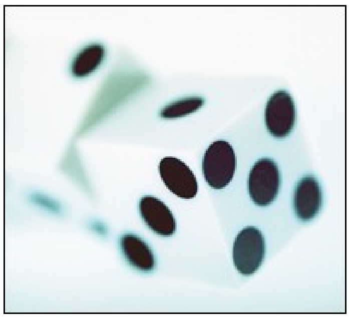
A Cautionary Tale

Don't Gamble on Foreign Lotteries

08/09/06



"Congratulations! You may receive a certified check for up to $400,000,000 U.S. CASH! One Lump sum! Tax Free! Your odds to WIN are 1-6. Hundreds of U.S. citizens win every week using our secret system! You can win as much as you want!"

Sound too good to be true? That's because it is. International con artists use lottery scams such as this to defraud Americans out of more than $120 million a year.

What should you know about foreign lotteries?

They're illegal. Federal law prohibits the cross-border sale or purchase of lottery tickets by phone or mail.

- **They're losing propositions.** Foreign lottery scam artists will drain your bank account or steal the money you sent to pay for the tickets, duties, and taxes.

Here are a few examples of how the schemes work:

- You receive a call, an e-mail, or a letter telling you that you've won a large sum of money in a foreign lottery you don't remember entering. To claim your "winnings," you'll have to provide your bank account number so your winnings may be deposited into your account.
- You're told you've won a sizeable lottery and are asked to wire a few thousand dollars to a "customs agent" to cover duties and taxes. But after wiring the money, you're contacted again and told you must send even more money to collect your prize.
- You receive a congratulatory letter in the mail along with a check for $5,000. You're instructed to cash the check, then wire a portion of the funds to a foreign address to cover taxes and fees, keeping the remaining money as your "lottery winnings." A few days after doing so, your bank notifies you that the check was counterfeit and you now must repay it the $5,000.

What are we doing to stop these schemes? We've partnered with the Royal Canadian Mounted Police and others to identify, disrupt, and dismantle organizations perpetrating these schemes, to seize the proceeds of their operations, and to return stolen money to victims. Thanks to these partnerships, a Canadian man was sentenced to 78 months in a U.S. prison on July 17 after pleading guilty to racketeering, mail and wire fraud, and conspiracy for his role in a lottery scheme that stole more than $8 million from elderly widows and widowers in the U.S.

Bottom line? Don't respond to calls, e-mails, or mailings promoting foreign lotteries. If you think you've been victimized by one of these scams, report it to your local FBI office. Or, if you were scammed online, file a complaint with the Internet Crime Complaint Center, a partnership between the FBI and the National White Collar Crime Center.

Resources: Spanish Lottery Fraud | Protecting Yourself from Common Fraud Schemes | LooksTooGoodToBeTrue.com