

Beware of these Scams



Raising public awareness is an important part of preventing consumer fraud. We issue consumer alerts about the latest scams as soon

as we learn of their existence. Recently, my office has received numerous complaints about the following types of scams. You should familiarize yourself with them.

One scam involves telemarketers who pose as federal government officials offering grants or other financial assistance. Please be aware that this is not a valid offer by a federal agency. Real government agents do not call people in their homes and offer money. The dead giveaway to the scam is that you are asked for a fee up front.

In general, government assistance is only available after completing an application process. For example, assistance for educational expenses, such as college tuition, generally takes the form of student loans instead of grants. If you are in need of assistance, contact the appropriate federal or state agency directly.

Another way crooks take advantage of consumers involves telemarketers perpetrating an advance fee loan scam by using the name of the Better Business

Bureau (BBB). The scammers call consumers with poor credit records and provide a fictitious BBB telephone number. The people who answer the phone falsely claim to work for the BBB and give a favorable report on the business in question.

“Phishing” is an Internet scam that uses e-mail to deceive consumers into disclosing their credit card numbers, bank account information, Social Security numbers, passwords, and other sensitive information. These e-mails appear to be from reputable companies, but they are not. Don't be fooled!

Legitimate companies work hard to provide security and privacy. They do NOT contact customers to solicit "updates" on their financial and personal information. If you receive a solicitation like this, contact the company yourself by telephone - do not use links or mailers provided in the e-mail you received. The real company will probably want you to forward the message you received to its security department.

The counterfeit cashier's check scam involves sales of major items by individuals, often over the Internet. The seller is approached by a buyer or a person claiming to represent a buyer. The seller is told that the buyer can only send a cashier's check for an amount greater than the value of the purchase. The seller is asked to

send the difference to the buyer. Later, it turns out that the cashier's check is counterfeit.

To protect yourself, simply DO NOT accept a cashier's check for an amount in excess of purchase price. And be careful with any cashier's check: make sure your bank verifies the validity of the check before you deposit it, release the item or give a refund. Be aware that these counterfeits are very convincing. In some cases, the bank teller has been fooled, and the victim is responsible for the bogus deposit, in addition to losing the goods or refund.

Bogus lotteries and sweepstakes target senior Texans. The victim is told that he or she has won a fabulous prize. To collect the cash, the victim must send "fees" and "taxes." Unfortunately, there is no prize. This is theft, pure and simple. Anytime you have to pay up front to collect a prize, it is a scam.

Unfortunately, it is often not possible to find and prosecute these unscrupulous individuals and businesses. Even when they can be arrested, the stolen money is likely to be gone. That is why we make prevention such a high priority. You can help spread the word: don't fall for a common scam.

Information on this and other topics is available on the Attorney General's Web site at www.oag.state.tx.us.

POINTS TO REMEMBER

Beware of these Scams

Government Grants Scam

- Government officials will not call you to offer grants
- Contact the U.S. Department of Education for valid financial assistance with college, at www.ed.gov or (800) 437-0833

Better Business Bureau Scam

- Don't be fooled by fake BBB contact information
- Contact the real BBB at www.bbb.org

Phony Lottery and Sweepstakes

- You did NOT win millions in a foreign lottery
- You do NOT have to pay "fees" and "taxes" to collect a real prize

Phishing

- Legitimate companies do not use the internet to ask you to "update" or "verify" your personal financial or account information

Counterfeit Cashier's Checks

- Do not send money to anyone who pays more than the asking price by cashier's check
- Beware: Bank tellers have been fooled by this scam

Sign up for consumer alerts in the E-mail Notifications Section of our Web site at www.oag.state.tx.us



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