

## **Retailers Accepting Fraudulent Checks**

This scam targets retailers who cash checks for their customers: liquor stores, grocery stores, convenience stores, casinos. Typically, these retailers are also Moneygram or Western Union agents as well.

The scam is a variation on the Nigerian check, Canadian Lottery and Mystery Shopper scams, all involving a bogus check.

For example, a consumer is contacted to be a Mystery Shopper for a company.

- They receive a check in the mail for, typically, \$2,000 to \$3,000 dollars.
- They are told to go their local grocery or convenience store to cash the check.
- They are instructed not to tell the retailer anything about the check, because they are doing this as part of the Mystery Shopper test, to evaluate the retailer's service.
- The retailer cashes the check and gives the money to the consumer.
- The consumer is told to keep \$850 or \$950 as their payment for the job and to wire the remaining funds back to the company.
- The retailer deposits the check and then finds out in a week or so that it's bogus.
- The retailer can try to go back to the consumer, but generally the consumer can't make restitution.
- The police won't usually prosecute because there's no intent to defraud on the part of the consumer.

How can retailers protect themselves?

- First, know your customer.
- Also, if you're asked to cash a check over \$500, it's a red flag.
- Ask to see the envelope the check came in. The return is usually Canada or another country; that's another red flag.
- Search on the Secretary of State's website to see if the company is listed in Nevada. These bogus checks are almost always drawn on an out-of-state bank for an out-of-state company.
- Call the company to verify the item.

For video on this scam, visit

[http://www.kvbc.com/Global/category.asp?C=151358&nav=menu107\\_2\\_2](http://www.kvbc.com/Global/category.asp?C=151358&nav=menu107_2_2) (starts at 3:31 minutes in).