



Gift Card Payment Scams

CONSUMER ADVISORY

Gift Card payment scammers use a lot of different solicitation themes, but their approaches are often the same. The following advisory focuses on threatening, incoming solicitations rather than card hacking and in-store tampering. Recognize fraud.

SIMPLE MESSAGE: GIFT CARDS ARE FOR GIFTS. NOT FOR PAYMENTS!!!

There are many different types of scammers and imposters out there who are asking, even demanding, that people make payments using gift cards. Why would you ever purchase a gift card(s) to make a payment to a government entity, an organization, utility company, service provider or someone unknown to you? As an added precaution, question this type of transaction when purchasing cards for people who are "known" to you, especially if they are expressing a "sense of urgency" around needing to receive the funds. Use the same degree of caution with wire transfers.

Question. Research. Challenge.

These scammers target everyone. Every age category is a potential target, but the elderly (65+) tend to get hit the hardest. This is organized crime, usually originating from international call centers. The perpetrators are highly skilled in manipulation, maintain a constant tone of authority, and are elusive. They typically have some degree of personal information on the victim from data breaches or brokers and will leverage publicly available information on government agencies.

Scammers like gift cards or "reload cards" because these cards are the same as cash. Once the card is used, the financial transaction becomes easily washed and difficult to trace. If used, you probably cannot get your money back. Scammers often start the conversation with a series of accusations that invoke fear and panic. You are typically asked to buy a large number of gift cards. In some cases, the scammer will give you specific instructions on a particular retail store or type of gift card to purchase. In addition, the scammer may stay on the phone with you while you are purchasing the card and then will demand the card number and PIN number.

GOOD TO KNOW

Many big retailers, grocery stores, and pharmacies are being proactive in training their employees and educating customers on the reality of this type of scam. Public announcements are being channeled through these outlets and retail employees are being trained to engage with customers to ensure that they are not being scammed. Some retailers are placing warnings at check-out counters. In some cases, restrictions are being placed on gift cards, including a maximum amount a person can load on a card(s) in a single transaction.

SCAMS WHERE GIFT CARDS ARE REQUESTED AS A MEANS FOR PAYMENT

- **Imposter IRS** - calls demanding current or back-payments
- **Social Security Administration** - calling about suspending or discontinuing your payments unless you pay a debt, fine or fee (Visit: <https://oig.ssa.gov/scam>)
- **False Tech Support Companies** - asking for money to fix your computer
- **Utility Company** - demanding payment in order to avoid shutting down your services
- **Winning a Sweepstakes or Prize** - that you did not enter, but you are asked to pay a fee in order to claim your prize
- **Family Member** - someone calls claiming to be in trouble
- **Grandparent Scams** - to help grandchildren cover fines, bail or other urgent financial needs
- **Charities** - request for contributions by false organizations
- **Private Online Purchases** - someone buying something from you, online and unknown to you, who sends a check for more than the purchase price - and asks you to give them the difference on a gift card. The check is fraudulent and will bounce. *This a common scam.*

Note - Gift cards cannot be used to pay legal fees, bail or taxes.

SIMPLE TIPS

- Government agencies will never call, email or text you to tell you you're in trouble. They will communicate by physical mail through the U.S. Postal system.
- Do not trust Caller ID — even when a phone number appears to be official or recognizable. Phone numbers are easily spoofed.
- Always research or contact the agency, organization, company, utility company, YOURSELF by calling the number(s) listed on their official and secure websites.
- Never pay someone claiming to be a government official with a gift card or wire transfer.
- If you receive a suspicious call - Hang Up! Do not give them any personal or financial information or money.

Visit DA18 website on Government Imposter Scams: [Click Here](#)

REPORT FRAUD

- If you do fall victim to a gift card scam, immediately call the store where it was purchased; they might be able to cancel it in time.
- File a complaint with the FTC: www.ftc.gov
- Call your local police department to report the crime.
- Reach out to the DA18 Consumer Fraud Protection Hotline for questions and assistance.

Contact Consumer Fraud Protection
18th Judicial District

Hotline (720) 874-8547 | consumer@da18.state.co.us

