



Home | Search Site

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Complaint
Other Complaint
Resources
News Releases &
Publications
Legal Resources
Jobs & Internships
Contact Us

Consumer Advisory Bulletin- October 2006

Lottery Scams Plus Counterfeit Checks: You're the Loser!

Checks are in the mail -- thousands of them. Iowans are being showered with unexpected cashier's checks or money orders that come with a notice that the recipients have won a foreign lottery. It says all they must do to receive the huge lottery prize is deposit the cashier's check and wire off several thousand dollars for "taxes and fees."

Don't do it! It's a scam to get Iowans to wire money off to con-artists. The counterfeit checks soon bounce, the banks come back for their money, and consumers lose thousands of dollars apiece. The wired money can't be retrieved, and the international crooks can't be caught. It's a costly scheme -- Iowans must be smart and avoid it..

Here's a very typical example: An Iowan receives a letter announcing she has won \$100,000 in a Canadian lottery. ("Your name was selected in a random drawing," it might explain.) A cashier's check is enclosed for \$2900. The Iowan simply must deposit the check at her bank, and then wire the \$2900 to the office in Canada "for taxes, fees, and insurance." When payment is received, the Iowan will get the \$100,000 prize -- they say. In reality, all the victim gets is a mess when the cashier's check or money order bounces

This is a very nasty scam threatening thousands of Iowans. It plays on people's dreams of getting a huge prize, and their longstanding trust in cashier's checks -- especially if the bank accepts the check and provides the funds, at first. The counterfeit checks or money orders are "dead-on," superb forgeries. We've seen lottery scams and counterfeit check scams for years -- but now the combination of the two is very nasty indeed.

Beware of a scam if you see any of these warning signs:

- A "notice" that you have "won a lottery" -- by mail, e-mail or telephone.
- A cashier's check or U.S. Postal money order.
- A request that you wire all or some of the money to someone.
- Solicitations from abroad, such as Canada, Nigeria, London, Amsterdam, etc.

If you have been a victim of a counterfeit check scam, contact the Consumer Protection Division. We'll help you report the scam and advise you on what to do next.

For much more information on this, go to: www.iowaattorneygeneral.org. To file a complaint or get more information, contact the Iowa Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Send e-mail to consumer@ag.state.ia.us. Call 515-281-5926, or call toll-free at 1-888-777-4590.

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