

## **Checking Account Numbers Fraud**

In this consumer alert we will discuss checking account fraud and the different ways you can protect yourself from being taken by scams and con artists.

Fraudulent Telemarketers and con-artists have found another way to steal your money. Consumers across the country are complaining about unauthorized automatic debits (withdrawals) from their checking accounts. Beware, if a caller asks for your checking account number, or other printed information signed by you on your account. Do as you would with your credit card numbers - do not give out checking account information over the phone or by mail unless you initiate the call or are familiar with the company.

**How the Scam Works:** You either receive a post card or a telephone call saying you have won a free prize or can qualify for a major credit card, regardless of past credit problems. If you respond to the offer, often times the telemarketer asked you right away, “Do you have a checking account?” If you say “yes”, the telemarketer will explain the offer. If you say “No,” they may tell you that you are ineligible for the offer. If the telemarketer goes on to explain the offer, usually it sounds too good to pass up. Near the end of the sales pitch, the telemarketer will craftily ask you to read the numbers at the bottom of your check. Sometimes they may not tell you why this information is needed. Other times, they may tell you that the information will help to ensure that you qualify for the offer. Once the telemarketer has your checking account information, it is put on a “demand draft” and sent to the bank for payment. The draft contains your name, account number, and the amount, but does not require your signature. When your bank receives the draft, the stated amount is withdrawn from your account and paid to the telemarketer’s bank. You may not know that this has occurred until you receive your next bank statement.

**How to Protect Yourself:** These scams involve fraud which is hard to detect and could expose you to large financial losses. The following suggestions may help you avoid becoming a victim.

Do not give your checking account number or other account information over the phone in response to solicitations from unknown people or businesses.

If anyone asked for your checking account number or account information, ask them why they need it.

Beware of offers that sound too good to be true, especially offers that require your checking account number or other account information . Ask to review the company's offer in writing before you agree to a purchase.

**What to do if you are a Victim:** If a telemarketer has issued a draft against your checking account without your knowledge or permission, or the amount is more than you authorized, contact your bank immediately. Depending on the timing and circumstances, you may be able to get your money back..

**If you become defrauded:** If you believe you have been a victim of a fraudulent checking account scam report it to the Attorney General Office's Consumer Protection Unit and the local Police Department. You may also file complaints with your local Postmaster (the Postal Inspection Service investigates mail fraud claims).