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CAMBRIDGE CONSUMERS' COUNCIL

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Working in Cooperation with the Office of Attorney General Martha Coakley

Serving the City of Cambridge, City of Somerville and City of Waltham

Consumer Alert: Prepaid Card Scams Issued February 11, 2013

Cambridge Consumers' Council, a City of Cambridge agency, is warning consumers about a new twist on lottery and advance fee wire fraud scams – using reloadable prepaid cards, such as the "Green Dot MoneyPak" cards, as a method to transfer funds. Prepaid cards are used like normal debit or credit cards, but funds are prepaid onto the card, reloadable, and not linked to a bank account.

How the Scam Works

The scam artists tell victims they have won a large amount of money or a prize, but in order to claim their money or receive the item, they must first pay an upfront fee. The victim is instructed to go to a store that sells the Green Dot MoneyPak and purchase the card for a specified amount. When they have purchased the Green Dot card, they are instructed to call a particular number or the con artist makes arrangements to call the consumer back at a specified time. During the next contact, the scammer asks for the card code. Within seconds, all the money the victim loaded on the card is transferred off. Unfortunately, the funds or the prizes never materialize as promised, and many consumers are encouraged to "reload" their card in order to pay additional upfront fees.

It is important to note that reloadable prepaid cards, like the Green Dot MoneyPak, are purchased with cash, and any payments made from the card are untraceable. Anyone who requires an upfront payment in exchange for funds or a prize, specifically by a prepaid card such as a Green Dot MoneyPak, is likely to be operating a scam.

Contact Us for Additional Information

Consumers who have received these solicitations or who have questions should contact the Cambridge Consumers' Council at 617.349.6150, or by email, consumer@cambridgema.gov.