

# FTC Consumer Alert

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

## Churches Cheated in Opportunity Scam

There's no cost to your church. It may even make money to use for good works. It's a win-win situation, right? Maybe not. In fact, it could be a scam.

Con artists with similar pitches are targeting African-American churches with so-called opportunity scams. Emphasizing a shared faith, culture, or concern for the community to win your trust, they offer the opportunity to use equipment or services that supposedly won't cost the church a thing.

Their goal? To get access to your church's bank account, either by lifting account information from a check or by persuading you to sign up to have payments automatically deducted from the account. Once they have access, they can make oversized withdrawals or completely clean out the account.

Recently, scammers offered computer equipment to the staff of several churches, claiming the cost would be covered by a "sponsor." The church staff simply had to sign an agreement to lease the equipment, make a regular payment, and deposit checks from the sponsor to cover the checks the church staff had written. But in the end, the equipment didn't work, the sponsor checks started bouncing, and the churches had thousands of dollars taken out of their accounts.

How can you avoid a potential church opportunity scam? The Federal Trade Commission, the nation's consumer protection agency, recommends remembering:

- **A contract is a commitment.** Before you sign a contract — like a lease — make sure you understand what it's saying. Don't rely on the person making the pitch to sum up the details. They may gloss over obligations outlined in the agreement that can cost your organization a lot.
- **If a contract says you're financially responsible, take it seriously.** A special payment arrangement where a third party reimburses you for payments you make is a sign of a scam. Don't take someone's word that the language in the contract is "standard" or a "technicality."
- **Scammers may look legitimate.** They may direct you to websites they've created, or they may say they are working with other churches in your area. Don't be swayed by an appearance of legitimacy. Do research on an organization before you do business with it.
- **Never wire back money.** In some schemes, scammers send a generous check, asking you to deposit it and wire back a portion or to make a payment right away. Days later when the bogus check bounces, the scammer will have made off with your money.

If your church has experienced a scam like this, report it to your state Attorney General. You can find your state AG at [naag.org](http://naag.org). You also can file a complaint with the FTC at [ftc.gov/complaint](http://ftc.gov/complaint), or 1-877-FTC-HELP.

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](http://ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.