



Consumer Federation of America



FOR IMMEDIATE RELEASE
June 14, 2011

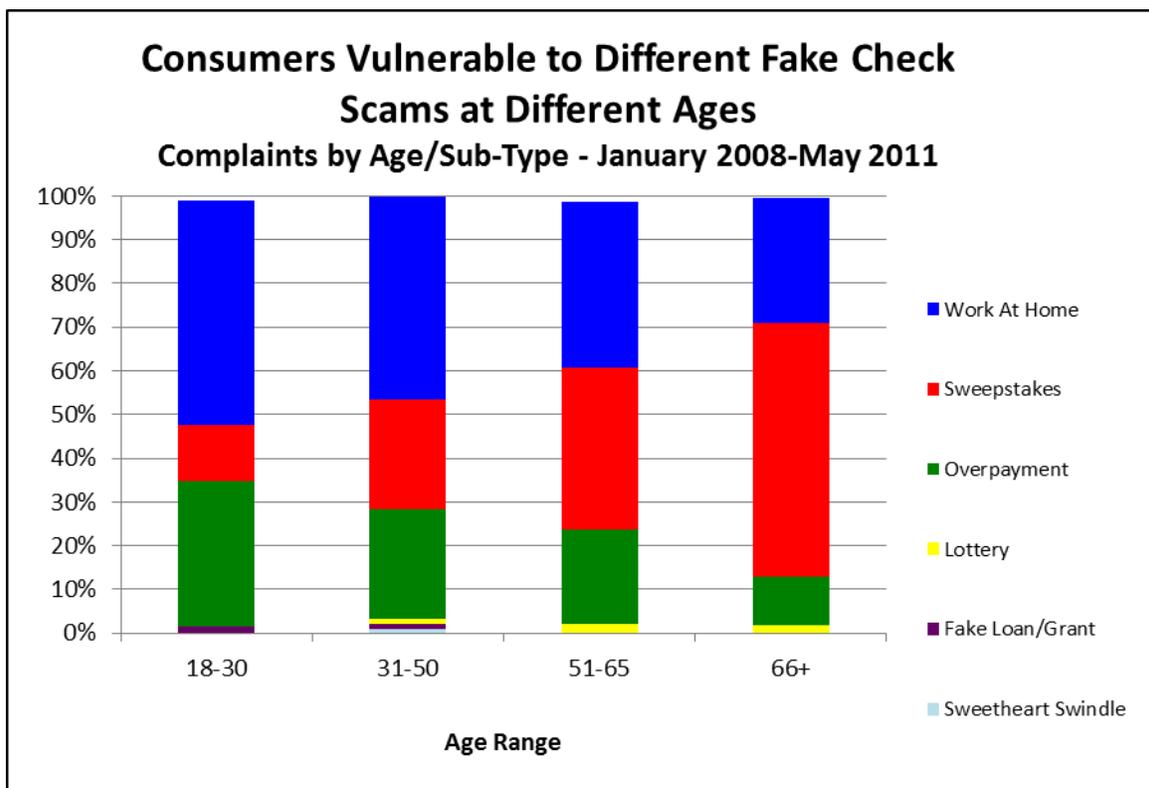
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CFA, NCL TEAM UP TO EDUCATE PUBLIC ON AVOIDING FAKE CHECK SCAMS

Con Artists Targeting Different Aged Victims with Variations of Scam; Overall Remains #1 Complaint to National Fraud Center

Washington, DC – Fake check scams, in which consumers are lured into accepting genuine-looking phony checks or money orders and sending cash somewhere in return, come in many forms, but experts at Consumer Federation of America (CFA) and the National Consumers League (NCL) say that it's easy to spot and avoid these scams – if you know what to look for. New tips, *Five Things You Should Know to Avoid Fake Check Scams*, have been released by the nonprofit consumer organizations today to help consumers identify the scam in its various forms and avoid losing their money. Along with the tips, CFA is releasing new videos about the most common fake check scams, the sweepstakes/lottery and work-at-home versions. “The videos use humor to make a serious point,” said Susan Grant, Director of Consumer Protection at Consumer Federation of America. “These scams can cost you thousands of dollars, and once you’ve sent cash to a crook, it’s likely gone for good.”

“Fake check scams are an equal-opportunity fraud,” said John Breyault, Director of the National Consumers League’s Fraud Center. “Scam artists are savvy, networked, and know every button to push to get consumers from all walks of life to fall for their schemes.” Fake check scams remain the top complaint to NCL’s Fraud Center, a clearinghouse for reports about telemarketing and Internet fraud. A statistical analysis of complaints from 2009, 2010, and January through May 2011 show that people between the ages of 18 and 30 are much more likely to be targeted for the work-at-home version of the scam than other age groups, while those who are 66 and older are far more likely to be targeted for the sweepstakes/lottery version. In the work-at-home scenarios, consumers are supposedly hired as “account managers” to process payments for a company or as “mystery shoppers.” The sweepstakes/lottery version hooks consumers with phony notices informing them that they have won millions and asking them to pay taxes or other fees from the “advance” that they receive in order to claim the rest of their money.



In nearly all of the cases in which consumers reported to NCL that they had sent the money to the fake check scammers, they did so by using a money transfer service. “Con artists want the funds to be sent to them via a money transfer service because it’s quick, it’s cash, and it’s hard to trace,” said Ms. Grant. “You should only use these services to send money to people that you’ve met in person and known for a long time.”

“In difficult economic times, many consumers are on the lookout for creative ways to make ends meet, such as home-based business opportunities. Others may be desperate enough to let their guard down and be tempted by offers they wouldn’t otherwise consider,” said Mr. Breyault. “Scam artists take advantage of this to rob consumers blind. Educating consumers about this crime is the first step in taking on the fraudsters.”

CFA and NCL warn that:

- If someone gives you a check or money order and asks you to send money somewhere in return, it’s a scam.
- A familiar company name doesn’t guarantee that it’s legitimate.
- The check or money may be fake even if your bank or credit union lets you have the cash.
- When the check or money order bounces, you will have to pay the money back to your bank or credit union.
- 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.

The full tips and the new videos are on www.consumerfed.org/fakecheckscams and www.nclnet.org. The videos were produced with support from Western Union. Visitors to the www.consumerfed.org/fakecheckscams website will also find CFA's brochure about fake check scams, *Don't Become a Target*, in English and Spanish, and other materials from CFA and other sources. In addition to NCL's www.fraud.org, NCL operates a website specifically about fake check scams, www.fakechecks.org. There consumers can take a quiz to see how well they can spot these frauds, send an ecard to warn others, and find other helpful information.

The Consumer Federation of America is a nonprofit association of nearly 300 consumer groups that, since 1968, has sought to advance the consumer interest through research, advocacy, and education.

The National Consumers League, founded in 1899, is America's pioneer consumer organization. Our mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit www.nclnet.org.