



# POSTAL NEWS

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## **GET RICH QUICK? DON'T COUNT ON IT!** **Postal Service Announces Top Five Mail Fraud Scams**

Washington, DC – The Postal Service's top law enforcement official and consumer advocate have released their list of Top Five Mail Fraud Scams just in time for National Consumer Protection Week (NCPW). The top five mail fraud scams based on number of victims and amount of monetary loss are:

- Free-Prize Schemes
- Foreign Lotteries
- Pyramid Schemes
- Investment-Fraud Schemes
- Work-At-Home Schemes

The Postal Service's message for this year's NCPW campaign is "Get Rich Quick? Don't Count On It." As in past years, the campaign will focus on educating consumers about protecting themselves from becoming victims.

"Our goal is to educate postal customers to reduce the number of consumers who fall victim to these mail fraud scams every year," said the Postal Service's Consumer Advocate, Francia Smith. "An informed consumer is the best defense against mail fraud."

"The Postal Inspection Service is a law enforcement agency that devotes significant resources to investigating these schemes and bringing the fraudsters to justice, but we also provide extensive consumer education and crime prevention efforts," said Chief Postal Inspector Lee R. Heath. Focusing on foreign lottery schemes, he added, "For example, many consumers are unaware that it is a federal crime to participate in a foreign lottery by mail or even to send lottery solicitations through the U.S. Mail."

Most—if not all—foreign lottery come-ons sent to U.S. addresses through the mail are bogus. They don't come from foreign government agencies or licensees. Instead, they come from con artists who take your money and give you nothing in return. A federal statute prohibits mailing

payments to purchase any ticket, share, or chance in a foreign lottery. Except for state-owned and operated lotteries, federal law prohibits sending lottery material through the mail.

Every day thousands of people are notified by mail that they have won a “free” prize. Usually, it is a postcard that says your prize will be one of four or five “valuable” items – like a new car, a color television, or a vacation. Typically, con artists mail these notices. When you contact the company by phone to claim your prize, the scam artist will tell you that you are required to pay a “processing fee” and pressure you to give out your credit card number. Don’t do it! The fraudster may make thousands of dollars in unauthorized charges to your account. Beware of the con artist’s other scam – convincing you to cover the processing fee by sending a check for hundreds of dollars. Either way, your prize will cost you more than it’s worth, will be worthless junk – or it may never arrive at all.

Have you ever received a solicitation or chain letter guaranteeing you’ll “earn big \$\$\$\$” with one small investment? All you have to do is send a small amount to everyone on the list and mail the solicitation to 10 friends. Then just sit back and watch the checks fill your mailbox. Pyramid schemes don’t work because it takes more participants than there are people in the entire world! In addition, if you participate in a pyramid scheme, you could be committing a federal crime. The same law that prohibits lotteries covers chain letters as well.

Investment schemers market by mail and by telephone, armed with high-pressure and sophisticated selling techniques. Some swindlers surround themselves with the trappings of legitimacy – rented office space, a receptionist, investment counselors, and professionally designed color brochures describing the investment. You may be dealing with an investment swindler if you can answer “yes” to the following:

- Does the salesperson make it sound as if you can’t lose?
- Are you promised an unusually high rate of return or interest payment on your capital?
- Are you pressured to make a decision because new investment units “are selling fast”?

Working at home is an attractive alternative for many. Con artists take advantage and place work-at-home ads. Beware! Work-at-home fraud is envelope stuffing. Typically, there is nothing to stuff. Instead, you receive instructions on how to deceive others by placing an ad like the one you responded to! Always suspect any ad claiming you can earn unusually high income with little or no effort on your part.

Recently, Postal Inspectors arrested a Texas man for his involvement as the organizer of a large envelope stuffing scheme that was in operation for at least eighteen months and generated more than \$2.5 million from approximately 100,000 victims throughout the country. Each victim was required to mail an advance fee of \$25.

The Postal Service delivers over 650 million pieces of mail each day. Every year the Postal Inspection Service receives inquiries and investigates complaints from consumers who feel they have been defrauded by offers received via the mail. In 2003, Postal Inspectors investigated over 3,100 fraud cases and Inspection Service analysts processed more than 80,000 mail fraud complaints. The mail fraud program of the Postal Inspection Service also produced \$2 billion in court ordered restitution to fraud victims and 780 civil or administrative actions.

While it is impossible for consumers to protect themselves from every swindler, there are actions that can be taken to substantially minimize the risk of falling victim to a fraud scam.

Consumers can take the following steps:

- Know who you are doing business with before you send money.
- Be skeptical of anything that sounds "too good to be true."
- Discard foreign lottery solicitations.
- Never give personal information such as your credit card number, social security number, date of birth, mother's maiden name, or bank personal identification number (PIN) over the telephone unless you initiated the phone call.

Report fraud complaints to the fraud complaint hotline at: 1-800-372-8347 or visit the Postal Inspection Service Web site at [www.usps.com/postalinspectors](http://www.usps.com/postalinspectors). For more information about National Consumer Protection Week, visit the NCPW Web site at [www.consumer.gov/ncpw](http://www.consumer.gov/ncpw).