



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!

Poor form

We received an exasperated email from a reader who bought fitness company ProForm's in-home elliptical for around \$800, only to be told that he would need to purchase an app (iFit) in order to register and fully *use* the machine. This made our reader angry (and made *us* look into what's going on). As of this writing, Proform advertises the iFit app on its website as a nice, *optional* addition to a functioning elliptical. Full of misgivings, but realizing he wouldn't get anywhere (figuratively or literally, it seems) without the app, our reader signed up for a "free" iFit trial—only to incur an unwanted \$197 charge a month later for a year's subscription to the app! (Side note: [Free trials are the worst!](#)) Seeing red, our reader cancelled iFit, but the app-maker would not refund his money. Deeming the elliptical an "\$800 boat anchor," the peeved reader went to return it, only to be informed by ProForm customer service that the company charges an *additional* \$300 to refund customers and "restock" the machines (despite, the reader said, ProForm advising him to keep and "destroy" the dead weight himself!). A quick search on the Consumer Affairs website reveals [similar complaints](#), with one particularly expressive customer ready to go medieval on ProForm, declaring: "I do not want iFit. I do not want to pay for iFit before I can use my treadmill. They are holding my treadmill hostage...They should be whipped for this!" Perhaps a flogging in the court of public opinion will do?

Food fears

It would be nice to solve chronic health issues by chucking that cheese or tossing those tomatoes. If *only* we could figure out which food is the cause of our woes! Enter the increasingly popular (and costly) antibody-based food sensitivity testing industry, led by companies like Pinnertest and Shark Tank's EverlyWell (which advertises relentlessly in this author's Facebook feed). The companies employ in-home tests—just prick your finger (or pluck out some hair) and mail back the kit you ordered, et voilà, fast results will reveal your body's

production of immunoglobulin G (IgG) in response to certain foods! Not so fast: Legit medical professionals and scientists agree that IgG is produced even if you've so much as been *exposed* to a certain food, and is therefore not necessarily indicative of an allergy. *Stat News* even [quotes one doctor](#) as saying that the tests can do "dramatic harm" since paranoid test takers may unnecessarily avoid eating entire food groups! Even a *Vice* reporter who took the tests (and helped to debunk them) calls them "a sand trap for anyone with disordered thoughts and fears around eating," and points out that even *knowing the truth* about the bogus tests, he's [still afraid](#) to eat oatmeal cookies after his IgG came back high in response to oats! Curious if you've got a food sensitivity? You'll probably need to find out [the hard way](#): Through an old-fashioned elimination diet.

Media marvels at misbehaving Millennials

The fest that launched a thousand films. The only topic more popular in the media nowadays than ["charming" Ted Bundy](#) (yuck!) is the Fyre Festival, the renowned Caribbean island fest that was supposed to represent the pinnacle of "luxury" but was anything but. The festival was conceived (and collapsed) by obnoxious but *also* allegedly "charming" fraudster/man-child Billy McFarland. Multiple movies detailing the "fyre storm" hit streaming services last month, including [one on Hulu](#) and [another on Netflix](#). The documentaries feature not-so-charming Billy, up-close-and-personal (What is *wrong* with him?! Didn't his lawyers advise him to keep quiet?); a seemingly clueless and cavalier Ja Rule (McFarland's "partner in crime"); the [infamous sad cheese sandwich](#) (oh, the cheese sandwich!); the internet-famous rich festivalgoers whom everyone loves to hate; and the social media "influencer"-obsessed culture that made such massive fraud possible. It's not all bad news though: One of the documentaries spawned a successful crowdfunding [campaign to pay](#) a local island cook whose goose was cooked by McFarland (along with everyone else he hoodwinked).

Out for blood. The same man who directed the award-winning *Enron: The Smartest Guys in the Room* has sold his latest film, *The Inventor: Out for Blood in Silicon Valley*, to HBO, which will be airing the [documentary](#) about Theranos, a health tech company founded in 2003 by 19-year-old Ivy League dropout Elizabeth Holmes, later this year. Theranos was once valued at over \$9 billion (and Holmes referred to as "the next Steve Jobs") due to "revolutionary" pin-prick blood testing capabilities. But, oh, how the mighty fell after a damning *Wall Street Journal* report found the tests to be unreliable and inaccurate (among other things), the Securities & Exchange Commission (SEC) investigated the company, and a 2018 federal charge of "massive fraud" (for misleading investors) resulted in Theranos receiving a valuation of \$0 and Holmes closing up shop and owing hundreds of thousands in penalties. There's a whole lot more to the story than we can sum up here, so keep your eyes peeled for the HBO doc. And if you can't wait, ABC recently dropped [The Dropout](#), a podcast that delves into Holmes' deception as well. (Want even more? It's rumored that Hollywood is looking to pick up the story, and that J-Law might play Holmes.)

