

CONSUMER ADVISORY

August 2013

By Attorney General Tom Miller

Don't Touch That Wire! Money Transfer Scams

The stories are countless and convincing, but they all have something in common: a stranger or caller you think you know wants you to wire money through money transfer companies such as Western Union or MoneyGram. These stories often end the same way: you lost the money you wired.

Wiring money can be like leaving an envelope of cash on a table. Once you send money and a stranger picks it up, you can't get it back. Recipients can almost always pick up the cash at multiple locations in foreign countries, making it very difficult—if not impossible—to trace.

Never wire money to someone you don't know or haven't met in person—even if you think you know the person who called you with a convincing story—even if it sounds like a personal emergency. Never agree to wiring money after depositing a check.

Common Wire Transfer Scams

- **Work at Home Scams:** The ad says you can be your own boss as a “secret shopper” who evaluates a money transfer company's customer service. Someone sends you a cashier's check. You're supposed to cash it, wire a lesser amount, and keep some for yourself for your time and efforts. Although the check appears to be legitimate, days later you find out it isn't—and your bank holds you responsible for the lost funds.
- **Lottery & Sweepstakes Scams:** Someone contacts you by phone, through the mail, or via the Internet, and claims that you've won a lottery or contest. You're supposed to deposit a check and pay a processing fee or taxes through a wire transfer. Again, the check may appear legitimate—but you'll soon find out it isn't and you're on the hook with your bank for the lost money.
- **“Grandparent” Scams:** A frantic caller—who tries to convince you they're a relative, government official, or even a defense lawyer—says there's been an accident, incident or misunderstanding that landed your loved one in jail, the hospital or some other sort of jam. They tell you they need you to wire money immediately. No matter how bad it sounds, take time to verify the story. Ask personal questions that only your loved one would know. Try to contact other family members, a close friend, or even law enforcement to help you gather the facts.
- **Overpayment Scams:** Someone responds to an ad you placed, writes a check for more than you asked for, and asks for you to wire the difference (or they may say they have reconsidered and want you to deposit their check and wire a refund). The check will bounce and you will be out the money.
- **Rental Scams:** You respond to an ad that advertises a place to rent for a very low price. The “landlord” claims they are out of the country on business or missionary work. You wire them the first and last month's rent. They're gone, your money is gone, and so, too, is the place you wanted to rent (which wasn't theirs to rent to begin with). You should only deal with local landlords, be suspicious of below-market rental rates, and don't wire money.

If you wired money and fear or know you've been scammed, contact the wire transfer company immediately to report it. You can report suspected fraud to Western Union's fraud hotline at 1-800-448-1492, or MoneyGram at 1-800-MONEYGRAM (1-800-666-3947). Unfortunately, it may be too late to stop or reverse the money transfer, but make every effort. You should also file a police report, and file a complaint with the Federal Trade Commission (FTC) at www.FTC.gov. You can also file a complaint with the Attorney's Consumer Protection Division. Our contact information is below.