

SCAM ALERT #3

Traditional paper checks as part of the fraud

While some people fear the use of the internet and electronic means of conducting business because they believe there is a greater likelihood of being scammed, a recent scheme uses traditional paper checks as part of the fraud.

The checks used in this scam bear the name of out-of-state credit unions or banks and are made out to local individuals. The problem is ... the checks are counterfeit but the individuals assume they are real because they look like an official check.

Here are some ways to help determine if a check may be fraudulent:

- #1** The check appears hand-typed rather than computer generated.
- #2** The dollar amount typed on the check is not raised numbers and letters and is all in a single color ink (usually black).
- #3** The signature on the check is hand-written rather than imaged.
- #4** The check appears old, with the paper worn and/or yellowed by age.
- #5** Often the words "Cashier's Check" appear somewhere on the front of the document.

If you receive a check like this in payment for goods or services, chances are the check isn't good and you won't receive the associated funds. The best thing to do is report the questionable item to the credit union.

And, as with other fraud schemes, it's always a good idea to question any check or negotiable item that just doesn't look right before you accept it as payment. Unscrupulous individuals can be clever, but often rely simply on the fact that people will accept a document so long as it bears a legitimate financial institution's name.

You should remember that SEFCU does not reimburse for counterfeit checks deposited by members. Please exercise caution when accepting checks from unfamiliar sources.

SEFCU is committed to helping members protect themselves against fraud. This is the first in a series of SCAM ALERTS to educate members about deceptive activities that could harm members' financial security. While we cannot advise members of every scam, we hope the series will advance awareness of privacy and security issues.