

Scam Alert: Reality Check

How to spot a bogus deal—and protect your bank account

By Sid Kirchheimer

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Vito Fossella knew the \$2,985 check he received from the \$250,000 "Super Seven Contest" in May was too good to be true.

As a street-smart New Yorker, the U.S. representative for Staten Island and parts of Brooklyn understands that a sure way to be scammed is to believe you've won a prize even if, like him, you never entered the contest.

The congressman knows that checks for "winning" sweepstakes and lotteries—as well as those in "deposed foreign royalty" schemes (such as the infamous Nigerian e-mail scams), work-at-home ploys and other ruses—share a common thread: The victim is instructed to deposit the check in his or her bank account and then wire-transfer the funds.

One of Fossella's constituents did just that, after receiving a check to "help pay the taxes" on a prize she'd "won" in the same Super Seven contest. Police say she lost \$9,200.

"It's easy to see why so many people fall for these fake-check scams. The check looks very legitimate and authentic," Fossella says, and the contest representatives have "all the right answers." He says that one of his staffers thought he'd uncovered a telltale sign of a scam on Fossella's check because the word "void" appeared on a photocopy but not on the original. He was wrong: Fossella says that the contest rep reached by phone knew, correctly, that "it was a security precaution to prevent fraud."

Fraud experts say a scam is in the making anytime you receive an unsolicited check or an "overpayment" from an online auction sale or a new business venture, with instructions to forward money. The deposited check may be credited to your account right away, allowing you to wire the requested money. But it could take your bank up to two weeks to authenticate the deposited check. If the check turns out to be counterfeit, you'll be held liable for the wired funds and could face criminal fraud and counterfeiting charges.

Here's what else you should know:

- Don't be fooled by a check's appearance. "Anyone can buy check paper [with watermarks and other security features] off the shelf that spells 'void' on photocopies but not on the original," says Kim Bruce of the U.S. Secret

Service. It's likely to be bogus if you don't see the word "void" on a photocopy.

- Do a Web search on the check issuer. Fossella's check appeared to have been issued by the Berkley Insurance Co. in Greenwich, Conn., but a phony company, with a phone number in Canada, had mailed the Super Seven award notification letter and the check. Berkley spokesman Ira Lederman says the check likely was created from a legitimate Berkley check mailed in the last year but stolen from the post office in Canada. (Note: Participating in foreign lotteries and contests violates U.S. law.)
- Examine the check for inaccuracies such as an incorrect Zip Code or a misspelled street name in the address of the issuer.
- Look for a nine-digit bank routing number and an account number in the lower left corner of the check; Fossella's check had neither. "If the routing number is missing, or has more or fewer than nine digits, it's no doubt a fake," says Charles Bruce, executive director of the National Check Fraud Center (www.ckfraud.org) in Charleston, S.C. Still, scammers often make up routing and account numbers to fool their victims.

If you receive a suspicious check, contact the U.S. Secret Service at www.secretservice.gov. Report checks received by mail to the U.S. Postal Inspection Service at 1-877-876-2455, toll-free.

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