



FRAUD TIP OF THE WEEK
Vehicle Sale Overpayment Check Scam
By Detective Paul Henninger

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In 2005, 53% of all fraud reported to the Federal Trade Commission was Internet-related. The same year, U.S. Treasury adviser McNiven claimed “cybercrime” has become a more profitable industry than illegal drug trafficking.

It has been my experience that the most popular check scam on the Internet is the “Vehicle Sale Overpayment Check Scam.” If you advertise to sell a car/truck/boat or other big-ticket item in a newspaper or magazine, the ad is normally available for viewing anywhere in the world via the Internet. It is likely that a fraudster (Organized Crime) will view your ad or may try to scam you.

The scam normally goes as follows: The fraudster contacts you by e-mail or phone...agrees to your asking price with little or no negotiation...unexpectedly sends you an overpayment in the form of a cashier’s check or money order...claims the overpayment is a mistake or for shipping...asks you to immediately wire (Western Union) to them, or to their co-conspirator, the amount of overpayment. The crook is after your money, not the item being sold. The cashier’s check or money order is a forgery. You end up owing the bank thousands of dollars when the check or money order is returned as a counterfeit.

In Salem, we get similar complaints of this scam almost weekly. Last week we got two complaints involving vehicle sales. Today, I will discuss one of them, involving a semi-truck.

A 1997 Freightliner semi-truck was advertised for sale on the popular Internet site “TruckTraderOnline.com.” It was listed for \$28,500, which included a trailer. The fraudster responded to the ad via email. The buyer claimed to be a wholesaler who had a client out of Canada and agreed to pay \$28,000. The buyer said his company could issue only one check, which would have to cover both purchase price and shipping. The buyer said he would send an additional \$6,000 to cover shipping costs so the seller could pay for the shipping to Canada. The seller (victim) agreed to receive a cashier’s check for \$34,000 and pay the transportation costs.

These scammers are masters of deception. To confuse the victim, the buyer notified the victim the \$34,000 check was returned to the company due to a mailing error, and the victim would receive a different check. When the victim received a check, it was for \$36,000, an overpayment of \$8,000. The victim was instructed to use “Western Union” to wire the transportation costs, now \$8,000, to three different persons (co-conspirators) In New York.

The victim, because of the instructions to wire the money to three different persons, had a concern about the validity of the check. She took the check to her bank, which is one of the major banks. She told me she voiced her concern to the bank employee, advising that the check was from an Internet sale and there was an overpayment for transportation. She asked that the bank verify the check was legitimate. Apparently, the employee only verified funds, telling the victim it was a good check. The victim deposited the check into her account and received \$8,000 as cash back.

As directed by the buyer, the victim used “Western Union” to wire the \$8,000 transportation fee to three different persons at three different addresses in New York. Amazingly, the money was picked up at three different locations in New York shortly after the money became available.

The next day, the victim received another check from the buyer. It was the missing \$34,000 check. The victim was told the buyer’s company had mistakenly re-sent the check to her. The buyer advised the victim that he had miscalculated the transportation costs and an additional \$6,900 was needed immediately to ship the truck. The

buyer was accommodating, stating he would pay for the extra costs, and asked the victim to use the \$34,000 check as collateral and immediately wire an additional \$6,900 to three persons in New York. This alarmed the victim, who returned to her bank. Further checking by bank employees determined that both checks were counterfeit. The victim now must repay her bank \$8,000!

If there is one lesson to be learned from this, it is: "If it looks like a rat, smells like a rat, it is a rat!"



TIPS:

Victims

- Take the time to learn about the common Internet and Nigerian Type Scams. Go to the Salem Police Department website, www.cityofsalem.net, and read the following "Monthly Fraud Tips". Print them out and share them with friends and fellow workers.
 - "April 2006 Internet & Nigerian Scams"
 - "May 2006 Internet Check Scams."
- Many of the popular Internet sales sites have informational fraud warnings on their communications or web sites. Read them. Don't ignore them. The communications received by the victim from "TruckTraderOnline.com" contained warnings about the scam that bit her.
- If it's too good to be true, it's a SCAM
- If a red flag is raised, DON'T IGNORE IT.
- The police are a great resource, and we have seen most scams. Call us for advice.
- Report all fraud-related crimes, even if you are embarrassed. We may be able to reduce your financial damage, arrest the suspect, or stop another from being victimized.
- Warning-- Even if your bank verifies funds, and the check initially clears in your account, it can be returned against your account later if it is a forgery. You will take the loss.

Financial Institution Employees:

- Take time to learn about common Internet and Nigerian type Scams. Review the same monthly fraud tips listed above for victims.
- Take the time to listen to your customers. Ask them questions if you suspect a scam. Learn to say "NO" to a customer.
- If you are suspicious a check is fraudulent, do not just verify that adequate funds are in the account. A check can still be stolen or counterfeit. Take the extra step to call the institution to verify the check is legitimate. If the other institution is closed, call the next day. This can save your financial institution, and your customer, from taking a loss.
- I offer a 3-hour class on Identity Theft, Internet and Nigerian Type Crimes and How To Identify Counterfeit U.S. Currency and Treasury Checks. The class is designed to "Train The Trainer." Our target audience is police officers, financial fraud investigators and financial institution managers and lead persons. Call me at 503-588-6050 x7154 if you have any questions about the training.
- Develop tools to educate your customers and employees -- As part of the mentioned training, myself and Greg Blackman of the U.S. Secret Service have developed a poster, a customer questionnaire and a handout to educate your employees and customers about the hazards of Internet and Nigerian Type Check Scams. This week, I am having them put on our website. Feel free to download them off the website, print them as is, or modify them to suit your needs.
 - Business Warning Poster- IF YOU ARE CASHING OR DEPOSITING A CHECK
 - Business Questionnaire- Questions To Ask Our Customer If You Suspect An Internet Or Nigerian Type Check Scam
 - Handout- Common Internet and Nigerian Type Scams
- Finally, consider hosting or attending one of our training classes.