



Fake Check Scams

By law, a financial institution is required to make funds available for withdrawal, or use, shortly after a deposit is made. However, neither you nor your bank know if a check is going to bounce. When funds are made available, it is important to know that this does not mean the check is good or the funds have cleared. While most types of checks generally clear within two to five business days, uncovering fake checks and forgeries can take weeks.

Be cautious before spending that money!

You are in the best position to determine if a person you accepted a check from is a good risk therefore, you are responsible for any checks you deposit. This means, if a check gets returned unpaid, the bank will hold you accountable for repaying any funds you have spent. This can also result in other issues such as overdraft charges or your account being closed or frozen. Here are some ways to protect yourself from Fake Check Scams:

1. Understand that cashier's checks and money orders are not always secure and can be fraudulent.
2. If you were not expecting a check, do not deposit it and even if you were it is still wise to be cautious.
3. Consider how and why you received a check.
4. Look where the check was mailed from.
5. Determine if the amount of the check is correct and as expected.
6. Make sure any check you receive was issued by a legitimate bank.
7. Call the bank that the check is drawn on to see if they can provide any information – do not call the number printed on the check.
8. Ask your bank if the check has been fully paid by the issuing bank.
9. When in doubt, wait 30 days before spending the funds – this does not guarantee the check is legitimate however, most problems will arise within this time frame.
10. If you believe you have been targeted by a fake check scam, you may report it to the following agencies.

The Federal Trade Commission at www.ftccomplaintassistant.gov.

The U.S. Postal Inspection Service – if the check was received via mail at www.uspis.gov.

Your state or local consumer protection agency. Visit www.naag.org for a list of state Attorneys General.

You may also consider notifying the bank whose name is on the check and/or the website or online service where you encountered a scammer.



Department
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Division of Financial Institutions