



Phony Solicitations for Government Grants

From the Office of Minnesota Attorney General Lori Swanson

Minnesota residents are now being targeted by a telemarketing program offering to assist them in obtaining large amounts of government money. This potential scam is initiated by a telemarketer, who claims that the consumer is eligible for up to \$8,000 in grant money from the United States Government if he/she is a citizen of the United States. The telemarketer then offers to assist the consumer in obtaining the money in exchange for allowing his/her “company” to withdraw \$239 from the consumer’s bank account. Some Minnesotans have also received direct mail solicitations offering to assist them in obtaining government grants in exchange for payment. Consumers who send money to these programs only received “informational booklets,” containing minimal assistance, if they receive anything at all. This is contrary to the promise that the consumer will get actual money, rather than a listing of grants.

Although there are a variety of sources within the government and private sector that offer grants to eligible applicants, individuals do not need to enlist the services of a separate company to learn about such funding sources. The application procedures for a wide variety of public and private grants can be obtained free of charge as public information. In addition, consumers should never give their bank account information to unknown telemarketers.

Government Grants Program

Since many of its departments offer grants, the United States Federal Government has created the Grants.gov program as a resource for parties seeking information about grants. Grants.gov is managed by the United States Department of Health and Human Services, and may be contacted as follows:

Grants.gov Program Management Office
200 Independence Avenue SW
HHH Building, Room 739F
Washington, D.C. 20201
1-800-518-4726
www.grants.gov

Consumers may also contact the United States General Services Administration’s Catalog of Federal Domestic Assistance at: www.cfda.gov.

Telemarketing Fraud

The Attorney General takes this opportunity to warn consumers to be on guard against telemarketing fraud in all its forms. The FTC estimates that consumers in the United States lose over \$40 billion per year to telemarketing fraud. Fraudulent operators may impersonate a company with which you have a business relationship, such as a bank or utility company, or may solicit you to purchase phony goods or services. Frequently, fraudulent telemarketers attempt to convince a consumer to send payment, or disclose his/her financial information, in connection with products or services that do not exist or do not meet the claims of the telemarketer.

Protect Your Financial Accounts

Consumers should never give out their banking information to unknown parties over the phone or otherwise. Once a party has obtained a credit card number, check routing information, a Social Security number, or a bank account number, it may be able to make repeated withdrawals from the account without the consumer’s knowledge. Don’t let this happen! Protect your private information. In the event that an unwanted party obtains your information, contact the

police and your financial institution immediately. For further information on responding to telemarketing fraud or other consumer issues, contact the Minnesota Attorney General's Office as follows:

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