



**Independent Bankers of Colorado**



**FOR IMMEDIATE RELEASE**

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## **NEW ANTI-FRAUD PROGRAM LAUNCHED IN COLORADO**

*Aim is to Protect Consumers and Financial Institutions from Fake Check Scams*

Denver, October 13, 2010 – Today, Colorado Attorney General John W. Suthers is joining the Colorado Bankers Association, the Independent Bankers of Colorado, the Credit Union Association of Colorado, the AARP Foundation/Colorado ElderWatch program, the Colorado office of the U.S. Postal Inspection Service, and Consumer Federation of America to announce a new and innovative consumer education program. The aim is to protect consumers and financial institutions from fake check scams.

Twenty-one banks and credit unions participating in this effort will hand out a brochure created by CFA about fake check scams and similar frauds to every consumer who comes in to deposit checks or money orders of \$1,000 or more or to withdraw \$1,000 or more. “The key is to prevent consumers from being victimized by educating them about these scams at the very point where they may be at risk,” said Susan Grant, CFA’s Director of Consumer Protection, who is coordinating the program.

In fake check scams, a consumer receives a genuine-looking check or money order for something and is asked to wire money somewhere in return. For instance, the check may be described as an “advance” on millions that the consumer has won in a sweepstakes or lottery. The consumer is instructed to send money to pay the taxes and claim the rest of the prize. In another popular scenario, the consumer is recruited to work at home as a “mystery shopper” or processing payments for a company and is instructed to send money somewhere as part of the job. No matter the story, the check or money order is phony, and when it bounces, the victim owes the money back to the financial institution where it was deposited or cashed. The average loss is \$3,000 to \$4,000.

“Every year, Coloradans of all stripes fall victim to check-cashing scams,” Suthers said. “One of the best ways to prevent yourself from being victimized is to recognize the warning signs of check scams. The most glaring sign of a check-fraud scam is if the person or organization sending you the check asks you to wire back part of the money. If this is the case, it is a scam.”

Federal law gives consumers the right to access their funds quickly, usually within a day or two. But the consumer's financial institution can't tell if there is a problem with a check or money order until it goes through the system to the person or company that supposedly issued it. That can take weeks.

"These crooks take advantage of the trust that the financial system is built on," said Don Childears, President and CEO of the Colorado Bankers Association. "Consumers need to understand that they are responsible for the checks and money orders that they deposit or cash because they are in the best position to know if the people who gave them to them are trustworthy." Barbara Walker, Executive Director of the Independent Bankers of Colorado, said that, "Consumers and banking personnel need to learn how to recognize the warning signs in order to prevent fake check scams and other financial frauds." The Credit Union Association of Colorado stated, "Because of the close relationship that credit unions have with their members, they're committed to doing whatever they can to protect them from fraud. That's why we're excited to be a partner in this consumer education program."

CFA is providing the brochure, "Don't Become a Target," to participating banks and credit unions at no cost (except to cover shipping expense if they are able to do so). To help the financial institutions prepare for the project, CFA gave them training materials about fake check scams and advice about handing out the brochures. In addition to the hard-copy brochure, which is English on one half and Spanish on the other, there are two electronic versions, one in English and the other in Spanish, on CFA's Web site at [www.consumerfed.org/fakecheckscams](http://www.consumerfed.org/fakecheckscams). There visitors will also find a new "Don't Become a Target" PowerPoint presentation for consumers and other educational materials about fake check scams from CFA and others.

Quantities of the brochure will also be available to government agencies and nonprofit organizations in Colorado that conduct consumer education in the state. "We are delighted to have these new educational materials," said Amy Nofziger, Project Leader of the AARP Foundation/Colorado ElderWatch program. "Older people are frequently targeted, especially in the sweepstakes and lotteries variations of these scams." Jeff Reed, Public Information Officer with the Denver Division of the U.S. Postal Service, explained that prevention is the best option when dealing with fake check scams and other frauds. "Since these crooks often operate from overseas, it is a challenge to find and prosecute them," Reed said. "It's much better to keep your money safe in your account and out of the scammers' pockets."

CFA is not offering hard-copies of the brochure directly to consumers. **Credit unions and banks in Colorado that have not yet signed up to participate are welcome to do so** and should contact Susan Grant at CFA, 202-387-6121. Financial institutions that are participating thus far in Colorado are listed below.

#### Colorado Financial Institutions Participating in Fake Check Consumer Education Project

Alpine Bank	First National Bank of Durango
Alpine Bank Rifle	First National Bank of Monument
Arapahoe Credit Union	High Plains Bank
Bank of Choice	Mutual of Omaha Bank
Castle Rock Bank	Rio Grande Operating Credit Union
Community Banks of Colorado	Rocky Mountain Bank and Trust
Community Choice Credit Union	St. Vrain Valley Credit Union
Credit Union of Colorado	The Eastern Colorado Bank
First National Bank	The Gunnison Bank and Trust Company
First National Bank Arapahoe	U.S. Bank
First National Bank of Cortez	