



# Prizes and Sweepstakes



Congratulations! You've won a car, valuable jewelry, cash, or some other fabulous prize!  
Is this really your lucky day, or is your luck about to take a turn for the worse?

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- **Never pay to play.** It's illegal for a company to require you to buy something or pay a fee in order to win or claim a prize.
- **Buying something doesn't improve your chances of winning.** It's illegal for a company to even suggest that your chances will be better if you make a purchase.
- **Don't believe that you have to give the company money for taxes on your prize.** Taxes will be deducted from your winnings or you will pay them directly to the government.
- **Guard your credit card and bank account numbers.** No legitimate sweepstakes company will ask for this information. Your social security number may be required for tax reporting purposes if you have won. Don't provide that information unless you're absolutely sure that you entered the contest and that you know the company operating it.
- **Be on guard for imposters.** Some con artists use company names that are identical or very similar to well-known, legitimate sweepstakes operators. Tell them that you'll get back to them and contact the real companies to ask if there is any connection.
- **Be wary of offers to send you an "advance" on your "winnings."** Some con artists use this ploy to build trust and get money from your bank. They send you a check for part of your "winnings," instructing you to deposit it and then wire payment to them for taxes, bonding, or some other phony purpose. The bank tells you the check has cleared because the normal time has passed to be notified that checks have bounced. After you wire the money, the check that you deposited finally bounces because it turned out to be an elaborate fake. Now the crooks have your payment, and you're left owing your bank the amount that you withdrew.
- **Get the details in writing.** Legitimate sweepstakes companies will give you written information about how a contest works, including the odds of winning, the value of the prizes, the fact that no purchase is necessary, and an explanation that buying does not improve your chances of winning.
- **Don't be fooled by official-looking mail.** It's not necessarily legitimate just because the envelope is marked "urgent" and the contents look impressive. One clue that you haven't really won is if the letter was sent at bulk mail rates. That means that thousands of other people are receiving the same thing.
- **Be especially cautious about foreign sweepstakes companies.** Many fraudulent sweepstakes companies that target U.S. consumers are located in Canada or other countries, which makes it much more difficult for law enforcement agencies to pursue them.
- **Remember that con artists lie.** It's hard to imagine that there are people who are so cruel that they will tell you you've won something when you haven't, but it's true.

# Telemarketing Fraud

- **Fraudulent telemarketers understand human nature.** We all want to believe that it's our lucky day, that we can get a great deal, or that we can solve our problems
- **Older people are disproportionately targeted by fraudulent telemarketers.** That's because they're home to get the calls, they have money saved that can be robbed, and they're too polite to hang up.
- **It's important to know who you're dealing with.** If a company or charity is unfamiliar, check it out with your state or local consumer agency and the Better Business Bureau. Fraudulent operators open and close quickly, so the fact that no one has made a complaint yet doesn't guarantee the company or charity is legitimate. Ask for advice about the type of pitch you received and the danger signs of fraud
- **Some telemarketing pitches are blatantly fraudulent, and you should know the signs.** It's illegal for telemarketers to ask for a fee upfront if they promise or claim it's likely they'll get you a credit card or loan, or to "repair" your credit. It's also illegal for any company to ask you to pay or buy something to win a prize, or to claim that paying will increase your chances of winning. And it's illegal to buy and sell tickets to foreign lotteries by phone or mail.
- **Other danger signs of fraud may be harder to recognize.** They include: pressure to act immediately; refusal to send you written information; use of scare tactics; demands to send payment by wire or courier; demands for payment of taxes or customs fees to claim a prize; requests for your financial account numbers even though you're not paying for something with them; promises to recover money you've lost in other scams, for a fee; claims that you can make lots of money working from home; and refusal to stop calling when you say you're not interested.
- **Beware of identity thieves.** Crooks pretending to be from companies you do business with may call or send an email, asking to verify personal information they should already have. Contact the company directly to confirm before providing information.
- **How you pay matters.** If you pay for a transaction with cash, checks, or money orders, your money is gone before you realize there is a problem. Paying by credit card is safest because you can dispute the charges if you don't get what you were promised. You don't have the same dispute rights when you pay with debit cards or give your bank account number. Bank debits have become fraudulent telemarketers' preferred form of payment.
- **Where telemarketers are located matters, too.** Some fraudulent telemarketers are deliberately located in other countries because it's more difficult for U.S. law enforcement agencies to pursue them. It may be hard to tell where they are; they may have mail forwarded from the U.S. and use telephone numbers that look like domestic long-distance. Be very cautious when dealing with unknown companies from other countries.
- **Be prepared when you answer the phone.** Think about the advice you'd give someone else about how to detect fraud, then follow that advice yourself. Use Caller ID or an answering machine to screen calls. Don't hesitate to hang up on suspicious calls.
- **Know your "do-not-call" rights.** Put your number on the national "do-not-call" registry to stop most telemarketing calls. Call 888-382-1222, TTY 866-290-4326 or go to [www.donotcall.gov](http://www.donotcall.gov). You can also tell companies not to call you again on a case-by-case basis. Report violations of your "do-not-call" rights through the "do-not-call" number or Web site. Report telemarketing fraud to the NFIC at:

800-876-7060 OR [www.fraud.org](http://www.fraud.org)