



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!

Doggonit!

Unfortunately, buying a pet doesn't always equate to receiving (or even being able to keep) your newest member of the family. This is especially true if you've purchased it from an online scammer. This [lowa woman](#) was duped when an ad for free Yorkie pups led to her scammer requesting \$500 for "transportation costs." Despite falling for the offer, she couldn't fetch the Yorkie because it didn't exist. This type of scenario leads most to agree that buying a pet sight unseen is probably not the wisest decision. (It's also irresponsible since you have no idea how the animal is being treated.) But even if you meet your would-be Fido IRL first, you might still be in for a shocking surprise: One [family](#) "bought" a golden retriever for \$2,400 only to find a \$5,800 charge on their credit report from a company called Wags Lending. It turns out the company *leases* pets at monthly prices that add up (and up and up) over the years. Unfortunately, the unsuspecting family thought that they had signed the standard sort of paperwork that would allow them to, you know, buy a dog outright (which tells us that Wags' terms and conditions were probably vague and/or deceptive). And it's not just dog-lovers impacted by this scheme: Bloomberg News gives the example of a cat person who "described buying a Bengal kitten from a breeder in Jacksonville, Florida, at a sticker price of \$1,700" only to learn that "they were on the hook for 32 monthly payments of \$129, or about \$4,100." That's one fancy cat! We just have one question: If your credit is destroyed due to unscrupulous pet lenders, can you claim, "The dog ate my credit score"?

Invasion of the body snatchers

The Federal Trade Commission (FTC) has released its annual "Summary of Consumer Complaints," and it sure is [revealing!](#) For the first time ever, imposter scams (when a crook pretends to be someone they're not—usually a trusted family member, institution or organization) have surpassed identity theft scams as the second most reported. (The first are debt collection scams, which received *over twice* as many complaints as imposter scams...so, [watch out](#) for those fake debt collectors!) But back to imposter scams:

The FTC says that the rise in reporting “is due to an increase in complaints about government imposters.” And if you’ve ever gotten a call from a [fake IRS “official”](#) telling you to pay back taxes over the phone, then you’re all too familiar with this type of scam. (Note for tax season: The IRS will never ask you for money over the phone! And if you’re deaf, they won’t ask you for it [over a video relay service](#) either.) Sadly, these imposter scams often hit close to home; even two of Consumer Action’s employees reported that they or their older family members received calls in the last few months claiming to be from *their own grandchildren* (asking for money to bail them out of an accident or jail). “I’m a consumer advocate so I know to look for red flags,” said one. “But I can see how a grandparent would be taken in by this scam, because they care about their grandchild. The person on the phone even sounded like my grandson!” This particular story has a happy ending though, with our alert advocate adding, “I was so happy it *wasn’t* my grandson that I sent [the real] him \$50!” Don’t spend it all in one place, honey!

Darn cyberpunks!

Yet another reader wrote in asking us to warn others about computer tech support scams—particularly the ones that begin with a crook calling and claiming to be with Microsoft (or the like) and end with them gaining control of your computer. Unfortunately, these scams are tried-and-true, with the Federal Trade Commission recently [detailing](#) how one in particular—orchestrated by a relentless “company” that calls itself Global Connect—keeps rearing its ugly head. But there are also a few new tech scams floating around, like [this one](#) that downloads malware to your computer before encouraging *you* to reach out to the *scammers* via a toll-free 800 number (how convenient for them). We get it: As one representative for a banking association points out in [this Fox affiliate exposé](#) revealing “an inside look” at these types of scams, “When you see a screen that says your computer has been locked or your computer is infected, and only we can help, it’s scary.” And it can be even scarier if you’re elderly and you frequently struggle with computer problems. (Don’t worry, you’re not alone: A new survey [reveals](#) that over 60 percent of U.S. seniors have been targeted by or are the victim of an online scam.) Still, older folks aren’t the only ones: A Consumer Action staff member reports that her 32-year-old nephew recently became a victim of the pop-up scam. Hopefully, by getting the word out, we can help you and your loved ones of all ages avoid the con.

Regular Bonnie and Clyde

Poof! Gone like magic. A young Florida couple was recently [arrested](#) for promising to cast “white” magic spells—those used only for good purposes—over a woman’s cold hard cash: \$10,000 worth of cash, to be exact. The woman let the couple into her house to perform the “blessing,” only to find they had fled the scene after requesting she leave them to their (actually) dark arts. The lesson here: Whether it be witches, vampires or a couple of ne’er-do-wells, make sure you only let the right one(s) in.

