

# How to Recognize a Fake Check Scam



While there are many legitimate work-at-home careers, there are also scammers posing as employers who take advantage of workers on the job hunt. If you are interested in remote work, knowing how to recognize work-at-home job scams is key. All these schemes look different, so it's important to understand the underlying scams (which may or may not be job-related). One common scam is the **fake check scam**.

## How Fake Check Scams Work

The person running the scam convinces a victim to cash a check and then send, via wire transfer, a portion of the money to another location. The portion kept by the victim can be called payment for a job, part of a commission, or a prize. However, the check turns out to be a very convincing fake.

It can take some time for a fraudulent check to be discovered. This means the wire transfers will happen long before the bank, or the victim, discovers that the initial check was fake. When the fake is discovered, *you'll be responsible for the repayment of the money to the bank*.

## What a Fake Check Scam Looks Like

The fake check scam can look different depending on the reason the victim is asked to cash and then send funds. Many versions of this scam are job-related.

- **Mystery shopping:** Mystery shopping jobs are often legitimate. But fake shopping jobs can be part of a scam in which a check is sent to cover the cost of purchasing and returning goods. After you make returns, you are supposed to wire back the money, keeping a portion as your payment. If you are hired for mystery shopping work and told that you will have to process a check and send some of the money back to the company, *do NOT agree*.

- **Payment processing jobs:** These jobs hire you to process payments for people in other countries and can look very real when you apply. You may even be asked to open a business checking account in your location. However, once you do so, your name is on the account and *any fraudulent activity can be blamed on you*. You will be the one on the hook when the account is overdrawn, and if you have processed multiple checks before your bank discovers that they are fake, *you may be considered guilty of fraud*.

- **Lottery, sweepstakes, and inheritance windfalls:** In this version of the fake check scam, you are told you have won a prize or inherited money and will be sent a check, but you must send in a portion of the payment to cover taxes and fees. In legitimate sweepstakes, fees will be deducted before payments are made. Taxes should always be either withheld (with a written statement provided) or paid directly to a government entity, NOT to a company or 'lawyer.' Taxes are always collected by the government.

- **Auction/purchase overpayment:** If you sell or auction items online, *never accept check payments for more than the agreed-upon price*. When you refund the overpayment and keep the original amount, you'll find

out the check you were sent, bounced. You'll be out your money *and* your goods.

- **Rental schemes:** In this version of the fake check scam, a new roommate or tenant offers to send you the rent plus a little extra via check, then asks you to forward a payment to a company for some portion of moving expenses. Yep, just like the auction overpayment, you've been scammed.

- **Reshipping jobs:** These jobs advertise working at home by receiving goods that you will then ship to another location. You will then be asked to pay for shipping with the promise that it will then be repaid or sent a fake check to cover shipping expenses. If you take one of these positions, you'll not only lose your money on shipping costs, *you could also be on the hook for processing stolen goods*.

## Money Laundering and Check Cashing Scams

**In addition to losing your money in these check-cashing schemes, it's very possible you could be subject to legal penalties, fines or jail time.**

In reshipping scams or payment processing scams, you could actually receive the money agreed upon, but only because you are participating in money laundering and/or selling stolen goods. In money laundering, the payment might come into the victim's account via wire or online transfer. *If you cannot prove that you were a victim of a scam, you'll not only lose your money, you could face legal penalties.*

## How to Protect Yourself From Check Fraud

There is one effective precaution you can take to protect yourself from a fake check scam: **Do NOT cash checks for people you do not know. Do NOT wire money to people you do not know.**

The Better Business Bureau recommends that work-at-home job seekers avoid job postings that use phrases like:

- **Package forwarding**
- **Reshipping**
- **Money transfers**
- **Wiring funds**
- **Foreign agent agreements**

You should also avoid any potential work-at-home employer who asks for your bank account, credit card, or PayPal account number. The only reason an employer would need banking information is if you have already been hired and want to set up direct deposit. In these cases, you should wait until you have received one or two payments via check before setting up direct deposit.

There is NO legitimate reason to process money or packages for a stranger. If someone from the Internet asks for your assistance cashing a check and sending them money, *they are almost certainly trying to scam you*.

It's possible to find legitimate work-at-home jobs, including customer service, online chat, transcription, medical coding, data processing, and more. But any time you are considering taking a remote job, take time to learn about the company and what you will be asked to do in order to avoid being scammed.