

BBB Research Study Just Released on Devastation Caused by Sweepstakes Scams

Just Released: BBB Study on Sweepstakes, Lottery, Prize Schemes that are Devastating Older Victims with Evolving Tactics, Increasing Gang Wars with Rising # of Murders!

Tucson, AZ – A new report by Better Business Bureau (BBB) says sweepstakes, lottery and prize schemes are devastating victims financially and emotionally with ever-evolving methods. These frauds concentrate on seniors, targeting them by direct mail, cold calling, social media, even text messages and smartphone pop-ups. BBB warns consumers to be on guard against these serious and pervasive frauds and their perpetrators.

The new BBB study – “Sweepstakes, Lottery and Prize Scams: A Better Business Bureau Study of How ‘Winners’ Lose Millions Through an Evolving Fraud” – notes that these scams bilked **\$117 million out of half a million Americans and Canadians in 2017** alone, with actual victims and losses likely numbering much higher. BBB received 2,820 sweepstakes and lottery scam reports in Scam Tracker in 2017, with a median loss of \$500. Seniors are the most frequent target and suffer the largest losses by far in these scams, which the report found commonly originate in Jamaica, Costa Rica and Nigeria.

The report recommends stronger law enforcement efforts on three fronts -- in Jamaica, which has seen an upswing in violence related to lottery fraud profits; in the U.S., where law enforcement is urged to step up extraditions and prosecutions of overseas fraudsters operating in the U.S.; and globally, as law enforcement agencies worldwide are encouraged to take steps toward holding deceptive mailing organizations accountable and stopping fraudulent mail. It also urges Facebook and other social media platforms to take steps to weed out fake, fraudulent profiles and make fraud reporting easier.

"The most important element to remind our community is that legitimate sweepstakes do not ask you to wire funds in order to claim the prize," said Pamela Crim, BBB of Southern Arizona BBB President and CEO. "Locally we have a large retired population that need to be warned before they find themselves devastated by these types of scams. We take this very seriously and ask everyone to share this study with their friends and family."

Among the 37 Southern Arizona victims who reported their experience to our BBB Scam Tracker, we heard varied tactics by scammers. A few examples include:

"Caller claims we have won 5.5 million dollars and a brand new silver Mercedes Benz. He states we won because of a random drawing as a result of our name being entered into the drawing at Walmart, Walgreens, and JC Penney. He has asked for all of our personal information to verify our identification before they deliver the check to us in a silver titanium brief case and have news media on hand to publicize our receipt of the prize. He wanted names, address, bank name, social security number, etc. He also said we would need to go to Western Union and wire them \$380 to "confirm my name and identification".

"I was contacted by someone claiming that I won \$585,000 but I would have to pay an airport tax of \$1800. He said they would pick up the tax when they came to my door."

"I was emailed to my private Google hangouts and offered \$650,000 as winnings on Facebook"

Among the report's key findings:

- The majority of lottery or sweepstakes scam victims are between 65 and 74 years old. Among that age group, people who recently experienced a serious negative life event, and who expect their income in the near future to remain steady or decline, are even more likely to be victimized.
- Sweepstakes/lottery fraud can strike through many channels – phone calls, text messages, pop-ups on a smartphone's Internet browser, social media and mailings.
- In 2017, 2,820 individuals reported sweepstakes and lottery scams to BBB Scam Tracker. These reports show a median loss of \$500, with wire transfer as the most frequent method of payment.
- Jamaica is a major source of “cold calls” to victims who are told they have won money. Although similar calls come from Costa Rica, the scam has had a major impact in Jamaica, where the amount of money generated by lottery fraud has resulted in gang wars between rival fraud groups, leading to a dramatic spike in violence. More

than 95 percent of reported fraud in Jamaica involves lottery or sweepstakes scams.

The 16 page report, available at us.bbb.org/lotteryscamstudy, was written by C. Steven Baker, BBB International Investigations Specialist. Baker is the retired director of the Federal Trade Commission's Midwest Region.

