



Foreign Money Scams

People in Wisconsin are being targeted to invest in complicated bank fraud schemes. These scams originate from all over the world – from places such as Nigeria, Switzerland, Canada, and Jamaica to name a few.

If you receive an offer

If you are tempted to respond to an offer, stop and ask yourself two important questions: Why would a perfect stranger pick you to share a fortune with, and why would you share your personal or business information, including your bank account numbers or your company letterhead with someone you do not know.

There is no legitimate reason for someone who is giving you money to ask you to wire money back.

We caution against traveling to the destination mentioned in the letter. People who responded to these “advance-fee” solicitations have been beaten, subjected to threats and extortion, and in some cases, murdered.

Advanced-fee fraud

The perpetrators of advance fee fraud, known internationally as “4-1-9 fraud” after the section of the Nigerian penal code which addresses these schemes, are often very creative and innovative. A large number of victims are enticed into believing they have been singled out from the masses to share in multi-million dollar windfall profits for no apparent reason.

If you have received an e-mail or fax from someone you do not know requesting your assistance in a financial transaction, such as the transfer of a large sum of money into an account, or claiming you are the next of kin to a wealthy person who has died, or the winner of some obscure lottery, DO NOT respond.

These requests are typically sent through public servers via a generic “spammed” e-mail message. Usually, the sender does not yet know your personal e-mail address and is depending on you to respond. Once you reply, whether you intend to string them along or tell them



you are not interested, they will often continue to e-mail you in an attempt to harass or intimidate you. If you receive an unsolicited e-mail of this nature, the best course is to simply delete the message.

Due to a number of aggravating circumstances – the use of false names, addresses, stolen/ cloned/prepaid cell phones and remote e-mail addresses – verifying the location of and subsequent prosecution of these persons or groups is difficult. The act of sending an e-mail soliciting your assistance in a financial transaction is not a crime in itself. The installation of a credible spam filter and contacting your Internet Service Provider may help deter these unsolicited e-mails. However, there is currently no available program to completely block these types of messages.

Reshipping fraud

A relatively new scheme targeting business and credit card owners is “reshipping fraud.” Criminals operating primarily from Eastern European countries and Nigeria have been conducting widespread international schemes involving bogus job offers, fraudulent credit orders, and the reshipping of illegally obtained products.

The scam begins when criminals buy high-dollar merchandise—such as computers, cameras, and other electronics—via the Internet using stolen credit cards.

They have the merchandise shipped to addresses in the United States of paid “reshippers” (who may be unaware they are handling stolen goods).

The reshippers repackage the merchandise and mail it to foreign locations such as Russia, Ukraine, Estonia, Lithuania, Romania, and Germany. Victimized businesses include such well-known companies as Amazon, Gateway, and eBay.

The Bureau of Consumer Protection offers these tips:

- Do not give out any personal information to a person or company you do not know.
- Be suspicious of any offer that does not pay a regular salary or involves working for a company overseas.
- Check out the company with the US Federal Trade Commission, the Better Business Bureau, or the Bureau of Consumer Protection.

Foreign lottery scam

Scam operators— are using the telephone and direct mail to entice U.S. consumers to buy chances in high-stakes foreign lotteries from as far away as Australia and Europe.

Federal law enforcement authorities are intercepting and destroying millions of foreign lottery mailings sent or delivered by the truckload into the U.S. Consumers, lured by prospects of instant wealth, are responding to the solicitations that do get through – to the tune of \$120 million a year, according to the U.S. Postal Inspection Service.

An additional scam is the foreign fake email scam which usually involves a fake lottery and a fake bank (or attorney, securities company or courier service). The victim is notified of a lottery win and told the prize will be paid into a bank account at a private bank in London or other city.

The victim is told they must open an account there, usually with a minimum deposit of \$5000. The victim is told he/she will be able to access his/her account with the winnings and the deposit in it within 24 hours of setting up the account and the “winnings” being sent.

Of course, that never happens. Once the victim opens the account and makes a deposit, the criminals simply pick up the cash wired to the UK as a deposit at a

Western Union agent (such as a major post office) and move on to the next victim.

There really was no bank account, or even a bank, just as there was no lottery prize to start with.

Fake check scams

There are many variations of the fake check scam. It could start with someone offering to buy something you advertised, pay you to do work at home, give you an “advance” on sweepstakes you supposedly won, or pay the first installment on the millions that you will receive for agreeing to have money in a foreign country transferred to your bank account for safekeeping.

They often claim to be in another country. The scammers say it is too difficult and complicated to send you the money directly from their country, so they will arrange for someone in the U.S. to send you the check.

They tell you to wire money to them after you have deposited the check. If you are selling something they say they will pay you by having someone in the U.S., who owes them money, send you a check.

In the sweepstakes and foreign money offer variations of the scam, they will tell you to wire them money for taxes, customs, bonding, processing, legal fees, or other expenses that must be paid before you can get the rest of the money.

The check is a fake, but may look real. You do not have to wait long to use the money, but that does not mean the check is good. But just because you can withdraw the money does not mean the check is good, even if it is a cashier’s check. It can take weeks for the forgery to be discovered and the check to bounce.

There is no legitimate reason for someone who is giving you money to ask you to wire money back.

Wiring money is like sending cash, once it is sent, you cannot get it back. Con artists often insist that people wire money – especially overseas – because it is nearly impossible to reverse the transfer or trace the money.

Protecting yourself

- Throw away any offer that asks you to pay for a prize or a gift. If it is free or a gift, you should not have to pay for it. Free is free.

- If you receive a letter from a foreign government asking you to send personal or banking information, do not reply in any manner.
- Be skeptical of individuals representing themselves as foreign government officials asking for your help in placing large sums of money in overseas bank accounts.
- Do not believe the promise of large sums of money for your cooperation.
- Guard your account information carefully.
- Resist the urge to enter foreign lotteries. It is illegal to play a foreign lottery through the mail or the telephone, and most foreign lottery solicitations are phony.
- Know who you are dealing with, and never wire money to strangers.
- If you are selling something, do not accept a check for more than the selling price, no matter how tempting the offer or how convincing the story. Ask the buyer to write the check for the correct amount. If the buyer refuses to send the correct amount, return the check. Do not send the merchandise.
- As a seller, you can suggest an alternative way for the buyer to pay, like an escrow service or online payment service. There may be a charge for an escrow service. If the buyer insists on using a particular escrow or online payment service you have never heard of, check it out. Visit its website, and read its terms of agreement and privacy policy. Call the customer service line. If there is not one – or if you call and cannot get answers about the service’s reliability – do not use the service.
- If you accept payment by check, ask for a check drawn on a local bank, or a bank with a local branch. That way, you can make a personal visit to make sure the check is valid. If that is not possible, call the bank where the check was purchased, and ask if it is valid. Get the bank’s phone number from directory assistance or an Internet site that you know and trust, not from the check or from the person who gave you the check.
- If the buyer insists that you wire back funds, end the transaction immediately. Legitimate buyers do

not pressure you to send money by wire transfer services. In addition, you have little recourse if there is a problem with a wire transaction.

Resist any pressure to “act now.” If the buyer’s offer is good now, it should be good after the check clears.

For more information or to file a complaint, visit our website or contact:

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