



FRAUD ALERT

FROM THE OFFICE OF LEE COUNTY SHERIFF MIKE SCOTT

Loan Inquiry Leaves Victim in the Red

September 2016

A postcard in the mail advertising a variety of lending products, followed by an online application for a short term loan, recently cost one local man \$750.00 and possibly his identity after he applied for financial assistance on a website promising a cash loan to qualified applicants. The victim, who filled out the loan application on an unsecured Wi-Fi network, provided detailed personal information that included his bank routing number, before being notified by the company that he was not eligible to receive the loan.

Believing the process was over; he was surprised to receive an email and phone call the following day from a man named "Chris" who said he might be re-considered for the loan if he would pay to insure it. The victim was instructed to put \$150 on an Amazon prepaid card, take photographs of the receipt and back of the card, then send the information to "Chris" via email. Unaware that he was about to be involved in an advance fee scam, the victim did as he was told.

Later that same day, the victim received another call from "Chris" claiming additional money was needed to help cover the cost of repairing his bad credit, which would then enable him to qualify for a \$5,000 loan. Still believing he was talking to a representative of the lending company, he purchased two more Amazon prepaid cards totaling \$600, and repeated what he had done earlier. Afterwards, he tried to make contact with "Chris" but was never able to get a response. He realized too late that he had been duped.

With this in mind, the Lee County Sheriff's Office reminds you to follow these very important tips when applying for a loan from any cash advance lender:

1. Legitimate lenders often charge application, appraisal, or credit report fees. The difference? They disclose their fees clearly and prominently; they take their fees from the amount you borrow; and the fees usually are paid to the lender or broker **after** the loan is approved.
2. Any up-front fee the lender wants to collect before granting the loan is a cue to walk away, especially if you're told it's for "insurance," "processing," or just "paperwork."
3. It is illegal for companies doing business by phone in the U.S. to promise you a loan or credit card and ask you to pay for it before they deliver.
4. Never use a reloadable cash card, wire transfer service, or money order to secure a loan. Doing so offers little to no recourse, should you find you've been scammed.

There are legitimate short-term, high-rate loan companies who advertise on the internet, television and by mail, but it's up to you to carefully review their disclosures, policies and procedures. For more information about this scam or to report it, call the Sheriff's Office fraud line at 258-3292 or go online to www.ftc.gov.