

Scam Alert – The Lottery/Sweepstakes Scam

Scam operators, often based in another country, are using telephone and direct mail to entice U.S. consumers to play the sweepstakes or the lottery. Millions of these solicitations are flooding the United States, including Santa Barbara.

Here's how the scam works:

You will get a letter telling you that you have won a Jackpot worth millions of dollars. The letter will look very official, with lots of logos and “official” seals. It will come from a foreign governmental agency, like the “Jamaican Lottery Commission”, or from an organization like “International Settlements Centre, Ltd.” It might offer two options, to take a lump sum payment, or to get annual payments for many years in the future. The letter will have a claim number, and information about what you must do to claim your prize. There will be a stated deadline, with a warning that you must act fast to preserve your right to the prize.

There will also be a phone number to call with the name of an agent in the “claim processing department” to tell you how to proceed. The “agent” will explain that you need to pay taxes on your prize up front, or some kind of processing fee. The letter might contain a check that you can deposit which will cover the exact amount of the taxes. Of course, when you deposit the check, and write a check to pay the taxes, the check you deposited will bounce, and you will never hear from this scammer again.

Here's what you need to know to protect yourself from this scam:

- If you play a foreign lottery- through the mail or over the telephone – you're violating federal law.
- According to the Federal Trade Commission, most promotions for foreign lotteries are phony.
- If you are asked to pay a fee or any sort, or taxes on your winnings, it's a scam.
- If you respond to any solicitation, you can expect many, many more. Your name will be placed on a “suckers list” that fraudulent telemarketers buy and sell.
- Playing the lottery and sweepstakes can be addictive, and can cost you a lot of money.
- Don't ever give out any personal financial information over the phone.
- To stay safe, don't play the lottery or sweepstakes.