

Business Compliance Solicitation Scams



The Office of the
Minnesota Attorney General
helping people afford their lives and live with dignity and respect

Some companies have sent solicitations to Minnesota businesses that at first glance appear to be official mailings from a government agency and imply the businesses must pay a fee to comply with annual meeting, minutes, or reporting requirements. The solicitations often use confusing legal jargon—sometimes even quoting state or federal laws—and attempt to create a false sense of urgency by listing a fictitious deadline before which the business is “required” to respond. The solicitations for these scams always instruct the business to submit a fee for a service that is unnecessary or that the business could do on its own for a fraction of the cost.

The perpetrators of these types of scams are often fly-by-night operators who frequently change their names, addresses, and telephone numbers to cover up a track record of complaints or to avoid detection. And once money is sent, it is typically gone for good. It could happen like this:

“Olivia” was busy juggling two property management companies when she received an official-looking solicitation that asked her to pay a \$125 fee and fill out a form with information about her company’s officers. The next day, after Olivia put the check in the mail, she received the same solicitation for her other company. After taking a closer look at the second solicitation, she realized that the fee was actually for a recordkeeping service her businesses did not need. Luckily, she was able to stop payment on the check.

“Connie’s” book store received a solicitation that quoted state laws and asked her to pay for a minute taking service. Connie did not recognize the name of the company that sent the solicitation, so she called her attorney. Her attorney told her that the law quoted on the solicitation did not require her to pay for such a service. Connie did not pay the fee and threw the solicitation away.

Advice for Avoiding Compliance Solicitation Scams

Although the fine print on these solicitations may disclose that the service is not required, the companies that send these solicitations count on the fact that busy employees who process the forms or handle accounts payable may not always notice the fine print disclaimer. It is important for businesses to do their homework before paying for the unnecessary services advertised in these types of solicitations. Here are a few tips:

- Read the solicitation carefully to find out who actually sent it and what they are offering.
- Keep a list of required registrations and fees handy.
- Keep track of when renewals are due.

Business registration and compliance issues can be complex. If you have questions about business filings and associated fees, you should contact an attorney or the Minnesota Office of the Secretary of State as follows:

Minnesota Office of the Secretary of State

Retirement Systems of Minnesota Building

60 Empire Drive, Suite 100

St. Paul, MN 55103

(651) 296-2803 or (877) 551-6767

www.sos.state.mn.us

Report Compliance Solicitations

If you receive a solicitation similar to those described above, you should report it to the Federal Trade Commission (FTC), which enforces laws regulating deceptive and misleading advertising and business practices. You should also report the solicitation to the United States Postal Inspection Service (USPIS), which has the authority to investigate mail fraud. You may contact these agencies as follows:

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
(877) 382-4357
TTY: (866) 653-4261
www.ftccomplaintassistant.gov

United States Postal Inspection Service

Criminal Investigations Service Center
Attn: Mail Fraud
433 West Harrison Street, Room 3255
Chicago, IL 60699-3255
(877) 876-2455
postalinspectors.uspis.gov

For additional information, or to report a business compliance scam, you may contact the Office of Minnesota Attorney General Keith Ellison as follows:

Office of Minnesota Attorney General Keith Ellison

445 Minnesota Street, Suite 1400
St. Paul, MN 55101
(651) 296-3353 (Twin Cities Calling Area)
(800) 657-3787 (Outside the Twin Cities)
(800) 627-3529 (Minnesota Relay)
www.ag.state.mn.us