



# Fake Invoices Targeted at Businesses and Other Organizations

From the Office of Minnesota Attorney General Lori Swanson

Scam artists often aim fake invoices at companies, churches and synagogues, non-profits and other organizations, hoping to get them to pay for products or services, such as printer toner, paper, directory listings, magazine subscriptions, and books, that the company did not order, that have little or no value, or that are never delivered.

## Membership Dues.

The Minnesota Attorney General's Office was alerted to a scam in which businesses received an "invoice" for yearly dues from a phony business association in Washington, DC; however, the organization that sent the invoice was not affiliated with any legitimate local, regional or national business organization.

## Directory Listings.

A church received a bill for an "internet directory listing" that it did not want, need or order. A small business received a similar invoice after it had mistakenly cashed a check in which it agreed to a contract with the company. Although the check was only worth \$3.17, cashing the check was considered by the scam artist to sign the business up for twelve months of directory service through a company that reaches few customers in the business' area.

## Toner and Other Office Supplies.

Businesses and non-profits have contacted this Office about invoices they received for printer toner and other office supplies. One non-profit received an invoice with merchandise for printer toner that was three times more expensive than what it pays through an existing vendor. Some companies simply accept delivery and make payment for goods that they believe are from an existing, reputable vendor.

## Fly-by-Night Schemes

The Attorney General's Office has taken numerous actions against promoters of fake invoice scams, but these schemes, unfortunately, continue to operate. Most are run by fly-by-night scam artists, who are on the move and difficult to catch. Accordingly, businesses and other organizations are encouraged to alert their bookkeepers and accounts payable employees about such schemes, as prevention is the best tool against them.

## Other Products and Services.

Several variations of the scam exist. In one scam, hospitals received invoices from a supposed heating and cooling company that purported to collect charges for labor and materials for emergency repair services done at the hospital. In reality, no work was ever performed by the company, and the invoice was completely bogus.

## The Law.

Federal law prohibits any mailing which is "in the form of, and reasonably could be interpreted or construed as, a bill, invoice, or statement of account due" but is, in fact, "a solicitation for the order by the addressee of goods or services," unless the mailing includes the following notice:

This is a solicitation for the order of goods or services, or both, and not a bill, invoice, or statement of account due. You are under no obligation to make any payments on account of this offer unless you accept this offer.

Minnesota's Consumer Fraud Act also has a specific provision addressing fake invoices. That statute prohibits any person from soliciting payment of money "by any statement or invoice, or any writing that could reasonably be interpreted as a statement or invoice," for unordered merchandise or unordered and unperformed services.

The law may not pertain to all solicitations that businesses, non-profits and other organizations receive in the mail. Not all solicitations look like bills, invoices and account statements. As mentioned in the earlier example, some solicitations look like refund or rebate checks. By cashing the check, an organization may agree to be billed monthly for something it doesn't want or need, such as a credit card or membership in a Web directory.

### Prevent Fake Invoice Fraud.

If you receive a fraudulent invoice, do not pay it. The following guidelines will help you avoid these scams:

- Check all of your paperwork closely, watching especially for invoices and checks from unusual places;
- Scrutinize any solicitation that attempts to collect on products or services outside the scope of the normal routine;
- Confirm orders with the firm and/or with whomever authorized the purchase;
- Avoid payment until you know that the goods and/or services were ordered and/or received;
- If you receive a check payable to your organization, read and understand all of the terms listed on the back of the check before cashing it; and
- Contact the Minnesota Attorney General's Office and your local Better Business Bureau to check out a suspicious company, invoice, or check.

To obtain information, the Attorney General's Office and other organizations can be reached by phone, mail, or electronically as follows:

#### United States Postal Inspector

P.O. Box 64558  
St. Paul, MN 55164  
(651) 293-3200

[www.usps.com/postalinspectors/](http://www.usps.com/postalinspectors/)

## What do I do with unordered merchandise and fake invoices?

If you receive merchandise that was not ordered by your organization, you are not required to return it. In fact, Minnesota law says that unless otherwise agreed, when unsolicited goods are addressed and sent to a person, the person has the right to refuse to accept delivery of the goods and is not bound to return such goods to the sender. Under the law, receipt of such unsolicited goods is deemed an unconditional gift to the recipient who may use or dispose of the items as he or she sees fit. In addition, any invoice included with such merchandise is illegal unless the products were ordered by the customer.

#### Federal Trade Commission

Consumer Protection  
CRC-240  
Washington, D.C. 20580  
1-877-FTC-HELP  
[www.ftc.gov](http://www.ftc.gov)

#### Better Business Bureau

2706 Gannon Road  
St. Paul, MN 55116  
(651) 699-1111  
1-800-646-6222  
[www.bbb.org](http://www.bbb.org)

#### Office of Minnesota Attorney General

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