



Public Service Announcement

FEDERAL BUREAU OF INVESTIGATION



December 1, 2010

TELEPHONE COLLECTION SCAM RELATED TO DELINQUENT PAYDAY LOANS

The IC3 receives a high volume of complaints from victims of payday loan telephone collection scams. In these scams, a caller claims that the victim is delinquent in a payday loan and must repay the loan to avoid legal consequences. The callers purport to be representatives of the FBI, Federal Legislative Department, various law firms, or other legitimate-sounding agencies. They claim to be collecting debts for companies such as United Cash Advance, U.S. Cash Advance, U.S. Cash Net, and other internet check cashing services.

One of the most insidious aspects of this scam is that the callers have accurate information about the victims, including social security numbers, dates of birth, addresses, employer information, bank account numbers, names and telephone numbers of relatives and friends. The method by which the fraudsters obtained the personal information is unclear, but victims often relay that they had completed online applications for other loans or credit cards before the calls began.

The fraudsters relentlessly call the victim's home, cell phone, and place of employment. They refuse to provide to the victims any details of the alleged payday loans and become abusive when questioned. The callers threaten victims with legal actions, arrests, and in some cases physical violence if they refuse to pay. In many cases, the callers even resort to harassment of the victim's relatives, friends, and employers.

Some fraudsters instruct victims to fax a statement agreeing to pay a certain dollar amount, on a specific date, via prepaid visa card. The statement further declares that the victim would never dispute the debt.

THESE TELEPHONE CALLS ARE AN ATTEMPT TO OBTAIN PAYMENT BY INSTILLING FEAR IN THE VICTIMS. DO NOT FOLLOW THE INSTRUCTIONS OF THE CALLER.

If you receive telephone calls such as these, you should:

- Contact your banking institutions;
- Contact the three major credit bureaus and request an alert be put on your file;
- Contact your local law enforcement agencies if you feel you are in immediate danger;
- File a complaint at www.IC3.gov.