

Facts about who is responsible:

- Although the bank made funds available to you and therefore you thought that the check was “good,” you remain responsible if the check is counterfeit.
- It does not make any difference whether you cash the check or deposit the check.
- The bank whose name appears on a counterfeit check is not responsible.
- Your bank’s funds availability policy only serves to let you know when the bank will generally make funds available to you when it accepts a check for deposit. Making the funds available does not change your fundamental responsibility for the item.

What you can do to protect yourself

- The best defense is to realize that if a deal is too good to be true, it probably isn’t true. Receiving a large commission for cashing a cashier’s check just does not make any sense. Either it is likely a scam of the type already discussed or there may be a reason (a reason that you probably should be concerned about) why the person does not want to cash the item himself (such as money laundering).
- Do not respond to unsolicited offers received over the Internet from people

you do not know. Ask yourself why you are so lucky to have been selected. The answer is, you weren’t so lucky, or at least no luckier than the other 50,000 people that may have received the e-mail. The beauty of e-mail is that it is a cheap way of reaching a lot of people all at once.

- Be particularly wary of e-mails apparently originating from overseas. Being overseas makes it incredibly difficult, if not impossible, for law enforcement to identify and prosecute the perpetrator.
- You should call the issuing bank to attempt to verify the validity of the cashier’s check before depositing the item, releasing any merchandise, transferring funds to a third party, or spending any of the proceeds. DO NOT call any telephone number that appears on the check since that may connect you to one of the perpetrators. Instead, use directory assistance or one of the Internet search functions to obtain the bank’s telephone number.



www.banksecurity.com

Counterfeit Cashier’s Checks and your risk of loss if you deposit them

FACTS YOU SHOULD KNOW[©]



CARDINALSM
Bank

Did you know that:

- Many people receive cashier's checks that appear legitimate but are really counterfeit as part of a fraud scheme?
- You are responsible for any checks you deposit or cash that turns out to be counterfeit?
- You are liable for payment of counterfeit checks even if your financial institution has already made the funds available to you?

Common scams and schemes that occur daily to everyday people like you

- You receive an e-mail from overseas seeking your help in obtaining payment on a \$15,000 cashier's check. All you have to do is cash the check and, when you get paid, keep \$2000 as a commission for your trouble and mail a new cashier's check in the amount of the difference to the sender or to a P. O. Box of the sender in this country. This seems very safe since you will receive payment from the bank before making payment to the sender. Moreover, you are impressed with the fact that the sender *trusts you* to do the right thing with \$15,000 that he is sending you.

After you send the payment, you learn that the check is counterfeit and the bank has offset the amount of the check against other funds in your account or is going to court to seek a judgment against you.

- A variation on this scam involves an individual (seller) who has announced on the Internet the availability for sale of a large consumer item (car, large appliance, etc.). The seller receives an e-mail from a "buyer" offering to purchase the item. The "buyer" tells the seller, either in the initial e-mail or later, that payment will be made with an

"official check" or "cashier's check" and may mention that the check will be purchased by a third party, based in the U.S., who owes the "buyer" money.

These "official checks" or "cashier's checks" are made out for an amount greater than the negotiated purchase price for the items. The "buyer" may mention the discrepancy before sending the seller the check but, in some cases, does not address the issue and the seller asks about it. The "buyers" give various explanations for the discrepancy, including transportation charges, import/export fees, or that the third party mistakenly purchased the "official check" or "cashier's check" for an incorrect amount. The "buyer" then asks the seller to wire the excess funds to the "buyer's" financial intermediary immediately after depositing the "official check" or "cashier's check," or asks the seller to send a cashier's check in the amount of the excess funds. The "buyer" provides the seller with the required wire transfer or mailing information. The "buyer" often says that the funds need to be returned immediately because of a family emergency (death, illness, etc.).