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## Hard times make for soft targets in money scams

By Aldo Svaldi  
The Denver Post

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A surge in fraud cases has forced money-transfer agents to get bolder about turning away customers they suspect are caught up in a scam.

"If you are certain of fraud, simply reject the transaction . . . even if the consumer insists," Western Union, based in Douglas County, now instructs its agents.

Among the red flags Western Union asks agents to look out for are people excited about a sudden windfall and seniors who repeatedly return to wire funds.

Likewise, Wal-Mart Stores, the nation's largest MoneyGram agent, now gives its clerks greater authority to decline transfers on the spot, said Todd Kossow, assistant director of the Midwest region for the U.S. Federal Trade Commission.

Regulators and money-transfer providers are working more closely than ever to share information about fraud and to educate consumers before they lose their money, he said.

Hard economic times have caused more people to put their guard down, especially when it comes to questionable job offers and unexpected bounties — like a lottery win.

"People are desperate and willing to believe," said Joseph Cachey, chief compliance officer at Western Union, host of a fraud conference at the Inverness Hotel on Tuesday.

One common job scam lists openings for "mystery shoppers" where applicants are asked to do two "test" shops, including one of a money-transfer provider.

Victims are sent a check to deposit in their own account and then asked to wire those funds before the fraud is discovered.

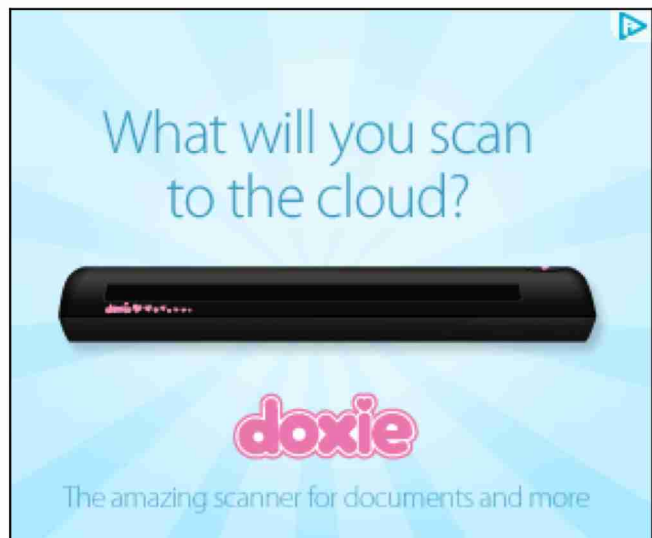
"They (con artists) don't care if you just lost your job," Kossow said. "They just want your money."

### "Like sending cash"

Con artists prefer money transfers to other payment methods because they can be sent quickly to almost anywhere in the world, can't be charged back and are difficult to track.

"Wiring money is like sending cash," Kossow said.

About 44 percent of fraud complaints the FTC receives involve money transfers compared with 24 percent involving credit cards, he said.



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Increasingly, con artists are melding wire fraud with e-mail and social media to get around consumers' defenses.

Most informed consumers understand why they shouldn't take funds from a stranger and then wire money back, regardless of the justification provided.

The past two years, however, have seen a surge in "impostor" scams where people pose as friends and relatives facing an emergency abroad and needing a money transfer.

Often, scammers control that person's e-mail account and can hit everyone in the address book and even answer correspondence. Other times, they scan social networks like Facebook to gather personal information and to pose as grandkids in trouble.

## Lottery scams retooled

In a more sophisticated version seen last Christmas, scammers actually hacked the mobile devices of travelers at London's Heathrow Airport to send out very plausible pleas for help, Kossow said.

Even old scams are taking on a new life. Authorities managed to shut down many of the fake lotteries run out of Canada, only to have Jamaica emerge as a hotbed.

In some cases, "winners" get a call from someone claiming to be with the FBI or another government agency. Caller ID shows a Washington, D.C., area code that is faked.

Lottery scam victims are sent business checks that look legitimate and that banks will cash. They are then asked to wire back funds to pay for taxes and fees.

Victims don't realize they are actually wiring their own money and are fully liable.

Cachey said lottery victims are among the hardest to dissuade and can get upset when agents turn them away.

Call center workers can spend 15 minutes patiently trying to convince them otherwise, but most times victims hang up still believing the con artist, he said.

Scam artists are now even targeting money-transfer agents directly, claiming to be IRS examiners doing system upgrades or investigating fraud.

They gain access to the system and run "test" transactions that transfer money the agent hasn't collected funds for.

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## What to watch for

*Con artists are working harder than ever to persuade victims to part with their money via wire transfers. Below are tips on how to avoid some of the most popular scams.*

**Family emergency/friend in need:** Call the person, because e-mail accounts are often hijacked in this scam. If someone calls, ask

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personal questions to make sure they are who they say they are. In a genuine emergency, send money directly to that person and never to a third party.

**Mystery shopper:** Refuse this and all job offers from a potential employer that require depositing a check and wiring funds, even if the assignment is to "shop" a money transfer agency.

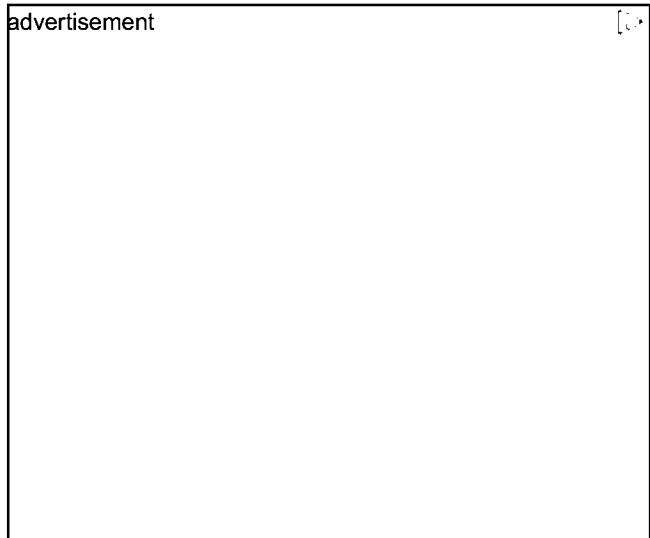
**Lottery scam:** People don't win lotteries they didn't enter, and government employees don't call to inform someone they won. Never cash a check and wire funds to claim any winnings.

**Disaster relief scams:** Legitimate charities will take checks and credit cards. Don't wire money for relief efforts, especially to an unknown party.

**Sweetheart scam:** Run from someone on an online dating site who quickly professes their love, builds trust and then starts asking for money. Both your money and your sweetheart will soon be gone, usually in that order.

**Advance-fee loans and credit cards:** Never wire money in advance to obtain a loan or credit card.

*Source: Federal Trade Commission*



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