



PROTECTING TEXAS SENIORS FROM COUNTERFEIT CHECK SCAMS

by Texas Attorney General Greg Abbott

FRAUD AGAINST SENIORS IS MORE widespread than most Texans realize. Well-informed seniors and their family members can help prevent the greatest generation from falling victim to fraudulent schemes – including a familiar counterfeit check scam that has re-emerged in recent weeks.

Law enforcement officials recently notified the Attorney General’s Office that the so-called “Reader’s Digest Sweepstakes” scam has reappeared around the state. Some Texans – usually senior citizens – may have received letters claiming the recipient won \$1 million in a sweepstakes. The letter claims its “Prize Award Department” drew the recipient’s “ticket number” from a pool of thousands.

To appear legitimate, the letter fraudulently uses the Reader’s Digest business logo and the Better

Business Bureau’s accredited business seal – which falsely implies BBB accreditation.

Enclosed with the letter is a counterfeit check for several thousand dollars. Letter recipients are told to call a toll-free (800) number for further instructions. As is common in these types of scams, recipients who call the number are instructed to wire an up front payment to cover taxes or other administrative fees before the remainder of their “winnings” can be issued.

The scammers know that the up front payment amount sounds trifling compared to the \$1 million in prize money the victim thinks he or she has won. The victim often thinks it is worth paying the up front fee because the prize money far exceeds the alleged taxes and administrative costs.

But the prize money will never appear.

Victims will simply lose whatever money they wire to the scammers, which can have a devastating effect. In many cases, victims borrow or deplete their savings to come up with the money they are supposed to send in advance. It is a cruel blow when they realize they have lost that money to a con artist.

Counterfeit check schemes like the “Reader’s Digest Sweepstakes” scam typically manifest themselves as an unsolicited offer for a prize or a job that seems too good to be true. In this case, Texas seniors should remember that the BBB has nothing to do with the Reader’s Digest sweepstakes – and the publication itself does not require winners to wire money anywhere.

All Texans should be skeptical about unsolicited financial offers – or risk losing their life savings to a thief.

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POINTS TO REMEMBER



AVOID FRAUDULENT CHECK-CASHING SCHEMES

Common variations used in check-cashing schemes:

- Promising victims they won millions in a sweepstakes or foreign lottery
- Pleading with victims to serve as a conduit for a financial transaction
- Offering victims an inheritance
- Surprising victims with mystery or secret shopper opportunities
- Surprising charities with generous, unexpected donations
- Sending online sellers a larger amount than the agreed price
- Asking potential employees to cover travel and training expenses up front

For more information on senior issues or to report a complaint, contact the Attorney General’s Office at (800) 252-8011 or visit online at www.texasattorneygeneral.gov.



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