



Fraud Alert!

C.A.S.E. Program – From Weld County District Attorney Kenneth R. Buck

Beware Cashier's Check Scams

Because more people are selling items online today than ever before, scammers are taking notice and finding ways to con you out of money. One of the most popular tricks among scammers is to use a fake cashier's check.

This is how the typical cashier's check scam works: A seller is advertising a valuable item over the Internet. A "buyer," often from a foreign country, contacts the seller about purchasing the item and states that he plans to use a cashier's check issued from a bank in the United States. The buyer tells the seller that he either mistakenly sent too large a check, or that he will be sending a check for more than the purchase price. In either event, the seller is instructed to immediately wire the "balance" back to the buyer.



The unsuspecting seller then deposits the cashier's check in their bank account. Under federal banking law, the customer's bank is required to make those funds available to its customer on the first business day after the funds are deposited. So, the unwary seller is able to withdraw the "overpayment" before the check winds its way back to the bank that supposedly issued it. That can take seven days, or even longer. Of course, after wiring the money back to the buyer, the scam artist is nowhere to be found.

Unfortunately, the consumer who deposits the check is responsible for all of the funds that were withdrawn. Under Colorado law, a consumer depositing a check into their account makes certain warranties to the bank regarding the authenticity of that check. If the check is rejected, the seller becomes obligated to pay the amount due on the check.

Tips to remember:

- **Never accept a cashier's check for an amount greater than the purchase price. Call the bank that issued the cashier's check when you receive it.**
- **Do not rely on the phone number that the buyer gives you. Locate the bank's number from a reliable source, such as a phone book. When calling a bank, verify the following information: the check number, the name of the person to whom the check was issued, and the amount of the check.**

Immediately report to your local police agency if you think you are a victim of crime.
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