

# Consumer ALERT



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

## Fake Scam Hits Charities

In a new twist of the foreign counterfeit check scam (see attached), my office has received reports that Texas charities are now a possible target.

We were recently contacted by a Central Texas nonprofit that unexpectedly received what appeared to be three legitimate U.S. Postal money orders totaling \$2,700. No explanation was given as to who had sent them or why. These arrived in an envelope bearing several Nigerian postage stamps. Even more puzzling, the check writer's return address handwritten on the money orders was in Memphis, Tennessee.

A representative of the organization became suspicious about why a mysterious benefactor from Africa would send such a generous gift to a small Central Texas charity. Fortunately, she did not deposit the money orders. Instead, she got in touch with my office and we were able to confirm that the checks were counterfeit. (See attached for samples of the counterfeit checks.)

While in this case the organization avoided being victimized by an apparent fraud, it is very likely that other institutions are being targeted. As with the version of this scam that focuses on individual consumers selling big ticket items online, my office suspects that now the scam artists are trying to defraud charities by urging them to deposit the checks and wire part of that money abroad.

After depositing these amounts, the organizations will likely be contacted by someone claiming there was an "error" in the amount of the donation or provide some other reason as to why the charity is getting a bigger gift than what was intended. The scammer will then ask the group to wire part of the money back and keep the "intended" amount. While banks will typically credit the charity's account soon after the deposit is made, it might be days before it is discovered that the checks or money orders are fakes. By that point the money has been wired abroad by the charity with no hope of recovery.

Whether you are a private seller, a business, or part of a charitable organization, beware of anyone who sends you large money orders from abroad and insists you wire part of the money back. They might have a reasonable explanation, but their true intent is to take your money and disappear.

If you are suspicious about the authenticity of a U.S. Postal money order, contact your local post office. (See attached documentation to learn more information on how to spot fakes.)

Sincerely,

Greg Abbott, Attorney General of Texas

**WRITE TO: Greg Abbott, Office of the Attorney General, PO Box 12548,  
Austin, TX 78711-2548 • (800) 252-8011 • [www.oag.state.tx.us](http://www.oag.state.tx.us)**



## **BEWARE OF CASHIER'S CHECK SCAM**

Our office receives complaints almost daily about counterfeit cashier's checks. The people who call us usually have been trying to sell a big-ticket item such as a car or boat. Most often, the item was listed on line, but in some cases it was listed in the newspaper or a specialty magazine. The consumer is contacted by a buyer, who agrees to pay the asking price.

The problem arises when the buyer offers to pay with a cashier's check made out for an amount considerably higher than the agreed amount of the sale. Buyers offer various stories to explain why the check is so large. The buyer asks the consumer to wire back the difference. There are two warning signs here that you should never ignore: the check is for money in excess of the price, and the buyer asks you to wire the money instead of using US Mail. **DON'T DO IT!**

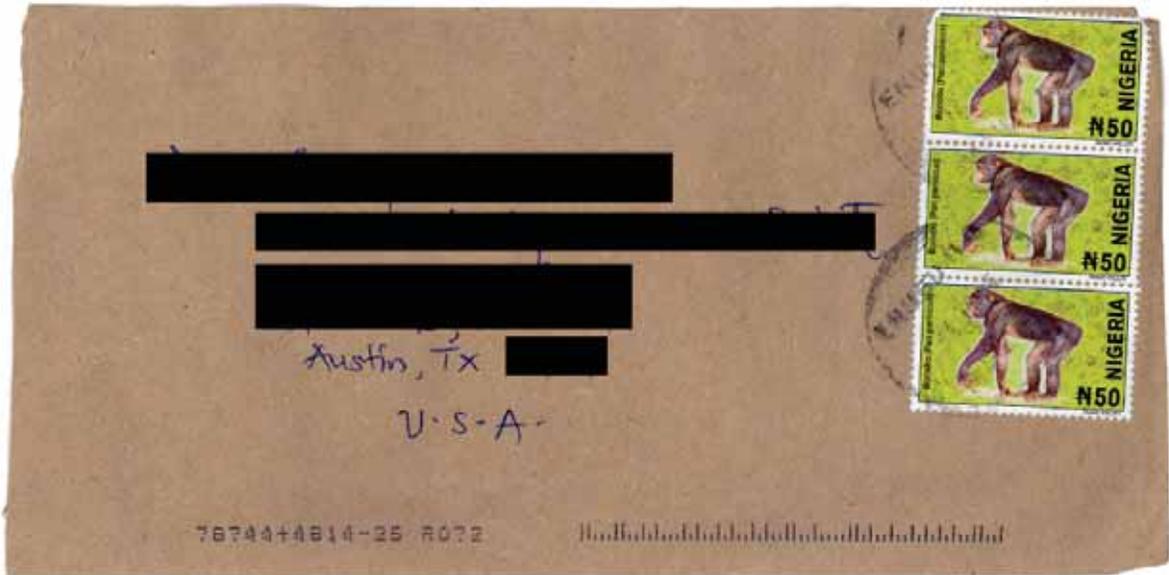
That extra amount of money is the amount of your own money that you are about to lose. The use of wire instead of mail is to protect the criminal from possible mail fraud charges, which as you know can be quite serious.