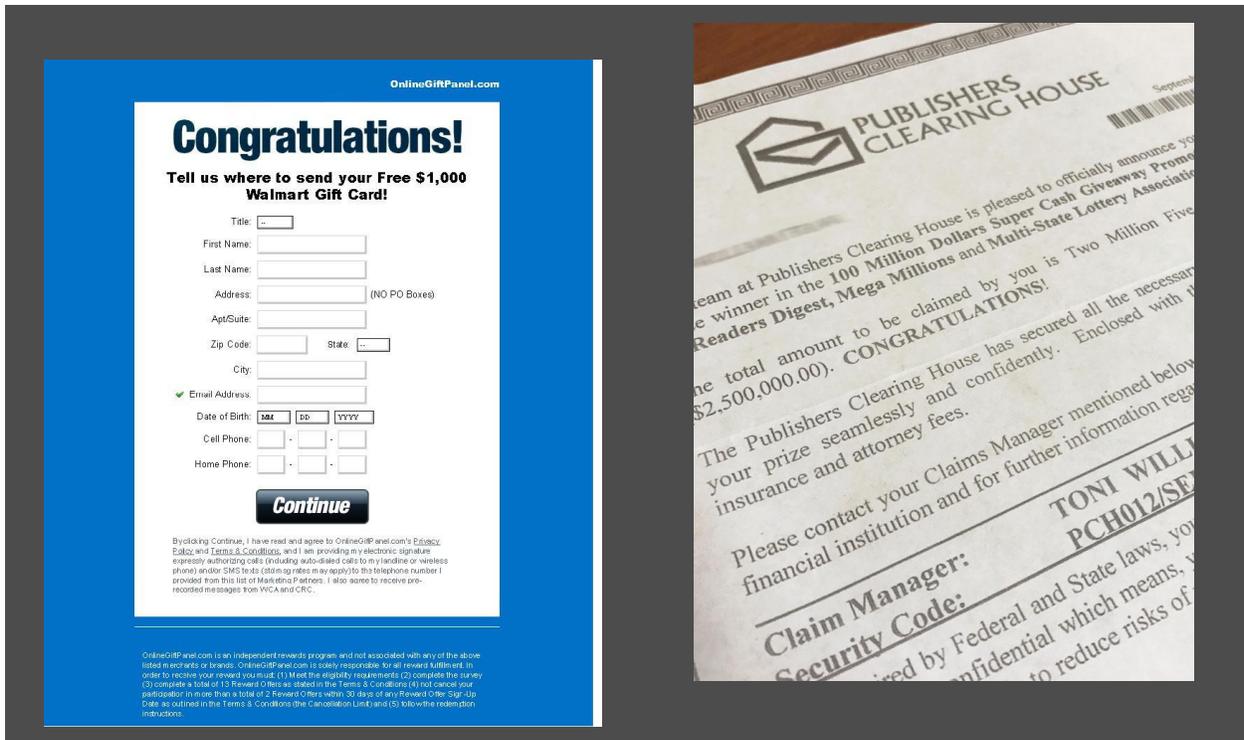
BBB offers the following tips for consumers to avoid being caught in lottery or sweepstakes fraud:

- True lotteries or sweepstakes don't ask for money. If they want money for taxes, themselves, or a third party, they are most likely crooks.
- Call the lottery or sweepstakes company directly to see if you won. Publishers Clearing House (PCH) does have a sweepstakes but does not call people in advance to tell them they've won. Report PCH imposters to their hotline at 800-392-4190.
- Check to see if you won a lottery. Call the North American Association of State and Provincial Lotteries at 440-361-7962 or your local state lottery agency.
- Do an internet search of the company, name, or phone number of the person who contacted you.
- Law enforcement does not call and award prizes.
- Talk to a trusted family member or your bank. They may be able to help you stay in control of your money in the face of fraudster pressure.

For media interviews, please contact Susann Miller, Director of Communication and Consumer Affairs, at smiller@tucson.bbb.org or 520-345-5843.



Examples of scam ploys:



ABOUT BBB: For more than 100 years, Better Business Bureau has been helping people find businesses, brands and charities they can trust. In 2016, people turned to BBB more than 167 million times for BBB Business Profiles on more than 5.2 million businesses and Charity Reports on 11,000 charities, all available for free at bbb.org. The Council of Better Business Bureaus is the umbrella organization for the local, independent BBBs in the United States, Canada and Mexico, as well as home to its national and international programs on dispute resolution, advertising review, and industry self-regulation. BBB Serving Southern Arizona was founded in 1952 and serves Pima, Cochise, Santa Cruz, Graham and Greenlee counties.

As BBB Serving Southern Arizona celebrates 66 years serving our community, we thank our media partners, community, Accredited Businesses and consumers for supporting a marketplace of trust.

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