



FOR IMMEDIATE RELEASE
December 6, 2010

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Carolina Alliance part of new national anti-fraud program
Aim is to protect consumers from fake check scams

SPARTANBURG, SC (Dec. 6) - Carolina Alliance Bank (OTCBB: CRLN.OB) is the only Spartanburg County bank to team with state and national organizations in the launch of a new program aimed at protecting consumers and financial institutions from fake check scams.

This innovative effort, "Don't Become a Target," is designed to educate banking customers and banking institutions against bad check scams. Every consumer who comes in to Carolina Alliance to deposit checks or money orders of \$1,000 or more or to withdraw \$1,000 or more will be given a brochure about fake check scams.

The program was launched by the Consumer Federation of America and in South Carolina, the South Carolina Department of Consumer Affairs, the South Carolina Bankers Association and the South Carolina Credit Union League.

"We are pleased to have the opportunity to partner with these organizations to help stop fake check scams," said John Poole, Carolina Alliance president and CEO. "As a community bank we are committed to helping our customers protect themselves from fraud. We want to help educate our customers as much as possible against this growing problem."

In fake check scams, a consumer may receive a genuine-looking check or money order for something and is asked to wire money somewhere in return. For example, the check may be described as an "advance" on millions that the consumer has won in a sweepstakes or lottery or inherited from a long lost relative. The consumer is instructed to send money to pay the taxes and claim the rest of the prize or inheritance. In another popular scenario, the consumer is recruited to work at home as a "mystery shopper" or payment processor 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 money back to the financial institution where it was deposited or cashed. The average loss to the consumer victim is \$3,000 to \$4,000.

“It’s impossible to detect these counterfeits just by looking at them,” said Brandy Pinkston, Administrator of the South Carolina Department of Consumer Affairs. “We want consumers to understand that there is no legitimate reason why anyone who wants to give them money would ask them to send money anywhere in return. If that’s the deal, it’s 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. Only then would the person or company supposedly issuing it know about the fraudulent check and notify the consumer’s financial institution that the checks are worthless fakes. Consumers that have already sent money to the scam artists now owe their own bank for the worthless deposited items. We don’t want that to happen to you.

To download a copy of the brochure, “Don’t Be a Target,” go to the Carolina Alliance website, www.carolinaalliancebank.com.

For additional information about Carolina Alliance please call (864) 208-BANK (2265) or visit www.carolinaalliancebank.com.