Creepy crooks. Another couple, whom a prosecutor [called](#) “bad people” with “no consideration for the emotional distress they impose on their victims,” was charged with fraud for promising cemetery services to the bereaved—services that they had no intention of delivering. The *last* thing one wants to learn after finding out that a loved one has died is that the grave marker or burial plot they paid for is gone too (or never existed). Because of their despicable lies, this pair of perps might spend quite a few years in jail (and have to dig up a lot of money to pay back the victims).

It takes two. A married couple in Ohio used their fake company, “compassionately” titled Human Services

Associates, to work with homeless, low-income and elderly people (who wouldn't normally file tax returns). The couple would promise the individuals "free money" from a "special stimulus program." In reality, the devious duo was filing tax returns on the individuals' behalf, only to collect the refund checks. This month they **pled guilty** to banking around \$1.5 million from the scheme!

Tips!

- **Not so nICE.** Scammers are nothing if not master opportunists. They follow the news of the day, looking for an "in." After media began reporting that ICE (Immigration and Customs Enforcement) raids were occurring in communities across the country, HuffPo [reported](#) that "Four men wearing ICE apparel stopped a man on a street off of Roosevelt Avenue in Queens [New York]. They demanded cash. When he refused, they told the man he would be arrested. In another incident...a man in the immigrant-filled Queens neighborhood was told to hand over \$250 or be arrested." If you're approached by someone claiming to be with ICE, freeze them out!
- **Spoofted sites.** Scammers are going above and beyond when it comes to creating make-believe websites to sell bizarre make-believe products. The FTC [reports](#) that they're now using the likes of public figures such as renowned physicist and author Stephen Hawking to hawk "brain booster" pills. If you want to be more of a genius, use your head and *don't* purchase shady "health products" online.
- **Revealing registries.** Getting married? Having a baby? It's an exciting time. And of course, you want to celebrate by encouraging your friends and family to buy you ALL the things on the online wish list that is your registry. Just be careful [how much information](#) you reveal on said registry. Including your full name, address, occupation or any other identifying details isn't more likely to make your great aunt spring for the \$600 Dyson Absolute cordless vacuum.
- **Oh no, LuLaRoe!** Not only have customers been complaining that LuLaRoe pants—which their friend-turned-sales-rep likely encouraged them to purchase online—"rip like wet toilet paper," those customers have also noticed a disconcerting phenomenon: Refunds for the ripped clothes are hard to come by *and* the money they spent on the clothes might be more than they bargained for. As *Good Housekeeping* [points out](#): "The company is under fire for wrongfully taxing customers in states that don't levy [a tax] on clothing....And by "under fire" we mean facing a class-action federal lawsuit."
- **Captain Obvious.** This probably goes without saying, but there are lots of scammers online—a fact that you've likely considered with dread if you've ever ordered a product off the internet and it took a while to arrive. Best-case scenario: It was stuck in snail mail purgatory. Worst case: You were scammed by an online seller and/or sucked in by an entire fake website (and that product never *did* arrive). Keep in mind that when the FTC [says](#) anyone can set up an online shop, they do mean *anyone*.
- **Account understand why.** The cutting edge (and amazingly snarky) music blog Consequence of Sound [roasted](#) a Florida Man who attempted to use the name/existing account of the band Nickelback's drummer to procure \$25,000 worth of musical equipment, stating, "It's hard to believe that anyone would want to be a member of a band that's been banned from performing in the city of London, targeted by police for 'crimes against music,' and used as a form of torture." Good thing the seller did some research before allowing the equipment to be billed to the pitiable band's account!

● **How low will they go?** File this one under “Who *does* that?!” The Consumer Financial Protection Bureau has [filed suit](#) against a company for allegedly offering “up-front” money to the brave firefighters, paramedics and law enforcement officers who were injured during 9/11. The company would tell the first responders that they could pay the money back *after* the first responders collected it later from an insurance pool created for those who suffered injury during the tragic attack. The catch? The first responders often ended up owing the company *much* more than they were advanced (sometimes over twice as much)!

● **Seedy TV.** If someone offers to cut your DIRECTV bill in half or give you super-premium awesome extra channels as part of an Amazon/DIRECTV promo (that requires you pay your monthly bills ahead of time via Amazon gift card), don't “buy” it. Even HBO2 isn't worth falling for this scam. And while Amazon [agreed to refund](#) one victim's money (she's a Prime member), you might not be so lucky.

Thanks for reading SCAM GRAM and, as always, feel free to send us your questions, comments and tips. [Click here to email us.](#)

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