

## UALR SENIOR JUSTICE CENTER

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### “LOSING THE LOTTERY”

“The truth behind fake lotteries and sweepstakes fraud.”

In 2003, fake lotteries and sweepstakes fraud made up 26% percent of the telemarketing fraud in the United States (National Consumer’s League). Arkansas is in the top ten states for telemarketing fraud. Becoming a victim of these types of crimes has risen for seniors in recent years. There are ways to protect yourself if you become involved in a fake lotteries or sweepstakes fraud. This presentation and handout will outline: What a false or fake lottery is, What a false sweepstakes is, How to avoid them, and What to do if they take your money.

#### Background

What is a fake lottery and a fake sweepstake?

Lottery and sweepstakes scams are types of fraud that claim a person has been chosen to win or has won a lottery or can enter to win a sweepstakes. These are very common criminal attempts through the telephone, mail, or e-mail, through the internet. Usually, the lottery or sweepstakes asks that the unsuspecting person to pay to receive their prizes, pay the tax on the prize before receiving it or another form of money exchange. An example from the Wise Consumer Newsletter tells of an example in Arkansas where the North American Grant Commission claimed that the person had won 575,000 dollars but that they needed to deposit a cashier’s check of 7,000 dollars and pay 4,000 for the paperwork fees involved with winning. The cashier’s check would bounce, while the 4,000 dollars of the person’s own money was gone forever. A legal lottery does not ask for money up front, before the prize. A legal lottery does take care of the taxes, the U.S. government or the Internal Revenue Service does. These scams are not legal. In many cases, the fake lottery or sweepstakes violate basic laws regarding lotteries and sweepstakes and can be detected and avoided by an informed consumer.

#### Detection and Protection

How to avoid fake lottery scams and sweepstakes fraud

Tips on how to avoid lottery/sweepstakes scams:

#### Mail:

If someone sends you something in the mail, stating “You’ve won!” Please investigate. The Better Business Bureau for the Mid South has a website ([www.midsouth.bbb.org](http://www.midsouth.bbb.org)) which can help someone tell which lottery and sweepstakes are fake and which are the real deal. Never send money. Money asked for is money taken. Chances of getting back your money are slim but it’s better to not give away the money in the first place. Mail lotteries and sweepstakes look real, more than a phone call or an email but please be cautious. It’s just as illegal and just as wrong for someone to take your money for prizes through the mail, in fact; it’s called mail fraud.

## INTERNET:

If you have an email account, you will get tens of hundreds of thousands of messages which all proclaim, you've won something. These claims and pointless advertisements fall under spam. Spam is very heavy on the internet and can be very difficult to get rid of. For email, there is spam blocker, which keeps out unwanted messages and junk mail. If you have an email account, please either use the junk mail blocking feature or if the amount of spam/junk mail is too much, you can ask someone with more technological experience to clean out the email account or set a new account all together.

## Phone:

This can be the most difficult method to resist of the lottery scam because a real live person (or a real live automated message) is telling you that you are a winner and that in order to claim your prize, all you have to do is pay a small fee to receive or give your bank account number or something else very invasive. Telemarketing scammers also have a way of making everything very casual and they are very persuasive. Never give out personal banking information. Even if you refuse to give them a check, if they have your banking number, they still have access to your money. Always check winning claims of lottery or sweepstakes with the Better Business Bureau in your area. Making a phone call to make sure will save you money and hassle. Always take down the number from which they are calling, the name of the company and any other winning information. Have them repeat all the necessary information. Ask if the company is associated with the Better Business Bureau or the state lottery commission. If it is a foreign or across international borders lottery, it's a fake. The U.S.A. doesn't use participate in foreign or international lotteries. If the telemarketer becomes agitated on the phone or refuses to rename their company, it's a scam and simply hang up.

## Restitution and Justice

What to do when they take the money (or account number) and run.

If it has been 8 weeks since you paid 400 dollars for express delivery of a lottery prize, chances are, the lottery is not coming. If you or someone close to you has paid an amount of money for a prize and it is not received very soon after, it is never coming. Please contact the local police and ask for the fraud department. Give the fraud officer any and all information you have on the suspected fraud, a phone number, name of the agency, name on the check you sent, anything helpful. Law Enforcement can sometimes track down the check and recover the money for you. Please ask the bank to stop payment on any checks made to the lottery and put out an alert on any strange or unusual withdrawals from the account. It is better to not give any money to begin with than trying to recover money already gone.

To report a crime or for more information on fake lotteries and sweepstakes fraud, please contact local law enforcement. The Senior Justice Center is committed to helping seniors with justice issues. Please contact the center for any questions or information on the topics discussed today or any other justice issues you would like to know about.