

Watch Out for Escrow Scams on Online Ads

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Contact: Jerad Albracht, 608-224-5007

Jim Dick, Communications Director, 608-224-5020

MADISON – Online ad services such as Craigslist are great places to score a deal on used goods, but they have also proven to be a hotbed for scams. Recent postings to Craigslist pages throughout the Midwest have falsely advertised boats for sale in Wisconsin, and buyers have lost big bucks after putting them in escrow accounts at the sellers' request. The Wisconsin Department of Agriculture, Trade and Consumer Protection asks consumers to be aware of escrow scams when responding to online advertisements.

Consider these recent incidents:

- An Illinois buyer deposited more than \$20,000 in an escrow account to purchase a boat in Wisconsin through a fraudulent posting. As soon as the money hit the escrow account it was transferred out of state and then overseas, leaving the buyer empty-handed.
- In another incident, a man in Tennessee found the perfect boat on Craigslist. It was in great condition, had a clear title and was free of damage. The owner, "Tina," was in Alaska, but the boat was stored at her summer home in Brookfield, Wisconsin. Because she had been burned in a previous deal, Tina wanted the sale price paid in full to an escrow account managed by a Brookfield law firm before she would travel to Wisconsin to make the sale.

In actuality, there was no boat, the law firm does not exist and the title provided to the buyer was fraudulent. In this instance, the buyer from Tennessee was lucky – he became suspicious and did not hand over any cash. Had the buyer put the money in the escrow account, it would have disappeared.

Craigslist and similar sites are simply online local classified ad services, so treat them as you would an ad in your local newspaper. Try to handle your sales and purchases face-to-face in a public place and avoid scams by looking out for these red flags:

- Deals that are too good to be true
- A seller asks you to put your money in escrow, particularly in an online escrow account
- Being asked to pay by wire transfer or pre-paid debit card (such as a MoneyPak Green Dot card)
- Being told that the seller can offer buyer's protection from Craigslist – Craigslist does not offer any such protection for transactions
- A buyer offers to pay you extra for an item you have listed for sale, but asks that you send back the difference by wire transfer. This is called a fake check scam. If the bank cashes the bad check and you send the money to the scammer, you will be responsible for paying it back in full to the bank when it is found to be fake days or weeks later.

For more information or to file a consumer complaint, visit datcp.wisconsin.gov, send an e-mail to datcphotline@wisconsin.gov or call the hotline toll-free at 1-800-422-7128.

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