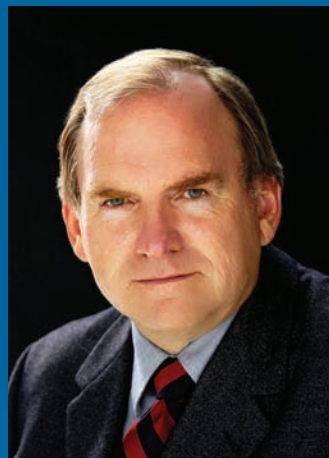


MESSAGE FROM AG KING

No matter where I go in New Mexico someone tells me about having encountered a counterfeit check either for lottery winnings or payment for a purchase. Victims have been consumers and businesses, young and elder. Too often, money is lost and the chance that it will be recovered is very unlikely.

I want you to avoid losing money to scams. Please read this brochure. And remember if something sounds too good to be true, it probably is.



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Counterfeit Check Scams



Office of New Mexico Attorney General
Gary K. King

Counterfeit Check Scams

HOW THE SCAM WORKS

You receive a letter telling you that you have won a **lottery**. It may be a foreign lottery, such as the Canadian lottery. **The check looks like a legitimate cashier's check.** You are told to cash the check and wire a portion back to the sender to cover handling fees or taxes. Your bank may even allow you to deposit the check. Just because your bank allows you to deposit the check does not mean it is a legitimate check. The problem is that your bank will learn, after you wire money, that the check is counterfeit. If you used any of the funds from the counterfeit check your bank will require that you repay them.

Banks are required by Federal law to make funds available to you from certain types of checks (e.g., cashier's and certified checks) at the opening of business the day after you deposit the check. The bank is making the money available prior to learning the check is counterfeit.

To avoid the scam remember:

- If you play a foreign lottery ---- through the mail or over the telephone ----You're violating federal law.
- If you purchase one foreign lottery ticket, expect many more bogus lottery or investment "opportunities." Your name will be placed on "sucker lists" that fraudulent telemarketers buy and sell.
- Do not disclose credit card and bank account numbers.
- Legitimate lotteries do not select winners at

random. You need to enter a lottery to win.
• Legitimate lotteries will not require you to pay to collect winnings.

VARIATIONS

Overpayment scams

This scam targets individuals selling through the Internet or classified ads. In this scam a potential buyer offers to make the purchase using a check that is for more than the agreed upon price, asking you to wire the difference after depositing the check (the scam artist may even suggest you keep an additional amount "for your trouble").

To avoid the scam:

- Don't accept a check for more than the agreed upon price.
- Consider using an escrow service or online payment service (make certain that you have checked the reliability of the service).
- Ask for checks from local banks. If not possible, call the bank where the check was purchased and ask if it is valid.

Secret shopper scams

The scammer asks you to evaluate the effectiveness of a money transfer service. You received a check with instructions to deposit it and withdraw cash, and transfer the money through a specified money transfer service transfer to another person.

Scam artists will try to pressure you to act immediately. Do not respond.

HOW TO PROTECT YOURSELF

IF YOU ARE ASKED TO CASH A CHECK, TO WIRE MONEY OR SEND A MONEY ORDER TO AN UNKNOWN PERSON, ASSUME THAT THIS IS A SCAM.

IF YOU DEPOSIT A CHECK THAT YOU RECEIVED FROM AN UNKNOWN PERSON OR ORGANIZATION, DO NOT DRAW ON THE FUNDS AT ALL UNTIL THE CHECK HAS ACTUALLY CLEARED THE BANK AND THE BANK SAYS THE FUNDS ARE AVAILABLE.

If you receive an e-mail about winning a lottery, you can file a complaint through the Federal Trade Commission at ic3.gov (internet crime complaint center).

