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Scam Gram!

Keep the sharks at bay

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SCAM GRAM is Consumer Action's monthly e-newsletter alerting you to the dirtiest players in the world of tech fraud, credit card scams, ID theft and general con-artistry. Don't be fooled by liars, cheats and crooks—wise up with SCAM GRAM!

The IRS introduces the 'Dirty Dozen'

Identity theft, fraud committed by your tax return preparer, phone scams and phishing (fake emails or websites looking to steal personal information) are all things to watch for this tax season, according to the Internal Revenue Service's "Dirty Dozen" list of scams. While filing taxes can be confusing, one thing is clear: The IRS will never initiate contact with you by email, text message or social media to request personal or financial information. Unfortunately, however, Congress [passed a bill](#) a couple of months ago that will allow debt collectors to call on behalf of the IRS. It's important to note that these collectors are not allowed to accept payment directly over the phone (all payments must be processed by the IRS). So, even though you may get a call if you're long overdue on paying your taxes, you should never give out your bank account or credit card number to the person calling. (If they're asking for it, they're scamming you!)

Be my Valentine?

Your secret admirer could be a con artist. Financial education website NerdWallet [outlined](#) three of the most common Valentine's Day scams to watch for this year: buying your sweetheart flowers from fake florists; falling victim to fraud through an online dating service; and clicking on a bad email link that promises discounted jewelry (or something similar) but really delivers a counterfeit product (or worse). Another thing to watch out for is the dreaded (and often corny) e-card. Hackers can send a card just as easily as your object of affection can, but rather than contain a saccharine GIF of puppies in love, the online card might contain a hyperlink capable of downloading malicious software and stealing your personal information and contacts.

Consumer protection? Yeah, right.

The House passed a misleadingly named bill earlier this month (the Financial Institution Consumer

Protection Act of 2015) that does anything but protect consumers. The legislation would make it harder for the federal government to combat fraud. With the rise of online commerce and automatic debiting, scammers have developed ways of systematically extracting money from consumers' bank accounts. The bill weakens existing enforcement efforts (under an initiative called Operation Choke Point) that for years have stopped consumer fraud by targeting banks that looked the other way and knowingly served fraudsters. The terrible legislation doesn't stop there; it would also make it even more difficult to hold banks accountable for their role in the 2008 financial crisis! Fortunately, it has yet to pass the Senate, so there's still time to tell Congress to support consumers, not the big banks that support criminals. [Write now!](#)

It's tax time!

Beware those who prepare. Two major consumer advocacy groups just issued [warnings](#) outlining the risks faced by people who use paid tax preparers. Don't lose your refund to unnecessary fees, uneducated preparers or unscrupulous swindlers.

Why pay when it's free? The IRS wants you [to know](#) that if your adjusted gross income is under \$62k annually, you can file for free! Don't get bamboozled into paying this year.

Worst-case scenario: You're a victim of tax fraud...now what? CBS News published a helpful [article](#) on what to do if you suspect someone has stolen your identity and filed a return in your name in order to get your refund. The news site also offers the following tidbit to keep this from happening in the first place: "File your tax return as quickly as possible. In that way, if the fraudulent return is filed after you've already filed the real one, the fraudster's is more likely to be rejected."

Tips!

- **Unlocking lead generators.** The *New York Times* conducted an extensive [investigation](#) into fake online locksmiths (and other seemingly local businesses) recommended through Google maps. Using search engine optimization, (often offshore) call centers can make themselves seem like affordable local businesses, with their results listed front and center in your search. They then send a local subcontractor out to "help"—who dramatically raises the price once the job starts (a classic bait-and-switch).
- **Fake Facebook coupons.** Heads up: A lot of bogus coupon links have been floating around on Facebook over the last month, including [one](#) for the grocery giant Wegmans (\$200 in free products) and [one](#) for the home improvement store Lowe's (50 percent off). Don't buy it.
- **Just for me?** The Federal Trade Commission (FTC) is now offering your very own, personalized identity theft [recovery plan](#) (in the unfortunate event you become a victim of identity theft). The plan will walk you through each recovery step, track your progress and even pre-fill necessary paperwork.
- **Enough with the credit card offers!** A reader wrote in to tell us that she's sick of seeing her daughter get unsolicited credit card offers in the mail. As she rightly stated: "Anyone could find a discarded invitation," steal her identity, and "cause great harm." Fortunately, the FTC offers [instructions](#) for opting out of these prescreened (also referred to as pre-approved) credit card offers.
- **The future of fraud.** *The Atlantic* wrote a [great piece](#) this month on how cutting-edge technology can

help protect us from fraud. Apparently, teams of neuroscientists, psychiatrists, computer scientists and others are hard at work coming up with fascinating, futuristic ways to detect cons and warn consumers.

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