

# Five Hot Scams: Don't Fall for them!



By Greg Abbott  
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Prevention is an important part of the work my office does to protect consumers. You can help protect yourself and your family from being scammed by familiarizing

yourself with some of the most common frauds and scams in circulation today.

Five scams in particular keep resurfacing in recent months. They are: phony lotteries and sweepstakes; "phishing;" counterfeit cashier's checks; easy credit scams; and bogus loans.

• The lotteries and sweepstakes target senior Texans. The victim is told that he or she has won a fabulous prize. To collect the cash, the victim must send "fees" and "taxes." But there is no prize. This is theft, pure and simple. Anytime you have to pay up front to collect a prize, believe me, it is a scam.

• "Phishing" is an Internet scam that uses e-mail to deceive consumers into disclosing their credit card numbers, bank account information, Social Security numbers, passwords, and other sensitive information. These e-mails appear to be from reputable companies, but they are not. Don't be fooled! Legitimate companies work hard to provide security and privacy. They do NOT contact customers to solicit

"updates" on their financial and personal information.

If you receive a solicitation similar to this, contact the company yourself by telephone – do not use links or mailers provided in the e-mail you received. The real company will probably want you to forward the message you received to their security department.

• The counterfeit cashier's check scam involves sales of major items by individuals, often over the Internet. The seller is approached by a buyer or a person claiming to represent a buyer. The seller is told that the buyer can only send a cashier's check for an amount greater than the value of the purchase. The seller is asked to send the difference to the buyer. Later, it turns out that the cashier's check is in fact a counterfeit.

To protect yourself, make sure your bank clears the check before you release the item or give a refund. But be extra careful. These counterfeits are very convincing. In some cases, the bank has been fooled and the victim is responsible for the losses.

• Easy credit scams may be found online or in classified advertisements. A company claims it can guarantee a loan or credit card for a fee paid in advance, no matter how low your credit rating. The fee may be as much as several hundred dollars.

It's against the law for a lender to charge an advance fee for a loan or credit. And legitimate lenders will never

guarantee that you can get a loan or credit card before you apply, especially if you have bad credit, no credit or a bankruptcy.

• A number of consumers have turned to our office in confusion after receiving demands from collection agencies to pay debts that they do not recall. We always suggest the possibility that the consumer's identity has been stolen. However, in some cases no evidence can be produced that a debt even exists.

Some collection agencies use intimidating letters to frighten consumers into paying off bogus debts. We caution these consumers that in addition to taking steps to protect themselves from ID theft, they should demand proof that an unfamiliar debt even exists. A legitimate debt collection agency can produce valid written proof of a debt's existence.

Be wary of these types of scams or others that sound similar. If you have received a questionable solicitation, do not hesitate to report it to my office.

## POINTS TO REMEMBER

### FIVE HOT SCAMS

#### Phony lotteries & Sweepstakes

- You did NOT win millions in a foreign lottery.
- It is illegal to buy and sell lottery tickets across state and national boundaries.
- You do NOT have to pay "fees" and "taxes" to collect a real prize.

#### Phishing

- Legitimate companies do not ask you to "update" or "verify" your personal financial or account information.

#### Counterfeit Cashier's Checks

- Do not send money to anyone who pays more than asking price by cashier's check.
- Beware: banks have been fooled, too.

#### Easy Credit Scams

- Legitimate lenders will not guarantee approval before you apply.
- It is illegal for a lender to charge an advance fee.
- There is no easy fix for bad credit.

#### Bogus Debts

- Demand proof that a debt exists before you pay a debt you were not aware of.



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Information on this and other topics is available on the Attorney General's Web site at [www.oag.state.tx.us](http://www.oag.state.tx.us).