

FTC Consumer Alert

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

Scammers Exploit the FTC's Good Name, Promise Phony Sweepstakes Prizes

"Hi, I'm calling from the Federal Trade Commission to tell you that you have won \$250,000..."

Someone who claims to work for the Federal Trade Commission calls to inform you that you have won a lottery or sweepstakes. To receive the prize, all you have to do is pay the taxes and insurance. The caller asks you to wire money or send a check for an amount between \$1,000 and \$10,000. What should you do? Don't send money or account information, and immediately report the incident to the Federal Trade Commission (FTC) at www.ftc.gov.

The FTC is the nation's consumer protection agency. It investigates fraud and provides free information, but it never collects money directly from consumers. FTC staffers don't have any involvement with this sweepstakes scam, and they want you to avoid it.

The caller might suggest that the FTC is supervising the giveaway. He or she might even use the name of a bonafide FTC employee. Your Caller ID might display the Federal Trade Commission's name or a Washington, DC area code. Don't be surprised if you receive repeated calls and follow-up faxes.

No matter how convincing the impersonation, never send money to claim a prize. No FTC employee will ever call to ask you to send money. Legitimate sweepstakes companies won't either. Nevertheless, many consumers and their families sent money and lost it before recognizing this as a scam and reporting it.

Taking a few precautions can help you minimize your risk of falling for the lure of sweepstakes scams:

- **Don't pay to collect sweepstakes winnings.** If you have to pay to collect your winnings, you haven't won. Legitimate sweepstakes don't require you to pay "insurance," "taxes," or "shipping and handling charges" to collect your prize.
- **Hold on to your money.** Scammers pressure people to wire money through commercial money transfer companies like Western Union because wiring money is the same as sending cash. If you discover you've been scammed, the money's gone, and there's very little chance of recovery. Don't send a check or money order by overnight delivery or courier, either. Con artists recommend these services so they can get your money before you realize you've been cheated.

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- **Look-alikes aren't the real thing.** It's illegal for any promoter to lie about an affiliation with — or an endorsement by — a government agency or any other well-known organization. Disreputable companies sometimes use a variation of an official or nationally recognized name to try to confuse you and give you confidence in their offers. Insurance companies, including Lloyd's of London, do not insure delivery of sweepstakes winnings.
 - **Phone numbers can deceive.** Some con artists call using Internet technology that allows them to disguise their area code: although it may look like they're calling from Washington, DC, or your local area, they could be calling from anywhere in the world.
 - **File a complaint with the FTC.** If you receive a call from someone who claims to be a representative of the government trying to arrange for you to collect supposed sweepstakes winnings, file a complaint at ftc.gov or call 1-877-FTC-HELP. Your complaint will be most useful to enforcement officials if you include the date and time of the call, the name or phone number of the organization that called you, the FTC employee name that was used, the prize amount, the amount of money requested, the payment method, and any other details.

The FTC works 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 get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

Watch a new video, *How to File a Complaint*, at ftc.gov/video to learn more. 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.

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