

26 May 2011
Fairmont Police Department
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Fairmont, Minn

Fraud Alert

Please be aware of another twist on a fraudulent check scam that we have been seeing more of over the last year. The victims of these scams were initially brought into the scam because of an item they had posted for sale, listed in print or posted on the internet. What happens is that the victim is either contacted about purchasing the item for sale or sometimes they just receive a check in the mail with instructions about the purchase of the item. The check is always for an amount greater than the asking price of the item for sale. The instructions that are given have the victim cashing the check, keeping the purchase price and then wiring or sending the rest on to a third party. The check, in so many cases, comes back later through banking channels as fraudulent.

One such recent report received by the Fairmont Police Department was a complaint of a resident trying to sell an item for \$200. The seller received a cashier's check in mail for \$1450. The seller was told it was a mistake, instructed to cash the check, keep the amount owed plus something for their trouble, and then send the remaining amount via Western Union to a totally different person than the buyer. Once completed, the seller received another check and told it was another mistake, and was told to follow the same process. Keep in mind that a Western Union or other wire transfer can most often be picked up anywhere in the world once the holder give out the money transfer control number.

The effectiveness of these types of frauds is that the perpetrator has a person in good standing cash the counterfeit check, which is most often a large in size official looking company check, not a typical personal check, and it will look genuine. People often think that as long as the check was accepted by the bank it must be genuine, not true. The bank most likely accepted the check because of the citizen's good standing at the bank and once the check goes through banking channels and comes back as counterfeit the citizen will be responsible for paying back the bank for the amount of the check but this can take 7-10 days or more to be discovered.

The Fairmont Police Department is urging people to be cautious when accepting unsolicited offers or "over payments" for items listed for sale. Also, don't respond to unsolicited emails offering secret shopper offers or other offers that require the person to cash checks or send money to an unknown person. If a resident has doubts about the validity of a check or wire transfer request please consult their bank or local law enforcement before taking action.