

# Online Security

## Nigerian Overpayment Scam

Many people are being victimized by the Nigerian Overpayment scam. The scam typically involves individuals who advertise merchandise for sale, usually over the Internet, and receive bogus checks in payment. The buyer usually sends a counterfeit cashier's check, official check, or teller's check to the seller for substantially more than the purchase price. (Another variation involves the use of counterfeit business checks to purchase the merchandise.) The buyer instructs the seller to wire the excess funds to the buyer. Shortly after complying with the buyer's request to wire the excess funds, the check is returned unpaid as a counterfeit item. Losses from this scam are generally not covered by the Fraudulent Deposit Coverage of the Bond since the seller did not know the check was worthless at the time he/she made the deposit at the credit union and therefore did not intend to perpetrate a fraud against the credit union.

### Recommendation

If you've received a check as payment for an item you've sold, ask yourself three questions.

1. Did you receive this cashier's check, official check or teller's check as payment for merchandise you sold over the Internet?
2. Did the buyer overpay the purchase price?
3. Did the buyer instruct you to return the excess funds by wire transfer?

If the answer is "yes" to any of the questions, speak with someone at your credit union branch. Here are the steps you can take to protect yourself:

1. Refrain from wiring the excess funds to the buyer.
2. Refrain from shipping the merchandise to the buyer.

In the meantime, the credit union will contact the payor bank to determine whether or not the check was issued by the payor bank, the amount in which the check was issued, and the name of the payee to whom the check was issued. It must be noted that these measures will generally determine whether or not the check is fraudulent but are not a guarantee that the check will ultimately be paid by the payor bank. There is no warranty provided by the payor bank in a telephone call regarding the specifics of a check.