Livin' the dream? If you're into multilevel marketing (MLM), or are as [frustrated as ScaryMommy is](#) by the MLM posts filling up your Facebook feed faster than the tiles in Tetris, perhaps you'll find solace in *The Dream*. The new podcast delves into the nature of MLM job "opportunities" and the toll they are taking on young women in particular (who represent the majority of MLM sellers—and targets). The award-winning host, Jane Marie (of *This American Life*), takes listeners into a world she [describes](#) as "entertaining and weird." Acknowledging that there are complex reasons behind *why* women work for MLM firms, Marie's levelheaded approach is needed when confronting a phenomenon with supporters every bit as ardent as detractors. Marie speculates: "I wanted to know why my cousin Stephanie is doing this every day on Instagram, and is she

making any money or not? Or what are her friends saying?" Check out the free podcast [here](#).

Tips!

● **Reelin' in the years.** CARFAX recently released a [report](#) on automobile odometer fraud, and the findings make us wish we could roll back the clock on what's become a huge problem. According to the auto sales/vehicle history report site: "Nearly 200,000 cars have their odometers rolled back each year. Additionally, there are currently about 1.5 million vehicles on the road with rolled-back odometers." Yikes! Cars with lower mileage sell for more, so fraudsters are all about restoring that youthful "glow" to the dashboard, regardless of the impact on your finances (not just costly repairs, but also higher insurance and interest rates if and when the truth comes out). Avoid getting conned into buying a clunker by having a professional inspect everything first. Also—and this is very important—always use the car's VIN (vehicle identification number) to obtain a vehicle history report. (Look for the VIN on the car's driver-side dashboard. The metal label should be securely fastened to the vehicle without any loose corners, scratches, tears or gouge marks.) If you're purchasing from a dealership, they likely will provide you with a report; otherwise, there are ways to [get one for free](#) (sorry CARFAX). You can also check if a VIN has been reported stolen at [VINCheck](#), a service of the National Insurance Crime Bureau.

● **Move over, bad moving companies!** We won't mince words: Moving companies can be sketchy. The Florida attorney general filed a civil suit in federal court last month against 14 moving companies it found had engaged in illegal practices ranging from deceptive marketing to outright extortion. CBS Good Morning investigated the wrongdoing in "[Scam moving companies hold customers' belongings hostage](#)." The story recommends the American Moving & Storage Association's [Moving.org website](#) to consumers looking for reputable movers. The Federal Motor Carrier Safety Administration's [ProtectYourMove.org](#) also offers free checklists, advice and alerts about moving fraud. Finally, see [our tips](#) on avoiding trouble with an upcoming move.

● **Sweepstakes and swindles and "gifts," oh my!** The National Consumers League's Fraud.org website just released its [2018 Top Ten Scams](#) list. While we can't say we're shocked by the scams that made the list, we *do* consider it required reading for anyone who wants to avoid becoming a victim in 2019. In today's brave new world, many of the top 10 are digital in nature, including internet merchandise scams, phishing emails, online romance or friendship scams and, of course, the omnipresent tech support scam. (No, Microsoft is not calling and asking for access to your computer!)

● **Bad influence.** A popular YouTube "influencer" [revealed](#) last month that the platform is plagued by con artists impersonating influencers like him. Scammers are posing as the "cool kids" of YouTube and using their avatars/similar names to friend their many subscribers and post to the subscribers' pages claiming the influencers are giving away free gifts (such as iPhones) and gift cards to a "select number" of lucky fans. In some cases, they say they are promoting new albums, videos or other engaging content. (ZDNet has [posted an example](#) of a real versus copycat influencer account, and we can see why someone might fall for it at first glance.) The scammers of course direct followers off-site and demand personal/financial information in exchange for the gift, access to the new content, etc. According to YouTube, hundreds have already fallen for the scam. But you don't have to be one of them, because you read *SCAM GRAM*: the greatest influencer of all!

● **Permission to ignore the boss.** You can find almost anything on the internet, including the boss's name and employee email addresses. Combine the two and you have a compelling scam. Here's how it works: You get an email from your "boss" asking you to do an "errand." Of course you hop to...and learn that your boss has an odd request. He wants you to buy hundreds—if not thousands—of dollars worth of iTunes cards online and send him the card numbers. Need we say that, in this case, you *can* question authority. Hit delete and do not worry about your future at the company!

Thanks for reading SCAM GRAM and, as always, feel free to send us your questions, comments and tips.

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Consumer Action empowers low- and moderate-income and limited-English-speaking consumers nationwide to financially prosper through education and advocacy.

