

# SWEEPSTAKE SCAMS

Have you received an official-looking letter saying you've won a foreign lottery or sweepstakes? How about a phone call or email saying you won a large sum of money and a new car? Responding to these types of solicitations can be tempting: After all, maybe there's a possibility that you won some money that could turn your dreams into reality!

There's a catch! Unfortunately, many people think the cashier's check accompanying the letter is real. It's not. It's a trick to get you to cash the counterfeit check and wire all or a portion of the money to someone you don't know. Eventually your bank will be notified by the Federal Reserve that the check is fraudulent and your bank will then require you to pay all the money back. In some cases, the scammers don't send a letter and check, but instead they call and request that you purchase a prepaid or reloadable credit card, in order to obtain your winnings. Either way, this is a scam!

**When receiving mailings, calls or emails saying that you won money, make sure to watch for these tell-tale lines that scammers use to trick you into falling victim to their scams:**

- "You've' won millions of dollars!"
- "You must decide right away. We have no time to waste."
- "We can put the shipping/transport charges on your credit card."
- "Make sure to keep this a secret for now. Don't tell your family, lawyer, etc. until we finalize your transaction."
- "We'll send you the money to pay for the taxes."

If you are someone who trusts these kinds of offers, and follows up by wiring money or purchasing a prepaid/reloadable credit card for fictional taxes and fees, you're not only out of luck, but also out of money. Furthermore, responding to these mailings, e-mails, or calls, will place your name on a "sucker list" that fraudulent telemarketers buy and sell, so expect more bogus offers for lottery or investment scams. Here's how to protect yourself from these types of scams:

**Sweepstakes Scams Require You Pay to Receive the Prize.** Legitimate sweepstakes will never ask you to pay fees to participate or to receive a prize. You should never have to pay handling charges, service fees, or any other kind of charges up front to receive a win - those are sure signs of sweepstakes scams. Sweepstakes taxes are paid directly to the IRS along with your regular tax return.

SOUTH DAKOTA OFFICE OF ATTORNEY GENERAL

**CONSUMER  
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**1-800-300-1986**

This handout is for informational purposes and should not be construed as legal advice or as a policy of the South Dakota Attorney General. If you need advice on a particular issue, you should consult a private attorney or other experts.

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**Sweepstakes Scams Typically Use Free E-mail Accounts.** It's possible that some smaller, legitimate sweepstakes sponsors could notify you with a free email address. But if you receive a win notice claiming to be from a big company like Publishers Clearing House or Microsoft, but the email arrived from a free account like Hotmail or Gmail, you can be sure that you are working with a sweepstakes scam.

**Sweepstakes Scams Tell You You've Won - But You Don't Recognize the Contest.** You can only win sweepstakes that you enter. This is another reason why it makes so much sense to organize your sweepstakes entries; when you receive a notification, you can easily check to make sure that you actually entered the contest.

**Sweepstakes Scams Send You a Large Check with your Notification.** To fool people into thinking that a sweepstakes scam is legitimate, many con artists send counterfeit checks along with their phony win notifications. Cashing fraudulent checks is a crime, and you could be liable for fines and even closure of your bank account, as well as losing any money you wire. Legitimate sweepstakes require affidavits before sending out any prize valued at more than \$600.

**Sweepstakes Scams Instruct You to Wire Money.** Criminals love to use money transfer services like Western Union and MoneyGram to receive illicit funds, because it is nearly impossible to trace who received the money. Wire transfers are handled like cash, and it is nearly impossible to get back any money that you send to con artists in this way. In the few cases where you have to pay money to a sponsor, you would not be required to use a wire service.

**Sweepstakes Scams Pressure You to Act in a Hurry.** Sweepstakes scammers want you to act quickly, to ensure that they receive their money before their check bounces, or you read an article like this one, and realize that you are being defrauded. If you feel like you are being pressured to make a decision before you have the time to ensure that the win is legitimate, you should be very suspicious. In some cases, a sponsor might need a quick answer (for example, if they are giving away tickets for a concert that weekend), but you should always have at least a few hours to investigate the notification. If there is no good reason for a rush to accept a prize, then it's probably a sweepstakes scam.

**Sweepstakes Scams Require Bank or Credit Card Info to Receive Your Prize.** Legitimate sweepstakes do not send wins by direct deposit, nor do they need to withdraw money from your bank or verify information using your credit card number. The only sensitive information that a legitimate sweepstakes sponsor needs to process your win is a social security number. Asking for a bank account or credit card number is a huge red flag that you are dealing with a sweepstakes scam, and you should never hand over this information.

**The "Win" is From a Lottery.** It is impossible to win a lottery without buying a ticket, and even in that case, you'd have to find the winning numbers in a newspaper, the internet, or on TV and compare them to your ticket; the lottery does not contact you to tell you that you won. If your win notification says you've won a lottery, you can be quite sure that it's really a sweepstakes scam.

Win notices from foreign lotteries are even more suspicious. Not only do foreign lotteries have the same restriction as domestic lotteries, but it is also illegal to sell tickets for foreign lotteries across international borders. Therefore, unless you were actually in a foreign country and bought a lottery ticket, foreign lottery notifications are surely sweepstakes scams.

**Sweepstakes Scams Often Don't Use Your Name.** Especially in the case of email win notifications, many sweepstakes scams send thousands upon thousands of fake emails to every address they can get their hands on - often without knowing the name of the people they're contacting. If your win notice has a generic salutation like "Dear Sir" it's a good indication that it's a sweepstakes scam.

**Sweepstakes Scams Can Pose As Government Organizations.** To appear more legitimate, some sweepstakes scams pretend to come from government organizations such as the Federal Trade Commission (FTC) or the "National Sweepstakes Board" (which doesn't actually exist). Real sweepstakes sponsors, however, send their win notifications directly to the winners. Government organizations are not involved in awarding sweepstakes prizes.

**Sweepstakes Scam Notifications Are Usually Sent Via Bulk Mail.** When a legitimate sweepstakes sponsor sends out win notifications, they want to ensure that the information arrives at the winners' doors in a reasonable amount of time. To make sure this happens, they use first class postage or services such as FedEx or UPS to deliver notifications.

Sweepstakes scam artists, on the other hand, want to target the most people for the least cost in order to keep their profits high. They send scam letters out by bulk mail to take advantage of the postage savings. For this reason, you should never trust a win notification that arrives by bulk mail.

**Sweepstakes Scams Contain Many Typos.** It's possible that any company could make a mistake when typing out a win notification. However, glaring errors in spelling, grammar, and punctuation should set off red flags in your mind. Many sweepstakes scams originate outside of the United States and Canada and are created by people with poor command of the language. Be very cautious of any win notices that have a lot of errors.