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## **Bogus-credit-union scam derailed; consumers warned by Division of Finance & Corporate Securities**

(SALEM) Because of a recently thwarted scam involving a nonexistent credit union that sought to advertise in Southern Oregon newspapers, the Division of Finance and Corporate Securities of Oregon's Department of Consumer and Business Services is warning consumers not to get involved with unfamiliar credit unions or other financial institutions until they have ensured that the institutions are authorized to do business in Oregon.

An employee at *Ashland Daily Tidings* was suspicious of an ad-placement request for Sunrise Family Credit Union, which purported to be a business in Astoria seeking new members in Oregon. She contacted the Division of Finance and Corporate Securities and supplied a photocopied "license registration" that the scammers offered as proof of legitimacy. The fake document carried a blurred replica of the Oregon State Seal under the heading "Department of Financial Institutions," which does not exist.

DFCS investigators say the only legitimate thing about the ad was the name of the credit union, which, unfortunately, had been "borrowed" from a real credit union in Michigan. The address in Astoria did not exist. There was no answer at the Astoria phone number listed on the advertising order, and the toll-free number on the ad was Canadian-issued. DFCS was able to have the phone numbers terminated.

"The scam appears to be similar to a recent one in which the name of Heartland Credit Union, a legitimate business operating out of Wisconsin and Iowa, was used in ads placed in various newspapers around the country," said Janet Powell, Division of Finance and Corporate Securities supervising examiner for the Credit Union Program. "The bogus credit union was supposedly in Albany, Oregon. Those who responded to the ads were asked to submit loan-application fees."

In the Heartland Credit Union ad-based scam, phone numbers were traced to Toronto, Canada, and two Jamaican nationals, Charles Douglas Leslie Card and Kevin Card, were arrested by Canadian authorities. Investigators believe they received up to \$10,000 a day in loan fees from applicants.

In other scams, Powell said, scammers harvest credit card and bank account numbers from application forms and use them for illegal purposes.

"People who are concerned about a financial institution can call us at the Division of Finance and Corporate Securities before they give personal information or money to any entity that represents itself as a credit union or other financial institution. Our toll-free number is 866-814-9710. They can also visit our Web site, <http://dfcs.oregon.gov>, to read alerts and to check licensing and registrations."

Avoid doing financial business over the telephone with unfamiliar companies, she added, and remember that it's in your best interest to be cautious where your money and personal information are concerned.

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