



Beware of international lottery scams:

“Canada” Scheme Goes Global

The term “Canadian Lottery scam” refers to a group of scams which, for the most part, are advance fee scams relating to a so-called Canadian Lottery. People should be aware that no such lottery exists. A number of Canadian provinces operate legitimate lotteries, but to win, a person must have purchased a lottery ticket. The first thing consumers should ask themselves when “informed” that they have won the “Canadian Lottery” is, “How could I have won when I never purchased a Canadian Lottery ticket?”

Perpetrators of international lottery schemes often target the elderly and usually contact their victims by mail or telephone. Members of the public should keep in mind that this fraud scheme, which has been around for many years, is not limited to the fictitious Canadian Lottery. In newer variations of the scam, a perpetrator refers to an Australian Lottery or a New Zealand Lottery instead of the Canadian Lottery. Thus, it is more accurate to call such scams international lottery schemes. However, no matter what country’s name is used in conjunction with a lottery scheme, the types of scams are the same. Described below are some of the schemes most often associated with the term “Canadian” or “international” lottery:

1. Advance Fee Schemes. In a basic advance fee scheme, the perpetrator contacts the victim by mail or phone and advises the victim that he or she has won a prize. To claim the prize, the “winner” must pay an administrative fee or taxes. In some instances, the perpetrator will pose as a lawyer and tell the victim that to collect the lottery winnings, the victim must pay legal fees and taxes. In other instances, the perpetrator will call claiming to be a Canadian customs official. The perpetrator will tell a victim that the Canadian government is holding a lottery check in the victim’s name that is worth thousands of dollars and that to obtain the winnings, the victim must pay taxes or an insurance fee. Invariably, the victims are told that checks and wire transfers of funds for payments of taxes should be made payable or transferred to some private company.

2. Recovery Schemes. Perpetrators of recovery schemes target people who already have been victimized by an international lottery scheme. The perpetrator contacts the victims of international lottery schemes and asserts that, for a fee, he or she will recover the victim’s lost money. In one particularly outrageous scheme, a perpetrator posed as an official of the Texas Attorney General’s office and advised international lottery victims in Texas that the state’s Attorney General had filed suit against the Canadian Lottery and recovered their lost funds. The perpetrator then told the victims they would have to pay a \$3,500 “processing fee” to claim their money!

3. Counterfeit Check Schemes. In counterfeit check schemes, a perpetrator tells victims they have won the Canadian Lottery and must pay a “non-resident tax” on the winnings. Subsequently, the victim receives a check which purports to be certified and payable in U.S. dollars. The check is accompanied by a letter, usually appearing to be from a law or accounting firm, instructing the victim to wire transfer a specified amount of non-resident tax to a bank account. The allegedly certified check is actually a forgery and the funds the victim transfers to pay the non-resident tax are lost.

4. Bank Account Schemes. In these schemes, a victim is told that he or she has won an international lottery and is asked to provide a bank account number so the winnings can be wire transferred to her. Once the perpetrator has the bank account number, he or she quickly withdraws funds from it.

5. Credit Card Schemes. In these schemes, a victim is told by a perpetrator that he or she has won an international lottery and under various pretexts is asked to give a credit card number. One commonly used pretext is that the credit number is needed to ensure payment of taxes or fees; another is that a credit card number is needed to ensure the perpetrator is talking to the right person. Sometimes victims are told the lottery number is a specific credit card number and is asked for her credit card number to determine if she is a winner. The “reasons” for needing a credit card number are almost unlimited, but the result is always the same: victims end up with huge charges on their credit card.

6. Lottery Investment Schemes. These schemes solicit the public to join an international lottery ticket buying group. Scheme operators initially charge small amounts to enter the buying group but quickly escalate the fees. In these schemes, the public is told the buying group has a system for winning the lottery or that the group is forming an investment pool to buy tickets for all the possible winning combinations of a foreign nation’s lottery.

No matter what variation of lottery scheme consumers encounter, it is important to remember some basic information:

1. Playing an international lottery by mail or phone is a violation of U.S. federal law.
2. Canadian customs and tax officials do not call soliciting the payment of taxes or other fees in connection with any type of lottery.
3. Any money sent in response to an international lottery solicitation will be lost and is unlikely ever to be recovered.
4. Do not provide a bank or credit card number to any person making representations or solicitations about an international lottery.
5. Ignore all mail, phone and e-mail solicitations for international lotteries or international lottery promotions.
6. If international lottery material is received in the mail, it should be turned over to the local postmaster.

Complaints about international lottery scams can be filed with the Federal Trade Commission by calling toll free at 877-382-4357 or via the FTC’s Web site at www.ftc.gov. The Royal Canadian Mounted Police and the Ontario Provincial Police have a website called PhoneBusters where the public can obtain information about Canadian Lottery frauds and where complaints can be filed. The site can be accessed at www.phonebusters.com.

For more information, please visit the Web site of
Attorney General Lisa Madigan at www.ag.state.il.us.

Chicago
1-800-386-5438
TTY: 1-800-964-3013

Springfield
1-800-243-0618
TTY: 877-844-5461

Carbondale
1-800-243-0607
TTY: 877-675-9339