

DON'T BE A VICTIM OF CHEQUE FRAUD



If someone sends you a cheque and asks you to:

- deposit the cheque into your account, and then;
- forward most of the funds by wire transfer or money order;

WATCH OUT, you may become the victim of cheque fraud.

COMMON SCAMS INCLUDE:

- A job posting for an internet collection agent, a funds forwarding agent or other position;
- Notice you have won a lottery or sweepstakes requiring you to pay a fee before collecting your prize;
- Promise of receiving a percentage for transferring funds to your account for “safekeeping”, often from outside Canada;
- Inheritance from a recently deceased distant relative you had no previous knowledge of;
- You place an ad selling something and receive a response offering to send more money than you are asking and a request to return the overpayment;
- International respondents to personal ads.

You will be asked to deposit a cheque and then forward most of the funds via wire transfer or money order. You will be advised to keep a portion of the funds from the cheque in payment for your services.

The cheque sent to you won't usually be drawn on an account in the name of the person or company that you have been dealing with. These cheques are usually counterfeit or stolen and altered. They will be returned to your account unpaid and the full amount will be deducted from your account. Fraudulent cheques can be returned unpaid weeks or even months after deposit. (Sometimes other fraudulent payment items such as money orders or traveler's cheques are used.)

Although there are many variations to these frauds, one common trait is that they all seem too good to be true, and they usually are!



WHO IS RESPONSIBLE FOR THE LOSS TO MY ACCOUNT?

You are responsible for cheque(s) you deposit into your account. Your agreements with the credit union make you responsible for overdrafts in your account regardless of whether you are the victim of a fraud. Only you can determine the risks related to transactions you enter into. If a cheque is returned unpaid, you are fully responsible for any related loss.

WHY WAS I ALLOWED TO WITHDRAW THE MONEY?

As a service, access to funds deposited is often allowed immediately or after a short hold but subject to the terms of your account agreement, including that you are responsible for returned cheques.

WHY DIDN'T THE CREDIT UNION KNOW THE CHEQUE WAS FRAUDULENT?

It is not possible for credit union staff to confirm that a cheque is valid. Sometimes calls can be made to confirm funds on deposit in the account that the cheque is drawn on but that credit union or bank may not know whether their member/client actually wrote the cheque. The other financial institutions will also not know who the original payee of the cheque was so they cannot determine if that information has been altered.

Further information on cheque fraud can be found at www.phonebusters.com and www.fakechecks.org .

If you believe you have been the victim of, or are currently being solicited by a fraudster, contact your local police department and/or Phonebusters immediately. Phonebusters can be reached at www.phonebusters.com or 1-888-495-8501. On-line reporting can be done at www.recol.ca .

If you believe that you may have recently deposited a fraudulent cheque or other negotiable item, please contact your credit union immediately.

