

Terry Goddard Warns Consumers of "Secret" Shopper Scam

(Phoenix, Ariz. - July 12, 2006) Attorney General Terry Goddard today warned Arizona consumers about a new scam involving phony advertisements for employment as a "secret," "mystery" or "investigative" shopper.

Recently, several Tucson residents have answered employment ads calling for "shoppers" to test a company service, claiming that if they perform this job, they will be paid thousands of dollars.

"This is a new twist on old scams," Goddard said. "This combines a phony job offer with the fake cashier's check scam. The ads and the employment packages look real, but they're not. The cashier's checks look so real that even bank employees have been fooled."

In some instances, the scam works this way: When consumers contact the company about the position, they are told they can earn money by purchasing items at different stores or dining at different restaurants. This is the hook that gets consumers to take the next step to become a "secret" shopper. The company then sends an employment packet. The packet includes business evaluation forms, a training assignment and a fake cashier's check, often ranging between \$2,000 and \$4,000.

The training assignment is to pose as a customer and wire money to a "relative." The consumer is told to cash the check and wire the money to an address in Canada. The check is phony and bounces after the consumer deposits the check into his or her personal account and wires the money, leaving the consumer liable for the fake check. Consumers are told they have 48 hours to complete the "assignment" or they will lose their job.

"Consumers need to know that a legitimate company will never send you a cashier's check out of the blue or require you to send money to someone you have never met," Goddard said. "The scam artists use realistic looking documents, the 'secret' nature of the job, and the 48-hour deadline to pressure consumers into cashing the check and wiring the money quickly before the bank or the consumer can determine it was a fake check. By then, it's too late."

Goddard said that while some "secret" shopper companies are legitimate, consumers should be skeptical of any secret, mystery or investigative shopping companies that:

- Advertise jobs for shoppers on the radio, in a newspaper's classified or "help wanted" section or through unsolicited email. Legitimate secret shopper companies generally do not advertise for jobs in this manner.
- "Guarantee" a job as a mystery, secret or investigative shopper.
- Charge a fee just for applying or charge a fee for access to secret shopping job opportunities. You should not pay any fee to apply or to obtain job information.
- Appear to be located in places outside the country, such as Canada. If the company does not have an established office nearby that you can visit in person, be very cautious.

Goddard offered the following additional tips to protect consumers from these scams:

- Do not depend on the funds from a cashier's check from a source you do not know.
- There is usually no legitimate reason for someone who is giving you money to ask for money to be wired back or wired to a third party. Don't do it.
- Do not rely on the fact that the check was accepted for deposit by their financial institution as evidence of the check's authenticity. It can take up to a week or more for a financial institution to determine whether a check is good, especially if the check is from an institution located outside the United States.
- Consumers are responsible for the deposited fake check, even if it was a cashier's check. When the check bounces, the bank deducts from the consumer's account the amount that was credited with the fake check.
- It is always a good idea to check with the Better Business Bureau and investigate any business offering this sort of employment.

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763, in Tucson at 520.628.6504, or outside the metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has 23 satellite offices throughout the state with volunteers available to help. Locations and hours of operation are posted on the Attorney General's Web site. Consumers can also file complaints online at www.azag.gov.

Terry Goddard

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