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!

TurboTax tomfoolery

ProPublica unveiled last month that the massive online tax prep service TurboTax did just about everything to trick taxpayers who made under $66,000—consumers who, by law, are eligible to file their taxes for free through what's known as the IRS Free File program—into paying to file when using its website. Not only did TurboTax charge the customers for filing (despite ads on its site and other places "guaranteeing" a free filing when users first began the filing process), it also paid its programmers to write code to hide the option to file free (in Google Search results) and to continually redirect consumers who searched for free filing to the paid version. This just goes to show why the IRS should offer its own online Free File option! Oh wait, the federal agency dropped the ball on that years ago, when it signed a deal with Intuit (the owner of TurboTax) and H&R Block allowing the companies to take over the Free File process online in exchange for it [the IRS] not having to deal with it. What a cozy relationship! Of course, neither company facilitated "free" filing—as a matter of fact, both willfully created policies to push those that could file free into paying (shocking, we know!). So what now? Members of Congress are calling for an investigation. Meanwhile, TurboTax has been unrepentant, allowing its "very condescending" customer service reps to boorishly mischaracterize the ProPublica investigation as "fake news" when customers phone them up mentioning the story and asking for a refund (which ProPublica is advising you do).

Direct-to-consumer pill pimping

With advantages like greater convenience and patient autonomy, direct-to-consumer (DTC) medical products and services are becoming big business. The cons? For starters, the *New York Times* last month revealed major issues with "restaurant-menu" medicine: the practice of consumers direct ordering what are often billed as "lifestyle drugs" for common health issues they self-diagnose. Physicians working for the websites pimping

the pills and potions can, for instance, write a prescription that was never FDA-approved for performance anxiety *for* performance anxiety, despite the fact that the medication was designed to decrease blood pressure—and all this *without ever checking the customer's blood pressure* (grab the fainting couch!). Unfortunately, the meds-for-money sites exist in a regulatory "gray area," with few restrictions on drug marketing. One site even boasted that it sent "free goodies," such as chocolates, with its year-supply of hormonal birth control. (It took this author five minutes to sign up after self-reporting her age and "recent" blood presssure reading. Mmm…chocolate!) And there are offline issues with DTC claims as well: Take the men in white vans driving around and offering $20 to Medicaid recipients in exchange for allowing them to swab the recipients' cheeks for DNA testing (and providing them the opportunity to bill the recipients' Medicaid). It's safe to say these "patients" will never receive their results, but even if they did, the FTC points out that, all too often, DTC DNA tests "lack scientific validity" or "provide results that are meaningful only in the context of a full medical evaluation." Hmmm…the DNA tests sound awfully familiar…almost like that Theranos blood testing boondoggle. Yes, as CNBC points out, Theranos' Elizabeth Holmes is "far from the only bad actor" nowadays, so when it comes to DTC health offers, tread carefully.

I want to believe

LuLaRoe lets them eat cake. A TruthInAdvertising.org investigation has revealed that multi-level marketing (MLM) company LuLaRoe (notorious for leggings that rip) had 115 not-so-gainfully "employed" distributors (mainly women, like the profiled, pregnant Marlie Ezarik) who were forced to file for personal bankruptcy over the last couple of years after buying into the company's message of "family time + financial freedom." All the while (according to a scathing *Atlantic* article on the phenomenon of online MLM yoga pants sales), the company had made "more than $2.3 billion in retail sales in 2017 alone." Meanwhile, LuLaRoe's founder lives "the high life," purchasing various expensive houses, exotic cars and enviable vacations. It must feel good to be at the top of the pyramid (scheme).

H2 Uh-oh… Why are we paying more and more for water, people? What's next—a tax on breathing? Water is an essential—and in the *vast majority* of the U.S., clean and safe—resource straight out of the tap. The Peter Popoffs and Poland Springs of the world, however, would have you believe you should pay extra for some sort of super-water. In Popoff's case, it's a "miracle" ordained by the big guy upstairs (but actually it's just water); in Poland Spring's case, it's water coming from a spring in Maine (but actually it's not, because the spring dried up some 50 years ago). And then there's all the woo-woo "wellness" water floating around. Food & Water Watch puts it best: If you buy these lies, it's like "pouring money down the drain."

Tips!

- **One pricey call.** Conscientious phone owners who return a mysterious "one-ring" call from a 222 number (country code for the West African nation of Mauritania) are unwittingly funding the criminals who've set the number up as a pay-per-minute international toll line (kind of like the "phone sex hotlines" of yesteryear). It's easy to understand why victims would take the bait and call back, because the bizarre calls are coming in the dead of night, and repeatedly. If you're getting these calls to your cell phone, you could try to change the settings to "Do not disturb," or set your phone to block the number. Whatever you do, don't call back! The worst thing you could do (which the scammers are banking on) is call back and stay on the line for any length of time in an attempt to understand what's happening (in which case, you'll be dumbstruck when you get your

phone bill). Learn more, and contact the FCC if you've been called.

- **Party on, dudes.** We don't recommend pulling one over on a scammer, unless… When a friend's Facebook Messenger was taken over by someone offering him a "federal government grant," the screenwriter for Bill & Ted's Excellent Adventure saw the situation for what it was but played dumb, roping the "friend" into a high-drama game of verbal cat and mouse. Pretending that he believed the account to really be his friend, the wordsmith promised to send money as soon as the scammer gave him some heavy relationship advice and a shoulder to cry on. (Of course, this led to a scene more awkward than Arya and Gendry's relationship.)

- **From the accounts of babes.** The FTC is warning parents about websites and apps that could allow scammers (or worse) to contact their kids. One such site, which gave youngsters the opportunity to design and decorate clothes, violated the Children's Online Privacy Protection Act (COPPA) when it collected data from those under 13 regardless of parental consent, and failed to provide "reasonable security" to protect that data (of course, a hacker got to the information). Find out more about what types of data COPPA requires companies gain "parental consent" to request and collect, and keep your minor from making any major mistakes online.

- **How to lose $50k in one day.** We've said it once (or twice now), and we'll say it again: The Social Security Administration (SSA) scam is harder to beat than Thanos himself! (If only we could go back in time and stop it…) At any rate, it's now the No. 1 scam in the country, so if anyone calls you to request that you send money to "unblock" or otherwise resolve issues related to your SSN, you have become the latest target. What to do? Hang up the phone, even if the number looks like it's coming from the government. What not to do: Withdraw thousands and go on a gift card-buying spree *a la* this "frantic" school teacher, who was swindled by a clever con artist similar to the one who called this AARP fraud expert.

- **Frustrating follow-up.** Loads of people are unwittingly being coaxed into visiting benign-sounding websites like "FindFamilyResources" in an effort to get jobs, enroll in health insurance, obtain unemployment benefits and the like. Little do they know, these sites operate as lead generators for the bottom-feeding telemarketers and robocallers who end up adding them to their speed dial. Oftentimes, the sites will hide fine print stating that visitors "consent" to the harassing calls, even if the visitors are on the Do Not Call Registry. These bogus "terms" don't stop the FTC, however, from going after those companies that violate federal Do Not Call laws. Know your rights (and register your phone) under Do Not Call. Oh, and report violators here.

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

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