



**FOR IMMEDIATE
RELEASE**

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FIRST FEDERAL WARNS OF NEW SCAM

Harrison, Ark., August 2007 – Have you received money in the mail that you weren't expecting? Were you asked to deposit the money, keep a percentage, and then wire the remainder of the funds overseas? Or, you may have received an email offering you a job where you use your bank account to receive and distribute payments for a foreign company, in return for a percentage. These are examples of "work from home" fraud schemes.

"We have seen a significant increase in the past few weeks of incidences of fraud relating to home businesses or 'work from home' scams," said Rick Quattlebaum, SVP/Strategic Projects Officer for First Federal Bank. "We want to get the word out to help prevent our customers or any other consumers from being defrauded by these scams."

Quattlebaum stated that these fraud schemes usually involve very sophisticated web sites and personal contact to the person being defrauded. The victim receives checks, cashiers checks, traveler's checks, and/or money orders. He or she is instructed to deposit the items, keep a certain percentage of the funds (typically termed a "commission"), and wire or otherwise move the remainder of the funds electronically, usually to an overseas business. The deposited items are eventually returned as counterfeit, and the victim is legally liable for those funds. The party perpetrating the fraud might also ask for account information, which could allow the scammer access to any funds in the victim's account.

"There are some legitimate internet home businesses; however, they will not send negotiable instruments to an employee and ask them to wire part of the money back to them," said Quattlebaum.

If you think you are a victim of a work from home scam, contact the Arkansas Attorney General, the local Department of Consumer Affairs, the Better Business Bureau, and The U.S. Postal Inspection Service.

About First Federal Bank

First Federal is a community bank serving consumers and businesses in Northcentral and Northwest Arkansas with a full range of checking, savings, investment, and loan products and services. The Bank, founded in 1934, has \$820.5 million in assets and conducts business from 18 full-service branch locations, one stand-alone loan production office, and 29 ATMs. First Federal Bank is a wholly owned subsidiary of First Federal Bancshares of Arkansas, Inc., whose stock is traded on the NASDAQ Global Market under the symbol FFBH. For information on all the products and services we offer, visit us on the web at www.ffbh.com or contact our Account Information Center by phone at 870.365.8329 or 866-AIC-FFBH toll free or by email at aic@ffbh.com.

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