

# ARE YOU THE NEXT TARGET OF A SCAM?



According to the FBI, mortgage-related schemes are up 173 % from last year.

ATTEMPTS TO SCAM PEOPLE OUT OF THEIR HARD-EARNED MONEY ARE NOTHING NEW, BUT WITH TECHNOLOGICAL ADVANCEMENTS, SCAMMERS ARE BECOMING MORE SOPHISTICATED. LEARNING HOW TO QUICKLY SPOT THESE SCAMS WILL PREVENT YOU FROM BECOMING THEIR NEXT UNSUSPECTING VICTIM.

## TOP SIX SCAMS

### Mortgage Fraud

There are many types of schemes, including foreclosure rescue, loan modification or reverse mortgage scams, and all contain some type of material misstatement, misrepresentation or omission of information relating to the property or potential mortgage.

### Unauthorized Credit Card Charges

Scamming occurs when a company that has your credit card information on file makes unauthorized charges and hopes the victim either doesn't notice or thinks reversing the charges will be too much trouble. To get your credit card information, some companies will offer a "free trial" and then sell the credit card information to another disreputable group.

### Overpayment Scams

Fraudsters negotiate contracts requiring payment to their victims. Ultimately, the victim receives an illegitimate payment larger than the amount owed, and then scammers instruct their victims to wire the money back to them. Several varieties of this scam exist, such as secret shopper, pet schemes and false roommates.

### Identity Theft

This type of scamming occurs through the use of fraudulent, unsolicited e-mails that use spam to steal identity information. The e-mails solicit personal information, such as a bank account number, by falsely claiming that the FBI needs such information for an investigation and non-compliance will be prosecuted.



### Insurance Fraud

In these cases, the scammer files a false insurance claim as an illicit attempt to collect insurance proceeds. For example, arson-related incidents have been reported by homeowners of distressed properties in an attempt to avoid foreclosure. This has grown more prevalent in the wake of Hurricane Katrina and other catastrophes. These frauds, in turn, increase the cost of homeowner's insurance premiums annually.

The Coalition Against Insurance Fraud estimates that the cost of fraud in the industry is as high as \$80 billion each year.

### Computer Intrusion Scams

In frauds such as the Nigerian e-mail scam, the scammer claims to desperately need short-term financial assistance to see them through a crisis with the false promise of full reimbursement and a generous cash gift for their assistance.

30.2 million adults—13.5 % of the adult population — are victims of one or more of the frauds listed each year.

## Quick Reference Websites:

Federal Bureau of Investigation  
[www.FBI.gov](http://www.FBI.gov)

Department of Housing and Urban Development—Office of Inspector General (HUD-OIG reports)  
[www.hud.gov/offices/oig](http://www.hud.gov/offices/oig)

Consumer Affairs  
[www.consumeraffairs.com](http://www.consumeraffairs.com)

National Insurance Crime Bureau  
[www.nicb.org](http://www.nicb.org)





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# Stay Informed

## TO STAY PROTECTED.

HERE ARE A FEW PREVENTATIVE MEASURES AND TIPS YOU NEED TO KNOW TO AVOID BECOMING A VICTIM OF A SCAM.

### Mortgage Debt Elimination Schemes

Be aware of e-mail or web-based advertisements that promote the elimination of mortgage loans, credit card and other debts, while requesting an upfront fee to prepare documents to satisfy the debt. There is no easy method to relieve your debts, and borrowers may end up paying thousands of dollars in fees without the elimination or reduction of any debt.

### Foreclosure Fraud Schemes

Perpetrators mislead homeowners into believing that they can save their homes in exchange for a transfer of the deed and upfront fees. The perpetrator profits from these schemes by remortgaging the property or pocketing fees paid by the homeowner without preventing the foreclosure. The victim suffers the loss of the property, as well as the upfront fees. Always seek a qualified credit counselor or attorney for assistance.

**Free Property Monitor and Alert System:**  
[www.ePropertywatch.com/myhome](http://www.ePropertywatch.com/myhome)

### Predatory Lending Schemes

Beware of lenders who tell you that they are your only chance of getting a loan or owning your own home, and avoid "no money down" loans. This is a gimmick used to entice consumers to purchase property that they likely cannot afford or are not qualified to purchase. Be wary of mortgage professionals who falsely alter information to qualify a consumer for a loan.

Do not let anyone persuade you into making a false statement, such as overstating your income, the source of your down-payment or the nature and length of your employment. Never sign a blank document or a document containing blanks.



## WAYS TO PROTECT YOURSELF FROM MASS MARKETING FRAUD

### Things you should do:

- Insist on learning the full name, address and contact information for any company soliciting your business, personal information or assistance.
- Insist that all solicitors send materials to you in writing so that you are able to study the full details of the offer, as well as any guarantees and/or refund policies.
- Research all solicitors through the Better Business Bureau, Attorney General's Office and/or consumer protection service in the state or city where the company is located.
- To stop receiving telephone solicitations, instruct solicitors to delete your contact information from all call lists and register with the FTC's "Do Not Call" registry.
- Report suspicious telemarketing calls, mail solicitations or advertisements to the FTC at 1-877-FTC-Help (382-4357) or online at [www.ftc.gov](http://www.ftc.gov).

### Things you should NOT do:

- Do not make any payments to either secure a prize or improve your chances of winning a prize.
- Do not be intimidated into making hasty financial decisions by high-pressure sales tactics.
- Do not provide anyone with your sensitive personal or financial information unless it is to an entity whose legitimacy is personally known to you or you personally initiated the contact with the entity.
- Do not send funds via wire or electronic money transfer services unless it is to an entity whose legitimacy is personally known to you or you personally initiated the contact with the entity.
- Do not be lured by offers that are simply too good to be true ... they almost certainly are.

IF YOU SUSPECT FRAUD, CONTACT YOUR LOCAL FBI FIELD OFFICE OR SUBMIT A TIP ONLINE AT  
[HTTPS://TIPS.FBI.GOV](https://tips.fbi.gov)