



Public Service Announcement

FEDERAL BUREAU OF INVESTIGATION



November 29, 2010

FRAUDULENT NOTIFICATION DECEIVES CONSUMERS OUT OF THOUSANDS OF DOLLARS

The IC3 continues to receive reports of letters and emails being distributed pursuant to prize sweepstakes or lottery schemes. These schemes use counterfeit checks that bear legitimate-looking logos of various financial institutions to fool victims into sending money to the fraudsters.

Fraudsters tell victims they won a sweepstakes or lottery, but to receive a lump sum payout, they must pay the taxes and processing fees upfront. Fraudsters direct individuals to call a telephone number to initiate a letter of instructions. The letter alleges that the victim may elect to take an advance on the winnings to make the required upfront payment. The letter includes a check in the amount of the alleged taxes and fees, along with processing instructions. Ultimately, victims believe they are using the advance to make the required upfront payment, but in reality they are falling prey to the scheme.

The victim deposits the check into their own bank, which credits the account for the amount of the check before the check clears. The victim immediately withdraws the money and wires it to the fraudsters. Afterwards, the check proves to be counterfeit and the bank pulls the respective funds from the victim's account, leaving the victim liable for the amount of the counterfeit check plus any additional fees the bank may charge.

Persons may fall victim to this scheme due to the allure of easy money and the apparent legitimacy of the check the fraudsters include in the letter of instruction. The alleged cash prizes and locations of the financial institutions vary.

Tips to avoid being scammed:

- A federal statute prohibits mailing lottery tickets, advertisements, or payments to purchase tickets in a foreign lottery.
- Be leery if you do not remember entering a lottery or sweepstakes.
- Beware of lotteries or sweepstakes that charge a fee prior to delivering your prize.
- Be wary of demands to send additional money as a requirement to be eligible for future winnings.

If you have been a victim of this type of scam or any other cyber crime, you can report it to the IC3 at: www.IC3.gov. The IC3 complaint database links complaints for potential referral to law enforcement for case consideration. Complaint information is also used to identify emerging trends and patterns to alert the public to new criminal schemes.