



DISB Warns Consumers of Advance Fee Scam by Fictitious Entity

The District of Columbia Department of Insurance, Securities and Banking (DISB) is warning District consumers to be on the alert for an advance fee scam being perpetrated by a company seemingly doing business in the District of Columbia.

DISB received a complaint about a scam being conducted by individuals claiming to be representatives of the fictitious U.S. Department of Financial Services located in the District of Columbia. The consumer who contacted DISB lost several thousands of dollars to this entity.

Advance fee scams solicit investors to pay a fee up front – in advance of receiving any proceeds, money, stock or warranties – in order to make a deal or transaction happen. The advance payment may be described as a fee, tax, commission or incidental expense that will be repaid later.

Some advance fee schemes target investors who already purchased underperforming securities and offer to sell those securities if an advance fee is paid, or target investors who have already lost money in investment schemes.

Advance fee scammers may pose as legitimate U.S. agents or firms and offer to help investors recover their stock market losses by exchanging worthless stock, but require investors to pay an upfront security deposit or post an insurance or performance bond.

They often direct investors to wire advance fees to so-called escrow agents or lawyers to give investors a level of comfort and to lend the appearance of legitimacy to their schemes.

Advance fee scammers also use official-sounding websites and email addresses to trick investors. Once the investor wires the advance fees into the designated account, it is then quickly wired to another account at an off-shore bank where the money trail disappears.

In the event, you are contacted by the above-named organization, you should note the time and date of the call, the name of the caller along with any caller ID information and what was told to you by the caller. You should not provide the caller with your personal information, but rather instruct them not to call you again and hang up the phone.

If you believe you have been a victim of an advance fee scam, another type of financial scam or have questions, please contact the Enforcement and Consumer Protection Division of the District of Columbia Department of Insurance, Securities and Banking at 202-727-8000.

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