

# MONEY WIRING SCAMS

Scam artists use a number of elaborate schemes to get your money, and many involve money transfers through companies like Western Union and MoneyGram. Money transfers may be useful when you want to send funds to someone you know and trust, but they're completely inappropriate when you're dealing with a stranger.

Why do scammers pressure consumers to use money transfers? So they can get their hands on the legitimate money before their victims realize they've been cheated. Once the money has been picked up, there is no way you can reverse the transaction or trace the money. Additionally, when you wire money to another country, the recipient can pick it up at multiple locations, making it nearly impossible to identify them or track them down. In some cases, the receiving agents of the money transfer company might be an accomplice in the fraud. Money transfers are virtually the same as sending cash and there are no protections for the sender.

Many money transfer scams involve dramatic or convincing stories that play on your optimistic nature, your selflessness or your thriftiness. But no matter how you construe it, they always cost you money. Here are some scams involving money transfers that you may recognize.

**Grandparent Scams.** *"Grandpa, do you know who this is?"* Grandpa not wanting to admit he doesn't recognize his grandchild says a name of one of them. Now the scammer has the information he needs to continue with the scam. The scammer appears to be in great distress and tells grandpa *"I'm in jail and need bail money. Please go the Western Union office and send me \$2000.00 right away! And please don't tell my parents: they'll be so disappointed!"*

Scam calls such as this use several reasons for the grandparent to wire money such as needing funds to repair a car, pay a fine, or for getting out of trouble in a foreign country. These scammers are banking on your love and concern to outweigh your skepticism. They swear you to secrecy and play on your emotions, in hopes that you'll wire the money right away. Once the money is picked up, you can't trace it or get it back. Imposters encourage

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using money wire services so they can get your hard earned money before you realize you've been scammed.

**Lottery and Sweepstakes Scams.** The letter says you just won a lottery. All you have to do is deposit the enclosed cashier's check and wire money for "taxes" and "fees." Regardless of how legitimate the check looks, it's no good. When it bounces, you'll be responsible for the money you sent. Refer to the *Sweepstakes Scams* section of this handbook for more information.

**Overpayment Scams.** Someone answers the ad you placed to sell something and offers to use a cashier's check, personal check or corporate check to pay for it. But at the last minute, the buyer (or a related third party) comes up with a reason to write the check for more than the purchase price, asking you to wire back the difference. The fake check might fool bank tellers, but it will eventually bounce, and you'll have to cover it.

**Relationship Scams.** You meet someone on a dating site and things get serious. You send messages, talk on the phone, trade pictures, and even make marriage plans. Soon you find out he's going to Nigeria or another country for work. Once he's there, he needs your help: can you wire money to help? The first transfer may be small, but it's followed by requests for more – to help him get money the government owes him, to cover costs for a sudden illness or surgery for a son or daughter, to pay for a plane ticket back to the U.S. – always with the promise to pay you back. You might get documents or calls from lawyers as "proof." But as real as the relationship seems, it's a scam. You will have lost any money you wired, and the person you thought you knew so well will be gone with it.

**Mystery Shopper Scams.** You're hired to be a mystery shopper and asked to evaluate the customer service of a money transfer company. You get a check to deposit in your bank account and instructions to withdraw a certain amount in cash and wire it to another country, using the service. When the counterfeit check is uncovered, you're on the hook for the money.

**Online Purchase Scams.** You're buying something online and the seller insists on a money transfer as the only form of payment that's acceptable. Ask to use a credit card, an escrow service or another way to pay. If you pay by credit or charge card online, your transaction will be protected by the Fair Credit Billing Act. Insisting on a money transfer is a signal that you won't get the item – or your money back.

**Apartment Rental Scams.** In your search for an apartment or vacation rental, you find a great prospect at a great price. It can be yours if you wire money – for an application fee, security deposit and/or the first month's rent. Once you've wired the money, it's gone, and you learn there is no rental. A scammer hijacked a real rental listing by changing the contact information and placing the altered ad on other sites. Or, they made up a listing for a place that isn't for rent or doesn't exist, using below-market rent to lure you in. If you're the one doing the renting, watch out for the reverse: a potential renter will say they want to cancel their

deposit and ask you to wire the money back – before you realize the check was a fake.

**Advance Fee Loans Scams.** You see an ad or website – or get a call from a telemarketer – that guarantees a loan or a credit card regardless of your credit history. When you apply, you find out you have to pay a fee in advance. If you have to wire money for the promise of a loan or credit card, you're dealing with a scam artist: there is no loan or credit card.

**Family Emergency or Friend-in-Need Scams.** You get a call or email out of the blue from someone claiming to be a family member or friend who says he needs you to wire cash to help him out of a jam – to fix a car, get out of jail or the hospital or leave a foreign country. But they don't want you to tell anyone in the family. Unfortunately, it's likely to be a scammer using a relative's name. Check the story out with other people in your family. You also can ask the caller some questions about the family that a stranger couldn't possibly answer.

**Hacked or "Hijacked" Email Scams.** You get a flood of messages from friends and family. They're getting emails from you with seemingly random links, or messages with urgent pleas to wire you money. It looks like your email or social media account might have been taken over. What do you do? For starters, make sure your security protections are up-to-date, re-set your password, and warn your friends (A quick email letting your friends know they might have gotten a malicious link or a fake plea for help can keep them from sending money they won't get back or installing malware on their computers). Also, check the advice your email provider or social networking site has about restoring your account. If your account has been taken over, you might need to fill out forms to prove it's really you trying to get back into your account.