoping for a miracle.

#### Sample Fake Check Scams:

- The con artist claims to be from another country and says it's too hard to make payment directly, so they have someone who "owes them money" mail the victim a check or even a US Postal Money Order. The amount of the check is more than owed, so the victim is instructed to deposit the check and wire the excess back, after keeping a sizable fee for their services. The check or money order is later found to be a fake and the victim is out the money they wired back to the con artist. **Remember, there is no legitimate reason for someone to ask you to wire money back.**
- You've won a lottery and receive a cashier's check or money order. You're asked to return some of the money to pay for taxes, legal fees or other expenses. You deposit the check into your account and it appears legitimate so you mail them a check to pay for "taxes." A few days later, the bank calls and says the check you deposited was a fake and now *you* need to pay back the money. **As a reminder, international checks can take 10 to 15 days or even more to clear. Another reminder: international lotteries are illegal!**

#### Can banks tell if a check is not legitimate?

These checks look very real. Tellers receive a great deal of training on how to spot these checks, but even seasoned bank tellers may be fooled because the scammers have gotten that good.

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#### About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit [www.scconsumer.gov](http://www.scconsumer.gov).

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**Why does the bank allow consumers to draw on the money?**

Under federal law, banks must make the funds deposited available to their customers usually within one to five days. But just because you can withdraw the money doesn't mean the check is good, even if it's a cashier's check. It could be a forgery, which can take as much as two weeks to detect.

**What are consumer responsibilities with checks?**

Consumers are responsible for the checks they deposit, because they deal directly with the person who gave them the check. If the check bounces, the consumer owes the bank the money he or she withdrew. A bank may sue to recover the money and law enforcement may also get involved if they believe the consumer was involved in the scam.

**The bottom line?**

If you receive a check or Money Order from someone or some organization that you do not know, be suspicious. Check it out with the Department of Consumer Affairs. If you insist on depositing the check into your bank account, at least wait until the bank notifies you that the check has cleared or not cleared before withdrawing any money from that account.

For more information on fake check scams or other consumer issues, please contact the South Carolina Department of Consumer Affairs, 803.734.4200 or toll free in South Carolina (1.800.922.1594), or visit the SCDCA website: [www.sconsumer.gov](http://www.sconsumer.gov).

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