



# Beware of Business Compliance Solicitation Scams

From the Office of Minnesota Attorney General Lori Swanson

Some companies have sent solicitations to Minnesota businesses that at first glance appear to be official mailings from a government agency and imply the businesses must pay a fee to comply with annual meeting, minutes, or reporting requirements. The solicitations often use confusing legal jargon—sometimes even quoting state or federal laws—and attempt to create a false sense of urgency by listing a fictitious deadline before which the business is “required” to respond. The common denominator of these scams is that the solicitations always instruct the business to submit a fee for a service that is unnecessary, or that the business could do on its own for a fraction of the cost.

The perpetrators of these types of scams are often fly-by-night operators who frequently change their names, addresses, and telephone numbers to cover up a track record of complaints or avoid detection. And once money is sent, it is typically gone for good. It could happen like this:

“Olivia” was busy juggling two property management companies when she received an official looking solicitation that asked her to pay a \$125 fee and fill out a form with information about her company’s officers. The next day, after Olivia put the check in the mail, she received the same solicitation for her other company. After taking a closer look at the second solicitation, she realized that the fee was actually for a recordkeeping service her businesses did not need. Luckily, she was able to stop payment on the check.

“Connie’s” book store received a solicitation that quoted state laws and asked her to pay for a minutetaking service. Connie did not recognize the name of the company that sent the solicitation, so she called her attorney. Her attorney told her that the law quoted on the solicitation did not require her to pay for such a service. Connie did not pay the fee and threw the solicitation away

## Advice for Avoiding Compliance Solicitation Scams

Although the fine print on these solicitations may disclose that the service is not required, the companies that send these solicitations count on the fact that busy employees who process the forms or handle accounts payable may not always notice the fine print disclaimer. It is important for businesses to do their homework before paying for the unnecessary services advertised in these types of solicitations. Here are a few tips:

- Read the solicitation carefully to find out who actually sent it and what they are offering.
- Keep a list of required registrations and fees handy.
- Keep track of when renewals are due.

Business registration and compliance issues can be complex. If you have questions about business filings and associated fees, you should contact an attorney or the Minnesota Office of the Secretary of State as follows:

### **Minnesota Office of the Secretary of State**

Retirement Systems of Minnesota Building

60 Empire Drive, Suite 100

St. Paul, MN 55103

Business Information Line: 651-296-2803

Toll-free: 1-877-551-6767

Website: [www.sos.state.mn.us](http://www.sos.state.mn.us)

Email: [business.services@state.mn.us](mailto:business.services@state.mn.us)

## Report Compliance Solicitations

If you receive a solicitation similar to those described above, you should report it to the Federal Trade Commission (FTC), which enforces laws regulating deceptive and misleading advertising and business practices. You should also report the solicitation to the U.S. Postal Inspection Service (USPIS), which has the authority to investigate mail fraud. You may contact these agencies as follows:

**Federal Trade Commission**

Consumer Response Center  
600 Pennsylvania Avenue NW  
Washington, DC 20580  
Toll-free helpline: 1-877-382-4357  
*www.ftccomplaintassistant.gov*

**U.S. Postal Inspection Service**

Fraud Unit  
222 South Riverside Plaza, Suite 1250  
Chicago, IL 60606-6100  
1-800-372-8347  
*www.postalinspectors.uspis.gov*

For additional information, or to report a business compliance scam, you may contact the Office of Minnesota Attorney General Lori Swanson as follows:

**Office of Minnesota Attorney General**

**Lori Swanson**

445 Minnesota Street, Suite 1400  
St. Paul, MN 55101  
651-296-3353 or 800-657-3787  
TTY: 651-297-7206 or TTY: 800-366-4812  
*www.ag.state.mn.us*