



For Immediate Release

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*******CONSUMER ALERT*****CONSUMER ALERT*******

MADIGAN WARNS CONSUMERS OF COUNTERFEIT CHECK SCAMS

Attorney General Lisa Madigan today said her office has had an upsurge of calls from consumers who say they have fallen prey to various counterfeit check scams. Madigan said the stories may vary, but the end result is the same: consumers must repay their bank the amount spent from the proceeds of the counterfeit check.

Counterfeit check scams take countless forms and change over time as thieves concoct new ways to lure in victims. Madigan said some recent examples include:

- A consumer receives a letter in the mail with an enclosed check made payable to the consumer. Sometimes the check appears to be written from a business checking account of a legitimate business. The letter often includes a short “deadline” within which to act. The letter informs consumers they have won an international lottery, and that they are required to pay a fee or taxes before receiving the winnings. The letter instructs consumers to call a telephone number in the letter for instructions on remitting the fee or taxes. When consumers call, they are instructed to deposit the check in a personal checking account, and then wire part of the money to the person giving the instructions. The consumer is then told to “keep” the rest of the money.
- A consumer is offering an item for sale via the Internet and is contacted by a prospective buyer, and they agree upon a price. The “buyer” sends the seller a check or money order for more than the agreed upon price and asks the seller to wire the extra amount to the buyer. The seller deposits the check in his or her personal checking account, sends the extra amount to the buyer, and later learns the check is counterfeit, sometimes after having shipped the sold item to the phony buyer.

Madigan said these scams typically result in consumers immediately going to a money transmitter, wiring the money and beginning to spend the rest.

However, within days, the consumers’ banks contact them to report that the check was counterfeit and that they must pay back the bank immediately or take out a loan to pay back the amount. Sometimes the bank even threatens victims with criminal prosecution.

“Counterfeit checks and money orders have a devastating effect on consumers who cannot afford to pay back thousands of dollars lost in these scams,” Madigan said. “Do not put money in the pockets of thieves who often are hiding in another state or another country. Just don’t cash these checks or money orders and don’t let your family members or friends cash them either.”

Depositing a suspicious check and waiting before spending the money does not guarantee protection from one of these scams. Madigan’s office has reports of consumers who deposited suspicious checks in their personal checking accounts, waited up to two weeks, spent the money, and then later learned the check was counterfeit. Their bank expects them to pay back all the spent money from that check.

Madigan urges consumers to be vigilant of these scams and suggests some tips on how to avoid them:

- If something sounds too good to be true, it probably is. A business rarely sends checks that you were not expecting. You cannot win a lottery for which you did not buy tickets. You cannot win a sweepstakes you did not enter. In addition, playing an international lottery by mail or phone is illegal. People who legitimately buy things from you do not normally send checks for more than the agreed upon price.
- Do not deposit any check that you do not know why you received it or where it originated.
- There is no safe way to deposit or cash a counterfeit check. Depositing the check and waiting before spending the money does not necessarily protect you from becoming a victim of a counterfeit check scam.

If you receive a suspicious check or money order in the mail and want to turn it over to law enforcement authorities, save the check and the envelope and accompanying letter and turn them over to postal authorities.

-30-

[Return to October 2006 Press Releases](#)