

# Beware of Counterfeit Cashier's Checks



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An Internet scam that is frequently reported to our office is the so-called Nigerian Fraud, also known as Advance Fee Fraud and 419 Fraud.

In this particular scheme you receive an e-mail purporting to be from a government official in Nigeria, who says he is in possession of a large sum of money. The person claims to need your help in accessing the funds, but the only way to do this is to first deposit the money in a bank account in the United States – your bank account.

The writer offers to pay you a certain percentage for assisting with the transfer and deposit of the funds. He then asks for your personal financial information, so he can transfer the money to your bank account. The truth is, your account is likely to be drained if you give him your personal financial information.

There are numerous variations on this theme. Sometimes the writer is a woman claiming to be the widow of a deposed president. Or the writer may be from a country other than Nigeria. The tip-off is that you are going to allow your account to be used to facilitate the transfer of a huge sum of money. Supposedly, you'll get a percentage as a fee. But you won't.

A more recent, related fraud involves the use of counterfeit cashier's checks. The target is usually a person selling a relatively expensive item on the Internet, or possibly even in newspaper classified ads.

The seller is approached by an individual, usually from a foreign country, who wants to buy the item and pay with a cashier's check. The buyer then says that he or she can only send a cashier's check for an amount greater than the price of the item, and asks the seller to mail back a check for the difference. The difference may be several thousand dollars. The unsuspecting victim sends the buyer the difference and only later finds out the cashier's check was counterfeit.

What makes this plot work is that most people place great confidence in cashier's checks. Cashier's checks are generally considered much safer than personal checks, since they are issued by financial institutions that have already verified the existence of sufficient funds. Personal checks can "bounce" when there are insufficient funds in the check writer's account; cashier's checks do not bounce. The counterfeits are generally of excellent quality and may even fool the bank initially.

Unfortunately, this scam can harm innocent citizens twice. Under Texas law, the bank may be considered the actual victim of the crime, while the citizen is may be viewed as the perpetrator for passing the counterfeit check.

Adding further to the deviousness of the scheme is the fact that the criminal does not ask for an advance fee. More and more people are savvy enough to recognize the request for an advance fee as the tell-tale sign of the so-called Nigerian fraud. The counterfeit cashier's check scam has found a way to disguise this red flag. The consumer is offered a large sum to deposit, so the refund check seems to be covered.

Both Nigerian and cashier's check frauds usually originate in foreign countries, well beyond the reach of Texas law and law enforcement. As criminals continue to devise new ways to defraud citizens, consumers must educate themselves. Be alert, and when in doubt, call us or visit our Web site at [www.oag.state.tx.us](http://www.oag.state.tx.us) and read our Consumer Alert page.

## POINTS TO REMEMBER

### BEWARE OF FRAUD

If you are a selling an item on the Internet:

- Be alert for a cashier's check that is made out for too much money.
- Verify with your financial institution that the check is real.
- Do not release funds or the item you are selling in any business transaction until you are certain you have been given a legitimate cashier's check.

Do not release your personal or financial information to someone who calls or e-mails you, no matter how plausible their story is.

Visit our Web site at  
[www.oag.state.tx.us](http://www.oag.state.tx.us)  
for more information on  
consumer-related issues.



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