

## Advance Fee Scams

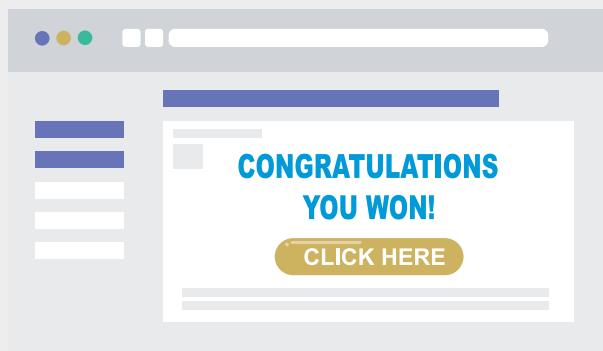
If something sounds too good to be true, it usually is. Keeping that age-old adage in mind is the best way to spot and thwart Advance Fee Scams.

### How Advance Fee Scams Work

#### **It's Your Lucky Day!**

You've won! To retrieve your prize winnings, just send a processing fee or provide your bank account information. We'll transfer the funds right away!

Advance Fee Scams take many shapes and forms. Some scams start with the promise of a prize like the scenario illustrated here. Others prey on individuals with poor credit and offer loans or cash advances. Another variant lures investors to partake in a lucrative business or trading opportunity. But the tell-tale sign of this scam is always the request for upfront payment—whether in the form of a finder's fee, processing fee, etc.



If you believe you're the victim of an Advance Fee Scam, act fast to try and get your money back and prevent others from being targeted by the same fraudster.

In the unfortunate event that you fall victim to what you believe to be a scam, responding quickly can help limit the damage.

## Action Steps

1

Contact the institution behind whichever payment method you used and ask them to immediately halt the transaction. This may mean calling your credit card company, bank, gift card issuer, wire transfer company, entity behind a money transfer app or even USPS (to intercept a cash payment in the mail).

2

Report the incident to the Federal Trade Commission at ReportFraud.ftc.gov, which can help law enforcement track down the perpetrator and protect future victims.

3

Reach out to a trusted individual for guidance, such as local law enforcement, close family or friends or your Morgan Stanley Financial Advisor.

## Tips and Best Practices



**DO** your research. Verify the credentials and reputation of the person or company that's contacted you through trusted sources, like the Better Business Bureau, FINRA or SEC.



**DON'T** pay for a promise. Dismiss someone asking you to pay in advance for a job, prize, loan or other kinds of financial assistance.



**DO** your due diligence before signing any sort of agreement. Ensure you understand the terms you're agreeing to and enlist the help of a competent attorney.



**DON'T** pay an advance fee using a gift card, money transfer app or by sending cash in the mail. Contact your Financial Advisor for guidance about the best way to proceed.



**DO** be skeptical if the person or business you're dealing with is difficult to locate (i.e., doesn't have a street address or direct phone line and instead relies on P.O. boxes, mail drops or will only return your calls).



**DON'T** give out your Social Security Number, hand over remote access to your computer or share your usernames and passwords.



**DO** a quick search on the person or entity that reached out with the words "scam" or "complaint" and see if anything comes up.



**DON'T** believe someone who says paying will increase your chances of winning a prize—that's not how the lottery or legitimate contests work.

### Sources:

<https://www.fbi.gov/scams-and-safety/common-scams-and-crimes/advance-fee-schemes>

<https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-alerts/investor-23>

<https://www.consumer.ftc.gov/articles/what-know-about-advance-fee-loans>

<https://www.consumer.ftc.gov/articles/what-do-if-you-were-scammed#Paid>

<https://www.consumer.ftc.gov/articles/fake-prize-sweepstakes-and-lottery-scams>

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