



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!

Call me, maybe

Starting this month, the IRS and [four collection companies](#) it hired will be reaching out to people who have failed to pay their taxes for so long that they have been referred to the companies after the federal agency has made multiple attempts to contact them. Unfortunately, this makes it even *more* difficult for taxpayers to determine if a request to pay back taxes is originating from a taxman or a trickster. So the IRS is working to clarify this before the collectors come a-callin'. "Here's a simple rule to keep in mind," warned IRS Commissioner John Koskinen. "You won't get a call from a private collection firm unless you have unpaid tax debts going back several years and you've already heard from the IRS multiple times." Well, many consumers are unsure if they owe old taxes, while others may have moved from residence-to-residence and failed to receive snail-mail warnings. Scammers know this, and they also know that, when faced with legal threats, unsure taxpayers tend to pay up. That's why it's important for you, the taxpayer, to know when a "debt collector" is exhibiting shady behavior. IRS-approved collectors will not: call to demand immediate payment through a prepaid card, gift card, wire transfer, etc.; threaten to immediately bring in local police or others to have you arrested; ask for bank info, credit or debit card numbers over the phone; or refuse you the right to question or appeal the amount in question. The private collection firms *are*, however, allowed to facilitate payment either [electronically](#) or by check *but only* to the IRS or U.S. Treasury. (In other words: Never make a payment to an individual or a company. Find out more about legit payment options [here](#).) If you get a call that makes you nervous, your best bet is to sign up [here](#) to check your balance through the IRS website. Whatever you do, *don't* become one of the [5,500 victims](#) who have paid a whopping \$29 million to scammers in the past few years!

Travel troubles

Spring is in the air, and so is the desire to break free from your mundane everyday life and travel to an exotic locale (or at least enjoy a stress-free staycation). Unfortunately, scammers share your enthusiasm

for the good life, and are looking for ways to capitalize on your vacation plans. While we've warned readers to be careful when renting a vacation home or booking flights, [AARP](#) and [Credit.com](#) have written about some additional travel scams that even we've never heard of. For example: the hotel front desk scam. This occurs after you've checked in and rested your head on that perfectly fluffed pillow. Your room phone rings. It's allegedly the front desk, telling you that your card was declined and they need you to give them the information again (you see where this is heading...). Later on, let's say at the same hotel, you get hungry and call the number on that flyer you saw in the lobby for a pizza. They ask for your credit card info and voilà, you're dinged twice by scammers! If you've made it this far without being scammed, there are many dangers that await you outside as well. Beware of strangers offering to "help" you get a stain off your clothes or work an ATM machine; they may be pickpockets. And of course, if someone offers to take you and your traveling partner's picture with your cell phone, don't just hand it over or you may never see it again. Finally, AARP recommends taking only credit cards (not debit cards) on your trips, because thieves could draw on your bank account if your debit card is lost or stolen.

Spring cleaning

There's no better way to spring clean than to break free from your relationship with a mega-bank like Wells Fargo. The giant nationwide institution was [busted](#) for defrauding consumers last year, and since then has stubbornly resisted calls by pro-consumer leaders such as Senator Elizabeth Warren (D-MA) to free its customers and employees to pursue cases before a court of law, particularly regarding the millions of accounts set up without their permission through identity theft, forgery and fraud. Because of this, Consumer Action has been [engaging](#) in events and campaigns to encourage consumers like Byron Cooper to make the switch. Cooper ended up closing his accounts with Wells Fargo after he discovered the bank had opened two new ones "on his behalf" and shifted \$25,000 from his checking account to his savings account—all without his authorization, and despite his insistence that he did not want the new accounts. The bank also changed his "free" checking account to one that charged \$30 per month and required a minimum balance of \$25,000—also without his permission! If you've been defrauded (or feel defeated) by your relationship with Wells Fargo (or any bank, really), check out our handy [Tips for switching banks](#). Remember: Seasons change, and so do you.

Suckers for love

Gone girl. What's worse than the melodramatic 1996 flick "Ransom" featuring an increasingly loud and obnoxious Mel Gibson? Starring in a real-world version yourself! Officials are warning that kidnapping scams are running away with people across the country, and CBS [outlines](#) one particularly cruel incident that resulted in a family paying \$17,000 to scammers who claimed to have kidnapped first the daughter, then the husband! The only non-"kidnapped" member of the family (the wife/mother) explained why it's so easy for good folks to fall for this scam: "You won't jeopardize somebody you love over money."

You've got to be kid-ing! At least 12 victims have [come forward](#) to press charges against a woman who offered adoption and surrogacy services to people looking to become parents. The woman posted to message boards offering to carry a baby or adopt "her own" out to those wanting kids. She even went so far as to share fake ultrasounds with wannabe moms and dads! Fortunately, many of the victims called their local district attorneys (DAs) and put a stop to the sick scam.

A cancer on society. A mother who set up a crowdsourcing page to raise money for her five-year-old son

(who was legitimately battling brain cancer) [found out](#) that a scammer was using her son's photo to solicit pity, and donations, for herself. In another cancer con, a healthy woman shaved her head and set up a GoFundMe page [claiming](#) she had 18 months to live after having been diagnosed with leukemia. Moral of the story: When it comes to donating via peer-to-peer fundraising sites, make sure you know and trust the person making the ask (although, in the latter case, the woman's own *boyfriend* didn't even know she was lying for quite some time!).

