

# The Arkansas Cyber Defense Center

## Business Loan Scams

Loan scam targeting small businesses and business owners.

### Types of loan scams:

The “Advance Fee” Scam: The scammer will promise to provide you with a loan in exchange for an upfront fee. They may even go so far as to send you a fake check for the amount of the loan, which you will then be asked to deposit into your account. Once you deposit the check, the scammer will then withdraw the money, leaving you with a negative balance in your account.

The “Phantom” or “Ghost” Loan: The scammer will approach you and offer to provide you with a loan. They may even show you fake documents or websites that appear to be from legitimate lending institutions. However, once you agree to the loan and provide them with your personal information, you will never hear from them again.

The “High Interest Rate” Scam: The scammer will offer you a loan at a much higher interest rate than what is available from legitimate lenders. They may also charge excessive fees and penalties if you miss a payment.

The “Ponzi” Scheme: The scammer will promise to provide you with a loan that will earn you a high rate of return. They may even show you fake documents or websites that appear to be from legitimate lending institutions. However, the money you invest in the loan will actually be used to pay other investors, and you will never see any return on your investment.

### Who could be targeted:

Businesses of all sizes could be susceptible to loan scams. It is important to take appropriate precaution.

### Why be aware of this attack?

Business loan scams are dangerous and have the potential to leave a business with a negative balance in the bank account.

### Prevention tips:

- Take your time, ask questions and do your research to avoid being rushed into a bad situation.
- Do your research to double check that the organization contacting you is who they say they are.
- Scammers will try to steal your money by rushing you into paying with unconventional payment methods like gift cards or wire transfers. If they insist you pay in the form of gift cards or by wire transfer, it's a scam.

