

North American Association of State & Provincial Lotteries

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Application deadline approaching for Western Union scam settlement

\$586 million set aside to reimburse consumers scammed using Western Union payment methods.

Concord, OH – Some victims of lottery and other scams have a chance to have some of their money refunded, thanks to a settlement last year between the Federal Trade Commission (FTC) and Western Union, a popular payment processor used by scammers. Western Union agreed to pay \$586 million to resolve charges brought by the FTC and the U. S. Department of Justice that the company looked the other way in fraud-induced money transfers on fraudulent lottery and prizes, family emergencies, advance-fee loans, online dating and other scams.

“Unfortunately many unsuspecting consumers have fallen victim to phony lottery scams, despite our industry’s best efforts to educate the public about such scams,” said David Gale, Executive Director of the North American Association of State and Provincial Lotteries (NASPL), the lottery industry’s trade association. “We are pleased that the settlement with Western Union will help at least some victims get refunds of the money they lost.”

Anyone who sent money to scammers through Western Union between January 1, 2004 and January 19, 2017, should file a claim to get their money back before the deadline of February 12, 2018. Information about filing claims may be found at FTC.gov/WU; individuals who already reported losses to Western Union, the FTC or other government agency may get a form in the mail.

The settlement came about because the FTC alleged that fraudsters were able to use Western Union’s money transfer system to get payments from their victims, even though the company was aware of the problem and received hundreds of thousands of complaints about fraud-induced money transfers. The company also allegedly failed to promptly discipline problem Western Union agents, and failed to have effective anti-fraud policies and procedures in place.

“Although this settlement is positive for the industry, there are still numerous lottery scams out there, with more emerging seemingly every week” said Gale. “We continue to advise consumers to look for obvious signs of scams,” including the following:

- If someone says you have won a lottery that you have never played, be suspicious. You can’t win a legitimate lottery if you didn’t buy a ticket.
- Be suspicious if an e-mail contains misspellings or poor grammar, or if the person who called you uses poor English.
- No real lottery tells winners to put up their own money in order to collect a prize they have already won. If you have to pay a fee to collect your winnings, you haven’t won.
- If they offer to wire the “winnings” directly into your bank account, do not give them your bank account information.

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About NASPL

The North American Association of State and Provincial Lotteries was founded in 1971. Evolving from an informal exchange of information among three pioneering lottery directors, the organization has grown into an active association representing 52 lottery organizations. NASPL's basic mission is to assemble and disseminate information on the lottery industry through education and communications, and where appropriate publicly advocate the positions of the Association on matters of general policy.

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