

## WIRING MONEY

*“Mrs. Smith, this is Agent Jones with the U.S. Customs Service. I am calling because we’re holding a package for you at the Canadian border and we need to examine the contents before we can forward it to you. The package contains a check in your name for several thousand dollars from a contest or sweepstakes. We can forward this to you immediately, but first you need to pay the taxes and fees that are owed on this prize. You can wire the fees to us at...”*

Of course, there is no prize. The U.S. Customs Service and other government agencies **never** call consumers about packages or owing taxes, and you never have to pay to play. But by claiming to be a government official, the caller makes you think the deal is real.

Thousands of Americans lose money every day to scam artists operating beyond the boundaries of the United States. Through telemarketing, print ads and e-mail/Internet, cross-border scam artists offer advance-fee loans, lottery tickets, lucrative sounding investment opportunities and bogus prize promotions. One method of payment the con artists tell the consumer to use in these scams is wiring money. Unlike credit cards and checks, wire transfers can’t be canceled after they’ve been sent. This makes wiring money a sure thing for the con artist.

If you are asked to wire money to complete a sales transaction, here are some tips to consider so you are not conned by a scam artist:

- Make sure you know to whom you are sending money. Verify the reputation or legitimacy of the seller **before** attempting to wire money. Call the Consumer Protection Division in your state or the state where the money will be sent for information before wiring money.
- If the business tells you how to answer questions asked by the authorities or wire transfer agent – it’s a scam – **don’t** send any money.
- Stay informed of consumer fraud trends. There is a tremendous amount of publicity regarding this type of scam.

Here are some things to keep in mind before wiring money to someone you do not know:

- Once you wire the money, it is gone for good.
- It is illegal for a business to charge you a fee to receive a loan.
- You do not have to “pay to play.” You have not won anything if you are asked to wire money before you can receive your prize.
- You will **never** be asked to wire money for taxes. That is not how the IRS does business. They will contact you in writing if you owe them taxes.
- Beware of unsolicited letters or e-mails from a Nigerian or other foreign government official requesting assistance in the transfer of excess funds from a foreign country into your bank account. This is a well-known scam.
- Don’t be fooled by offers to pay more than your asking price if only you will do the buyer a favor

and wire the extra money to someone else. This is the “Classified Ad” scam, explained below.

- If you are asked by the “business” to provide only the control number on the wire transfer to ensure your protection - it’s a **scam**. The control number is **all** they need to collect the wired money.

Several recent victims of the wire fraud scam were told to wire the money to their “sister or wife” at the address given by the con artist. They were told that once they had received their product, they could change the name from their family member to the person who was to receive the transfer. Unfortunately, in each case, the con artist picked up the money immediately and the consumer never did receive their product.

Another scam that attracts Internet auction users requires the “winning” bidder to wire the money for the item once the auction is complete. Here is how it works:

The scammer places an expensive, intriguing item like a motorcycle or a classic car up for auction on websites such as e-Bay or AutoTrader, setting a low starting bid to attract attention. After the prospective buyers enter bids, the “owner” closes the auction, often announcing an error has occurred. That allows the person to contact a dozen or more bidders individually and let each know that their bid was the “winning offer.” Then the would-be buyers are directed to an online escrow site recommended by the seller. This is not a legitimate escrow site. The “buyer” is then directed to wire money to a particular address and an e-mail is sent to the buyer indicating that the vehicle or other item is being shipped.

The fake escrow site disappears. The money, actually wired to an account accessible to the scammer, is gone. No motorcycle or car is ever delivered and the buyer has no way to contact the seller.

- Remember, once the money is sent via a wire transfer, there is no way to stop the transaction. If the money is sent to a foreign country, U.S. authorities have no jurisdiction to pursue the matter. Authorities rarely, if ever, recover the consumer’s payment.

## **Classified Ad Scams**

If you have an item advertised for sale in your local newspaper or on the Internet beware of purchasers offering more than the listed sale price. The Consumer Protection Division receives many complaints from consumers who lost money on this scam. How does it work?

The prospective buyer claims to owe money to a third party and sends the seller a cashier’s check for more than the purchase price. The seller is instructed to keep the amount owed for the purchase and wire the overpayment on to another person. There are many different variations of the buyer’s reasons for asking the seller to send the money onto the third person.

The consumer deposits the cashier’s check and wires the “overpayment,” only to learn too late that the cashier’s check is counterfeit. The third party is the accomplice of the phony purchaser and the consumer is out the money. The counterfeit cashier’s checks are very realistic fakes and have even fooled bank tellers.

**Don’t** be fooled by what appears to be a harmless request made by someone who seems very friendly. It’s a **con**. You won’t sell your item, but you **will** lose money.