

New Variation on Telephone Collection Scam Related to Delinquent Payday Loans

02/21/12—The IC3 continues to receive complaints from victims of payday loan telephone collection scams. As previously reported in the IC3 alert posted December 1, 2010, the typical payday loan scam involves a caller who claims the victim is delinquent on a payday loan and must make payment to avoid legal consequences. Callers pose as representatives of the FBI, Federal Legislative Department, various law firms, or other legitimate-sounding agencies and claim to be collecting debts for companies such as United Cash Advance, U.S. Cash Advance, U.S. Cash Net, or other Internet check-cashing services. The fraudsters relentlessly call the victim's home, cell phone, and place of employment in attempts to obtain payment. The callers refuse to provide information regarding the alleged payday loan, refuse to provide any documentation, and become abusive when questioned.

The IC3 has recently observed a variation of this scam in which the caller tells the victim there are outstanding warrants for his/her arrest for non-payment and hacking into a named business with the intent of obtaining customer information. During the perpetration of this crime, the caller demands payment via debit/credit card; in other cases, the caller further instructs victims to obtain a prepaid card to cover the payment.

The high-pressure collection tactics used by the fraudsters have also evolved. In one recent complaint, a person posing as a process server actually made a personal appearance at the victim's place of employment. In another instance, a fake process server came to victim's home. In both cases, after claiming to be serving the victim with a court summons, the alleged process server indicated the victim could avoid going to court if the victim provided a debit card number for repayment of the loan.

If you are contacted by someone who is trying to collect a debt that you do not owe, you should:

- Contact your local law enforcement agencies if you feel you are in immediate danger;
- Contact your bank(s) and credit card companies;
- Contact the three major credit bureaus and request an alert be put on your file;
- If you have received a legitimate loan and want to verify that you do not have any outstanding obligation, contact the loan company directly;
- File a complaint at www.IC3.gov.