

Avoiding Money Transfer Scams:

What You Should Know When a Stranger Asks You to Wire Money

Scammers come up with a wide variety of convincing stories to get your money, and many of them involve you wiring money through companies like Western Union and MoneyGram. Scammers love money transfers because wiring money is like sending cash: the scammers get the money quickly, and you can't get it back. Typically, there's no way to reverse a transfer or trace the money, and money wired to another country can be picked up at multiple locations, so it's just about impossible to identify or track the scammer down.

What You Need to Know

Money transfers can be useful when you want to send funds to someone you know and trust—but they're incredibly risky when you're dealing with a stranger.

Remember:

- Wiring money is like sending cash; once it's sent, you can't get it back. Con artists often insist that people wire money—especially overseas—because it's nearly impossible to reverse the transfer or trace the money.
- Never wire money to strangers or someone you haven't met in person. That includes:
 - Sellers who insist on wire transfers for payment
 - An online love interest who asks for money or a favor
 - Someone advertising an apartment or vacation rental online
 - A potential employer or someone who says it's part of your new online job
 - Someone who claims to be a relative or friend in dire straits—often in a foreign jail or hospital—and wants to keep it a secret from the family
- **Never agree to deposit a check from someone you don't know and then wire money back.** The check will bounce, and you'll owe your bank the money you withdrew. By law, banks must make the funds from deposited checks available within a day or two, but it can take weeks to uncover a fake check. It may seem that the check has cleared and that the money is in your account. But you're responsible for the checks you deposit, so if a check turns out to be a fake, you owe the bank the money you withdrew.

Common Money Wiring Scams

Money wiring scams can involve dramatic or convincing stories. The following are some you may have heard about:

- **Lottery and Sweepstakes Scams:** The letter says you just won a lottery. All you have to do is deposit the enclosed cashier's check and wire money for "taxes" and "fees." Regardless of how legitimate the check looks, it's no good. When it bounces, you'll be responsible for the money you sent.
- **Overpayment Scams:** Someone answers the ad you placed online or in the paper to sell something and offers to use a cashier's check, personal check or corporate check to pay for it. But at the last minute, the buyer (or a related third party) comes up with a reason to write the check for more than the purchase price, asking you to wire back the difference. The fake check might fool bank tellers, but it will eventually bounce, and you'll have to cover it.
- **Relationship Scams:** You meet someone on a dating site and things get serious. You send messages, talk on the phone, trade pictures, and even make marriage plans. Soon you find out he's going to Nigeria or another country for work. Once he's there, he needs your help: can you wire money to tide him over temporarily? The first transfer may be small, but it's followed by requests for more—to help him get money the government owes him, to cover costs for a sudden illness or surgery for a son or daughter, to pay for a plane ticket back to the U.S. —always with the promise to pay you back. You might get documents or calls from lawyers as "proof." But as real as the relationship seems, it's a scam. You will have lost any money you wired, and the person you thought you knew so well will be gone with it.
- **Mystery Shopper Scams:** You're hired to be a mystery shopper and asked to evaluate the customer service of a money transfer company. You get a check to deposit in your bank account and instructions to withdraw the amount in cash and wire it—often to Canada or another country—using the service. When the counterfeit check is uncovered, you're on the hook for the money.
- **Online Purchase Scams:** You're buying something online and the seller insists on a money transfer as the only form of payment that's acceptable. Ask to use a credit card, an escrow service or another way to pay. If you pay by credit card online, your transaction will be protected by the Fair Credit Billing Act. Insisting on a money transfer is a signal that you won't get the item—or your money back.

- **Government Agency Scams:** You receive a call from a con artist claiming to be a representative of a government agency asking you to send money or provide personal information, such as your Social Security number and bank account number. They may say they're with the FBI, FTC, IRS, U.S. Customs and Border Protection, or the U.S. Marshals Service. They might even use a real employee's name and call from a Washington, D.C., phone number. But it's a number they've faked. Contrary to scammers' lines, no federal government agency supervises or runs sweepstakes. Similarly, insurers like Lloyd's of London don't insure the delivery of sweepstakes winnings.
- **Advance Fee Loans Scams:** You see an ad or Web site—or get a call from a telemarketer—that guarantees a loan or a credit card regardless of your credit history. When you apply, you find out you have to pay a fee in advance. If you have to wire money for the promise of a loan or credit card, you're dealing with a scam artist: there is no loan or credit card.
- **Family Emergency or Friend-in-Need Scams:** You get a call or e-mail out of the blue from someone claiming to be a family member or friend who says he needs you to wire cash to help him out of a jam—to fix a car, get out of jail or the hospital or leave a foreign country. But he doesn't want you to tell anyone in the family. Unfortunately, it's likely to be a scammer using a relative's name. Check the story out with other people in your family. You also can ask the caller some questions about the family that a stranger couldn't possibly answer.

If you've fallen victim to or want to report a money transfer scam, please contact the **Illinois Attorney General's Consumer Fraud Hotline** at 1-800-386-5438 (TTY: 1-800-964-3013) or **Senior Fraud Helpline** at 1-800-243-5377 (TTY: 1-800-964-3013).

Source: United States Federal Trade Commission, www.ftc.gov



LISA MADIGAN
ILLINOIS ATTORNEY GENERAL