There is another disturbing twist: in many cases, the consumer has taken the precaution of asking the bank to verify that the cashier's check is good. In some cases, the cashier's check even appears to be drawn on the very bank that is being asked to cash it! That is how good these counterfeits are. Sometimes the consumer has even waited for a period of time up to two or three weeks before wiring the money. But the result is always the same: the check turns out to be bad.

We know of one victim, a young woman, who is paying off \$20,000 at the rate of \$200 per month to cover money wired in a scam of this nature. Another victim lost \$9000 after being assured by a teller that the check was good. The bank generally will not absorb the loss if you fall for this scam. Do not take any chances. There is no reason for you to cash a check made out for an amount in excess of the purchase price. Cease all contact with anyone who approaches you with an offer like this. They are trying to rob you.

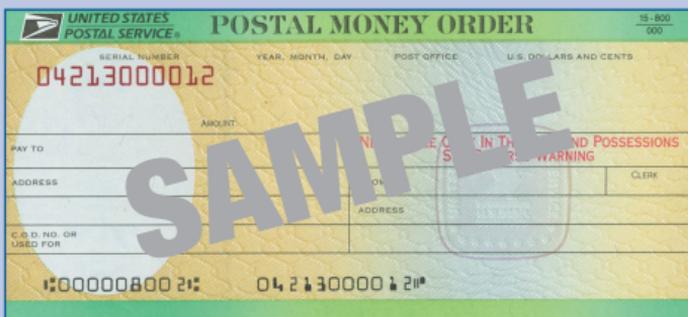
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# NIGERIAN CHECK SCAM

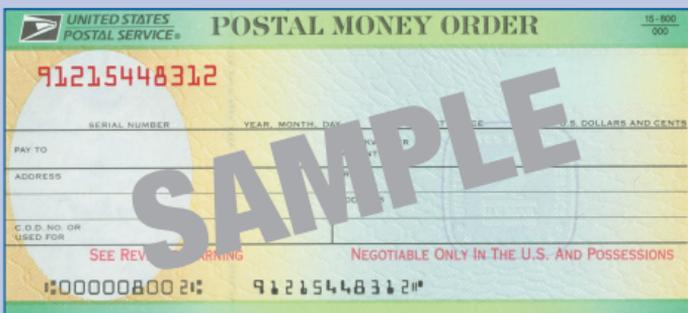


# LOOK BEFORE YOU CASH!

U.S. Postal money orders are among the most secure financial instruments in the world. Genuine postal money orders contain design features to maximize their security.



Point of Service (POS) Money Order



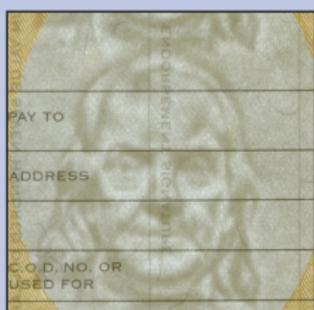
Postal Money Order (PMO)

## Security Features of U.S. Postal Money Orders

Notice 299  
May 2005

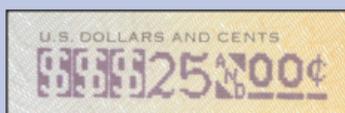
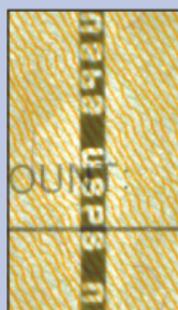
# Security Features for U.S. Postal Money Orders

Genuine postal money orders have security features that protect your investment. Be sure to check for these features before you accept or cash a postal money order:



When held to the light, a watermark of Benjamin Franklin is repeated from top to bottom on the left side.

When held to the light, a dark line (security thread) runs from top to bottom with the word "USPS" repeated.



There should be no discoloration around the dollar amounts, which might indicate the amounts were changed.

Domestic postal money orders may not exceed \$1,000, and international postal money orders may not exceed \$700.

If you have questions about postal money orders, call your nearest U.S. Postal Inspection Service office or Post Office™. Call 1-800-ASK-USPS or visit [www.usps.com/postalinspectors](http://www.usps.com/postalinspectors) to locate your nearest Postal Inspector.