

INTELLIGENCE NOTE

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Prepared by the Internet Fraud Complaint Center

The Internet Fraud Complaint Center (IFCC), a cooperative effort of the FBI and the National White Collar Crime Center, is alerting citizens to scams involving the use of counterfeit cashier's checks.

The scheme targets individuals that use Internet classified ads to sell merchandise. Typically, an interested party located outside the United States contacts a seller. The seller is told that the buyer has an associate in the United States that owes him money. As such, he will have the associate send the seller a cashier's check for the amount owed to the buyer. This amount will be thousands of dollars more than the price of the merchandise, and the seller is told the excess amount will be used to pay the shipping costs associated with getting the merchandise to his location. The seller is instructed to deposit the check, and as soon as it clears, to wire (Western Union) the excess funds back to the buyer, or to another associate identified as a shipping agent. In most instances, the money is sent to locations in West Africa (Nigeria). Because a cashier's check is used, a bank will typically release the funds immediately, or after a one or two day hold. Falsely believing the check has cleared, the seller wires the money as instructed. In some cases, the buyer is able to convince the seller that some circumstance has arisen that necessitates the cancellation of the sale, and is successful in conning the victim into sending the remainder of the money. Shortly thereafter, their bank notifies the victim that the check was fraudulent, and the bank is holding the victim responsible for the full amount of the check.

The IFCC is cautioning citizens to be wary of any purchasers proposing to conduct transactions in this manner, and to take the steps necessary to ensure that a check has fully cleared before doing anything with those funds.

Anyone who thinks they might have fallen victim to this or any other type of Internet scam can notify the IFCC through its web site at www.ifccfbi.gov.