FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer & Business Education

NEW SPIN ON SWEEPSTAKES SCAMS

Some con artists use the lure of a sweepstakes to convince consumers to send in money to claim a "prize" they've supposedly won. They tell consumers that the only thing that separates them from their "winnings" is a fee to cover the taxes or service charges. But as all too many consumers know, the winnings as described never materialize.

In a new spin on the age-old sweepstakes scam, crooks are getting bolder, using names of government agencies and legitimate phone numbers that mask where they're calling from. Claiming to represent "the national consumer protection agency," the non-existent National Sweepstakes Bureau, and even the Federal Trade Commission (FTC), they say that the delivery of the sweepstakes prize is being supervised by the supposed government agency. And they're using Internet technology to make it appear that they're calling from Washington, DC, the nation's capital, or the consumer's own area code.

These scammers then convince consumers to wire money to a foreign country — they usually suggest using a commercial money transfer company like Western Union to wire the money — to an agent of "Lloyd's of London" or some other well-known insurance company to "insure" delivery of the "prize." In fact, no insurance company is involved; con artists take the money and disappear.

According to the real Federal Trade Commission, the U.S. government's chief consumer protection agency, consumers can keep from falling for the lure of the sweepstakes scam by taking a few precautions. For example, the FTC says:

- **Don't pay to collect sweepstakes winnings.** If you have to pay to collect your winnings, you haven't won anything. Legitimate sweepstakes don't require you to pay "insurance," "taxes" or "shipping and handling charges" to collect your prize.
- **Hold on to your money.** Scammers pressure people to wire money through commercial money transfer companies like Western Union because wiring money is the same as sending cash. If you discover you've been scammed, the money's gone, and there's very little chance of recovery. Likewise, resist any push to send a check or money order by overnight delivery or courier. Con artists recommend these services so they can get to your money before you realize you've been cheated.
- **Look-alikes aren't the real thing.** It's illegal for any promoter to lie about an affiliation with — or an endorsement by — a government agency or any other well-known organization. Disreputable companies sometimes use a variation of an official or nationally recognized name to try to confuse you and give you confidence in their offers. Insurance companies, including Lloyd's, do not insure delivery of sweepstakes winnings.
- **Phone numbers can deceive.** Some con artists use Internet technology to call you. It allows them to disguise their area code: although it may look like they're calling from Washington, DC or your local area, they could be calling from anywhere in the world.

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- **Take control of the calls you receive.** If you want to reduce the number of telemarketing calls you receive, place your telephone number on the National Do Not Call Registry. To register online, visit www.donotcall.gov. To register by phone, call 1-888-382-1222 (TTY: 1-866-290-4236) from the phone number you wish to register.
- **File a complaint with the FTC.** If your number has been on the National Do Not Call registry for at least 31 days, and a telemarketer calls, file a complaint with the FTC. To file a complaint online, visit www.donotcall.gov. To file a complaint by phone, call 1-888-382-1222 (TTY: 1-866-290-4236). If you receive a call from someone claiming to be a representative of the government trying to arrange for you to collect supposed sweepstakes winnings, file a complaint at ftc.gov. It's most helpful to enforcement officials if your complaints include the date and time of the call and the name or phone number of the organization that called you. Although scammers may call using a telephone number that disguises their location, law enforcers may be able to track that number to identify the caller.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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1-877-FTC-HELP	FOR THE CONSUMER

October 2005