'Like'-farming. They're [calling](#) it "the chain letter of the 21st century," only it's worse. What is it? Like-farming involves persuading you to "like" or comment on a heart-wrenching Facebook post (featuring, say, a photo of a sick child or mistreated animal). Once you interact with the post, your identity can be "farmed" out to other scammers (since you're now seen as an easy target, prone to emotional manipulation) or worse (think malware and computer viruses). So, what's a sympathetic person to do? Use websites like Snopes or HoaxSlayer to debunk dubious claims before you interact with an over-the-top, cry-for-help post (particularly if there is a mention of money).

Tips!

- **A deadly oxymoron.** If you're not careful, you could become the victim of a legal but highly questionable car [purchase transaction](#)—unsafe vehicles with open safety recalls sold by dealers as "safe." While it's against the law to sell *new* vehicles with unfixed recalls, the rule doesn't apply to used cars. Adding insult to very real injury, sellers can brand the cars as "safe" or "certified." We were gobsmacked when the Federal Trade Commission (FTC) recently declared it would allow the practice to continue. The FTC's position outraged consumer groups, some of which are suing the agency for allowing what is, at best, false advertising and, at worst, a death trap.
- **Adios, alternative facts!** The *Washington Post* has provided a solid guide and [expert advice](#) to help you guard against the scourge of the modern-day internet: fake news. Read this very real news article and learn how to look beyond the headline, research the publication or website, fact-check, consider the source, and more. After all, the only thing more embarrassing than believing fake news is getting called out for spreading it!
- **A fool and his money...** What do the following have in common: talk of "getting rich quick," promises of guaranteed high returns, and high-pressure "act now" messaging? These are all [tactics](#) used by scammers to make suckers out of investors. Don't allow investment advisers (whether man or [machine](#)) to fool you.
- **'Oh, bye there!'** If you've found yourself conversing with a robot recently, don't feel too bad. "Natural-speech technology is advancing so quickly that it may be only a few years until we won't be able to tell if we're speaking with a machine," points out the *Los Angeles Times* in an [article](#) warning the public of the ubiquitous "can you hear me scam?" When your dear author answered her phone recently, a bumbling but realistic young woman's voice responded after a short silence with, "Oh, hi there! Sorry I was having trouble with my headset." This is the point to hang up; if you begin to have a conversation with the robo-caller and answer "yes" to any questions, your recorded voice can be used against you to give consent to purchasing a product or making a transaction that you never bargained for. The calls have been targeting local businesses, which can then be "invoiced" by the scammers. Stay sharp!

● **Kicking deportation scammers out.** Those of us working in the advocacy community have been hearing more and more about scams targeting immigrants in fear of deportation. Scammers will offer to, for instance, sign the deed to the immigrant's house in order to "safeguard" it in case they get deported (and, well, the rest is history). Be wary of anyone offering paid legal or other services to "help" you avoid (or prepare for) deportation, and [learn about your rights](#) as an immigrant (via the National Council of La Raza).

● **Check your check.** Checks, like faxes and written mail, are becoming more outdated by the minute, yet scammers [continue](#) to benefit from the amount of time it takes to process a check. Victims are told to deposit scammers' checks into their bank accounts. In the time it takes the bank to smell a rat, the scammers have asked the victim to send them money back because they "overpaid." Once the victim wires the money, the bank realizes the check is no good and the victim is left on the hook for the overpayment as well as any returned check fees or overdrafts caused by the bogus instrument.

● **Death by a thousand cuts.** As *Newsweek* [points out](#), "More credit card companies are charging a range of fees for everything from card replacements, reward redemption, foreign currency conversion, over the limit, duplicate statement, balance transfer and account closure." These "junk charges" add up, and while the government has put a stop to some of them via the CARD Act, the banking industry ferociously bucks additional attempts to rein in what has become a major revenue source. How can you stop the financial bleeding? Read the fine print carefully *before* you sign up for that shiny new card, and don't be afraid to fight your bank over this "sanctioned fraud."

● **Up in smoke.** While most of us think of purveyors of pot as peace-loving hippies, some in the burgeoning marijuana trade are dirtier than last week's bong water. The SEC recently [charged](#) a California-based marijuana products company with using sham stock sales to inflate their profits and fool investors into believing they were a leader in the industry. The moral of the story: If you're looking to grow your money in this budding arena, make sure you weed out the bad businesses first.

● **Imitation inspectors.** There are con men hiding in every crevice, a fact that Dr. Oz [proved](#) when he tasked some so-called mold inspectors to tour a mold-free home. Of course, the inspectors had a financial incentive to find mold, and find it they did! Only, what they found wasn't mold; it was black eye shadow that Dr. Oz and crew had applied to an appliance. The imitation inspectors carried no testing equipment (to check air quality or swab the "mold" for testing), nor did they possess any certification for the task at hand. Let this be a warning to concerned homeowners everywhere: While some types of mold are very dangerous, so is paying to fix a problem that may not exist.

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