

# CONSUMER ADVISORY

September 2010

By Attorney General Tom Miller

## Wire Fraud Targets Your Mind & Your Money!

Maybe it's a startling phone call or e-mail from someone who says they are a close relative or friend who claims they're facing an emergency, and they need you to wire cash quickly. Or maybe it's an exciting call or e-mail congratulating you for winning an "advance" on a sweepstakes. Perhaps it's a work-at-home opportunity that seems too good to pass up.

Saying no may be the best decision you could make, because these are all real examples of wire fraud. These wire transfer scams involve people using a telephone or the Internet to target their victims, often senior citizens. They also include a request for you to wire money. Unfortunately, in most cases you have little or no chance to recover your losses.

- **Grandparent Scam:** This is a particularly cruel scam targeting grandparents. Typically, someone will call claiming that they are a grandchild who faces a sudden emergency, and needs money to get out of trouble or get home. The grandparent, who would do anything to help their grandchild, is convinced to send money, often thousands of dollars, immediately through a wire transfer service.
- **Advance, Overpayment and Sweepstakes Scams.** A person or what appears to be a company sends you a payment advance, or a check for more than what they owe you, and they ask you to wire them the balance. Or maybe they'll send you a check—sometimes as part of a "sweepstakes"—and request you to wire back a "transaction fee." The check may look so real it even fools bankers, but in these scams the check will bounce. You're also out what you wired the con artist, plus other potential costs.
- **Work-at-Home Scams.** These are scams offering easy or quick money for a small amount of work. Scam artists will send a check that overpays for salaries or merchandise, and request an immediate wiring of the overpayment amount. The personal check, cashier's check or money order may look real, but it's fake. You'll be on the hook for the amount you wired, plus potential costs. If you spend the money, you'll need to reimburse your bank the full amount.

Wire transfers can be as dangerous as sending cash to crooks. Never wire money to strangers in a hurry without taking time to ask questions and verify stories. If someone claims to be a relative or a friend, ask questions that only they could answer.

Be suspicious of anyone who sends you a check or money order for more than the amount you are owed, or a sudden windfall, especially if you are expected to wire the difference or a "transaction fee." If you spend the money, you'll need to reimburse your bank the full amount.

To file a complaint or get more information, contact the Iowa Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Call 515-281-5926, or outside Des Moines call toll-free at 1-888-777-4590. Our website is: [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov)

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## Donor Beware!

### How to avoid charity fraud and make the most of your donations.

Iowans give generously to charities and good causes -- but some donations never reach the people who need help. Some so-called "charities" are outright scams that pocket all the funds people contribute. Other charities use paid professional fundraisers that eat up 80% to 90% of the donations in fundraising expenses, so little is left for the charitable mission. Questionable charities or some professional fundraisers may mislead donors, divert funds from more effective charitable operations, and shortchange the people in need.

#### Follow these tips to protect yourself from fundraising and charity abuses:

- **Don't be fooled by a sympathetic name.** Some operations use names that promise more than they deliver. Many causes clearly deserve generous public support, including veterans, law enforcement and fire fighters, but some marginal operations claim connections with such groups yet provide them with very little support. Contact your local sheriff or police or fire department or veterans organization to check out claims that a donation "will be used locally."
- **Ask questions.** Be wary of claims that the caller is a charity worker or volunteer, that most of your donation goes to the cause, or that your donation will be used locally.
- **Ask phone solicitors to send written information.** Check out the charity before you make a decision. Be suspicious if they insist on a pledge before they'll send you information. Check them out at the national Better Business Bureau "wise giving" site – [www.give.org](http://www.give.org).
- **Don't give your credit card or checking account numbers over the phone to someone you don't know.**
- **Bottom line: Give wisely!** Giving to a known charity you're confident about is often the best option.

There are many fine charities soliciting contributions in Iowa, and the Attorney General's Office is eager to uphold the integrity of our system of giving by stopping fundraising abuses. If you think you may have been cheated by a fundraising scheme, write to the Attorney General's Consumer Protection Division, Hoover Building, Des Moines, Iowa 50319. Call 515-281-5926, or 888-777-4590 toll free. The A.G. web site is: [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov).