

How to Spot a Scam



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

Scammers are constantly reinventing new ways to perpetrate old ploys. Whether you're contacted by phone, mail, email, text, or in-person, the following tips provide advice on how to spot a scam.

Look For These Tell-Tale Red Flags

You are contacted out of the blue. Scam artists aim fake invoices, phony debt collection notices, and spam emails at unsuspecting consumers hoping they will pay before checking their records. You should never send money or provide personal information to unknown or unfamiliar people or entities. For example:

"Steve" received a call from a man who claimed to be calling from the IRS about supposed unpaid taxes. Steve knew he'd paid his taxes on time and didn't owe any money to the IRS. When the individual said he had to pay immediately to avoid a penalty, Steve hung up.

You are required to send money upfront in order to receive a prize. Legitimate companies never require someone to pay money upfront in order to receive a prize. Consider this:

"Bill" received a mailing that claimed he'd won \$1 million in an overseas lottery. The mailing stated that he needed to pay \$500 for "taxes" to receive his winnings. Bill knew that foreign lotteries were illegal—and he certainly hadn't entered one—so he tossed the mailing in the trash.

You are asked to send money via a wire transfer or "reload pack." Scam artists often instruct consumers to send money by wire transfer or reloadable money packs. Sending money in these forms is the same as sending cash—it is nearly untraceable, and once the money is sent, it is generally gone for good. Just consider:

"Mike" received a call from someone who claimed to represent the "U.S. Government Grant Department." The caller asked him to put \$325 on a reloadable money pack and call back with the numbers on the back of the card to receive a \$5,000 grant. Mike hung up because he knew that giving the number on the back of the card to the individual was as good as giving him cash.

You are asked to provide personal or financial information. Banks, government agencies, and legitimate companies only ask consumers to provide personal information in rare circumstances and don't do so by phone, email or text message. Scam artists impersonate these types of entities and use deceptive messages to lure consumers into providing their private information so that they can use it to commit fraud. Never provide your private information in response to an unsolicited call, email, or text message. Instead, call the entity at the number listed on its website or on the back of your card. For example:

"Roberto" received a text message that appeared to come from his bank. It said he should call a toll-free number to reactivate his credit card. Roberto knew his credit card was working properly and didn't recognize the texter's number. He called his bank using the telephone number listed on the back of his credit card, which confirmed the message was a scam.

You are asked to keep it a secret. Scam artists may ask consumers not to tell anyone about the situation so that the consumer doesn't get advice from someone who might detect the scam. If you are asked to keep a transaction a secret, you should do the opposite—immediately contact trusted family members or friends to investigate the situation and get their opinion:

“Delores” received a call from a man she thought was her grandson, “Mike.” He said that he was in trouble and needed money fast. Mike claimed that he was embarrassed about the situation and pleaded with Delores not to tell anyone about the matter, especially his parents. After the call ended, Delores called her daughter, who said Mike wasn't in any trouble at all.

You are asked to act quickly. Scam artists may say that there is a limited time to act in order to get people to pay money before they have time to think the situation through:

“John and Mary” were in the market to sell their timeshare in the Bahamas. They received a call from a supposedly local Bahamian company that claimed it had found a buyer who wanted to buy the unit that same day, and asked John and Mary to immediately pay a large upfront fee. When they asked for a few days to think about it, the individual claimed that they must send him the money that day or forfeit the opportunity. John and Mary let the “deal” go because they weren't going to send money before they had time to review the documents and research the company. It's a good thing they did, because this was a scam.

You receive payment in the form of a cashier's check or money order. Scam artists can create counterfeit checks and money orders that look remarkably authentic. After your financial institution cashes a check or money order, it generally has up to two weeks to reverse the transaction. If the check or money order ultimately ends up being counterfeit, your financial institution will probably hold you responsible for any portion of the funds that were used or sent back to the scam artist. For example:

“Terri” was trying to sell her car on an online classified site. One of the offers she received included a check for an amount greater than the sale price. The purported buyer told her the overpayment was for shipping and asked her to wire the money to a transporter. Terri asked her bank to look over the check. Sure enough, it was counterfeit. It's a good thing Terri didn't wire the overage to the transporter, because her money would have been gone for good.

It sounds too good to be true. If something sounds too good to be true, it probably is. Consider this:

“Rhoda” received a mailing that offered an “exclusive” work-at-home opportunity earning \$5,000 a week. Rhoda became suspicious when she noticed the bulk mailing stamp on the envelope. She asked herself, “how many others had received a similar offer?” A quick Internet search told her that thousands of people apparently had—and the offer was a scam.

If you notice any of these red flags during a transaction, it's a strong indication that you're being targeted by a scam. In these situations, remember the following tips:

- **Don't be afraid to say "no."** If something doesn't seem right, tell the person you're not interested. Don't be afraid to hang up the phone, or to not respond to future calls, text messages or emails from the person. Hanging up isn't bad manners if you think you're being scammed.
- **Ask a friend, family member, or neighbor for their opinion.** Scam artists don't have your best interests in mind. Asking a trusted friend, family member or neighbor about the situation may help you spot the scam and save you from being victimized.
- **Don't be rushed.** If you are pressured to act quickly, take time to think things through. If an offer is good today, it will usually be available tomorrow.
- **When in doubt, don't give it out.** If you question who is contacting you, don't give them any private information. Scam artists can use personal and financial information to steal your identity, drain your bank accounts, and open lines of credit in your name. If in doubt, don't give your information out.
- **Research the offer.** A simple Internet search can sometimes yield a lot of information, including consumer reviews, complaints, and other postings. You can also check with the Attorney General's Office to find out more about emerging scams.

If you have concerns about a particular offer or believe you are the victim of a scam, contact the Minnesota Attorney General's Office 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

The Minnesota Attorney General's Office publishes a number of flyers designed to provide more detailed information on specific scams, from lottery scams to loan scams to secret shopper scams, among many others. You may view these publications on the Office's website, or order copies by contacting the Minnesota Attorney General's Office at the above address or phone number.