Utility Scam Targeting Poor and Minorities in Several States

August 2, 2012 - Another day, another scam. Just imagine that you are sitting at home when you receive a phone call telling you that your electric bill is past due and that your electricity is about to be shut off if you don't make payment right away. Now imagine that you don't have a great job, you don't have access to credit cards, and you don't have a checking account. What are you supposed to do? Well, a lot Xcel Energy customers in several states have found themselves in exactly this position due to a new scam.

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Most of the reports on this scam have been local, and the ones that I have read make it seem like the scam is only taking place in small areas. But there are enough reports now that it is clear that Xcel customers in Texas, New Mexico and Minnesota have been victimized.

The scam starts out with a phone call just like the one described above. The calls appear to target people without access to credit or checking accounts, and may be specifically targeted as Hispanics because some of the calls are made in Spanish. When the potential victim tells the caller that they don't have a credit card available to pay the bill, the caller instructs them to purchase a pre-paid Green Dot Visa Card from a local retailer and gives them a number to call back on to make payment.

When the victim calls the number provided, the entire amount of credit available on the pre-paid card they purchased disappears. And to make matters worse, the callers appear to have the ability to reregister the pre-paid card in someone else's name for future fraudulent purchases.

It is highly unlikely that this scam will not spread to other areas of the country and to other utility providers. Anyone receiving this type of call should look up the phone number of their local power company themselves and then call their billing department to make sure that they don't have a billing issue.

Xcel is advising any of its customers who think that they have been targeted by this scam to call 1-800-895-4999.

byJim Malmberg
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