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State warns consumers about sweepstakes scam

Letters instruct "winners" to cash checks and send money to redeem their prize

(Salem) — Oregonians should beware of an ongoing, national scam involving a fictitious sweepstakes, the Oregon Department of Consumer and Business Services and Department of Justice warned today.

People in Oregon and across the country have received letters from Woodland Securities Group in New Jersey informing them they have won \$100,000. The package includes a check from the Arizona Public Service Company made out to the recipient of the letter for about \$3,600, to pay for state surcharges on the winnings. The "winner" is instructed to call a Canadian phone number and speak to a contest manager before cashing the check and sending the money to pay for the surcharges. The letter says the \$100,000 will be sent to the winner's account or hand-delivered within 72 hours of processing the surcharges.

In reality, Woodland Securities Group does not exist, and the Arizona Public Service Company — a public utility company — has been receiving forged checks for the past several months. When the checks are returned as fraudulent, the winners' accounts are debited for the original amount. In the meantime, the con artists pocket the money.

"Sweepstakes or lottery scams are becoming a more popular way for scammers to steal money from consumers," said Cory Streisinger, director of the Department of Consumer and Business Services. "Legitimate contests do not require you to send in an advanced payment to claim a prize."

If anyone receives a notification of winning a contest and is requested to cash a check and send an advance-processing fee, contact the local police; the Attorney General's consumer hotline in the Salem area only at 503-378-4320, Portland area only at 503-229-5576, toll-free at 1-877-877-9392, or online at www.doj.state.or.us; or DCBS' Division of Finance and Corporate Securities, toll-free at 1-866-814-9710 or 503-378-4140.

"Oregon consumers, many of them seniors, filed 466 complaints in 2006 concerning out-right scams or misleading promotions concerning sweepstakes, prize promotions, and foreign lotteries," Attorney General Hardy Myers said. "The number of complaints in this area has increased significantly, from 297 in 2005 and 222 in 2004."

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.