



## CONSUMER ALERT!



### **State Agencies Warn about Internet Lottery and Sweepstake Scams**

MONTGOMERY, ALABAMA (September 15, 2008) Attorney General Troy King and Alabama Securities Commission Director Joseph Borg today issued a consumer alert to raise awareness about potential "International Lotteries and Sweepstakes Scams" being conducted over the internet, by mail and telephone. This consumer alert was generated due to a recent increase of inquiries from citizens in Alabama concerning international lotteries and sweepstakes notifications.

The Identity Theft Lottery or Sweepstakes Scam: The criminal contacts consumers usually by email to congratulate them on winning an international lottery or a sweepstakes conducted by a major corporation, often a beer or soft drink company. The winner is encouraged to contact a claims agent at a provided email address. Next the claim agent may send a form to verify the victim's identity. Sometimes victims are asked to send copies of driver's license or passports for proof of identification and bank account numbers that lottery winnings may be deposited in.

Joseph Borg, Director of the Alabama Securities Commission, says, "Once you have given your identity information to a stranger you are a potential target to have money withdrawn from your accounts or unauthorized expenditures charged to your credit cards. The thieves that promote these scams are difficult to find. On the internet, they can send out thousands of letters to people all over the world by using sophisticated software. The scam artists stay on the move and by the time they are caught your money is usually gone!"

The Upfront Fee Lottery or Sweepstakes Scam: The criminal contacts the consumer by email or regular US mail to congratulate them on winning an international lottery or a sweepstakes. The consumer is asked to provide upfront fees to cover taxes, legal fees or other expenses to process the winnings. Victims are given options to transfer the money. In some cases victims are sent a bogus check that is larger than the fee; the victim cashes the check against their account and sends the money via Western Union--later the winnings check bounces. Victims may also be asked to pay fees via Western Union, or open an account with a "bogus" specified bank with a policy requiring a large initial deposit to open an account--the initial deposit is later lost. Some victims have even traveled across the world and upon arrival they were asked to pay a release fee in cash; then they received their large winnings in counterfeit cash.

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Alabama Attorney General, Troy King says, “International lotteries are illegal according to Federal and State laws! This should be the first “Red Flag” or a strong indication to avoid responding to an international lottery or sweepstakes with claims that sound too good to be true. If you are approached by email, mail, or in any manner concerning winnings from an international lottery or sweepstakes your next stop should be to contact our Consumer Affairs office (Hotline: 1-800-392-5658 or 334-242-7334) or the Federal Trade Commission.”

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.

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If you have further questions contact:

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or

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