

Watch Out for Unsolicited Prize Calls, Counterfeit Cashier's Checks



Every day, consumers call my office to say they have been scammed or that they've received some kind of suspicious offer. We are glad to get these calls,

especially if you call before you make the mistake of giving a crook access to your bank account or credit card.

Recently, a woman told us she received a call from someone who said she had won a \$500 shopping spree. All she had to do was pay \$4.95 and provide her checking account number so this amount could be drafted directly from her bank. The caller then made a second offer, involving magazine subscriptions for an additional \$4.95 per month for two years. The consumer agreed to this against her better judgment, under sales pressure, after the caller told her she could cancel any time without penalty.

Of course there was no shopping spree, and in addition to the \$4.95, \$118.80 (\$4.95 x 24 months) was deducted from her account in a lump sum for the nonexistent magazines, in spite of the fact that she tried to cancel. This elderly woman, who lives on a fixed income, could ill afford to pay this amount and would never have agreed

to such a large one-time debit from her account.

Unfortunately, once you are victimized by a scam like this, it is very unlikely you will get your money back. That's why we recommend consumers exercise extreme caution before responding to sales pitches from unknown callers. Chances are, you won't be able to find them if you change your mind or need to dispute the charges. You can report scams like these to your local law enforcement agency or prosecutor, but even if the crooks are found, your money will likely have been spent already or even been sent out of the country.

I cannot say it often enough: Be suspicious of a caller who says you have won something, whether it is a shopping spree, a government grant, vacation, contest, lottery or sweepstakes. You will almost always be asked to pay money up front or, at the very least, to provide personal financial information.

The money you will be asked to pay will be small compared to the amount they say you will eventually receive. But that is an illusion. No matter how small the "fee," it's a bad deal when you get nothing in return. And besides, scam artists who ask for your bank account number or other financial information are going to steal even more of your money and maybe your identity, too.

A recent variation on this kind of scam involves counterfeit cashier's checks. Con artists who have realized that consumers are wary of unsolicited calls now have begun mailing what looks like a real cashier's check for a large sum. These counterfeits are so good that they fool banks. The warning sign: The check will be for more than you are supposed to receive, and you will be asked to pay back the difference. The check is phony, and the difference is the amount you will lose.

Again, remember never to disclose your Social Security number, credit card number or, worse, bank account number to a telemarketer. The most dangerous thing you can do is to authorize drafts from your account by a business you know very little about.

Let me add a caution about automatically renewing contracts, too. Never sign a contract unless you have read it in its entirety and feel sure you understand all the terms. When you allow automatic payments and renewals, you put the burden on yourself if your circumstances change and you no longer want or can afford or are satisfied with the product or service you have bought.

Scam artists are not out to give you money. They are out to take your money. Protect yourself.

POINTS TO REMEMBER

Protect Yourself from Scams

- Do not authorize automatic drafts on your account by an individual or company you know little about.
- Don't be fooled: You cannot win a foreign lottery, contest or sweepstakes if you didn't enter. An unsolicited caller does not have a "government grant" or cash prize for you.
- Think twice before signing an automatically renewing contract, especially in conjunction with an automatic bank draft.
- Do not sign a contract unless you have read every word and understand all the terms.
- Beware of counterfeit cashier's checks, usually for an amount in excess of the "prize" or purchase, that ask you to return the difference. Realize that your bank may be fooled, too.
- Consult an attorney if you do not understand what you are signing.

For more tips about scams or to file a consumer complaint:

Office of the Attorney General
(800) 252-8011

www.oag.state.tx.us



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Information on this and other topics is available on the Attorney General's website at www.oag.state.tx.us.