

Top Ten Scams from 2014

Every year the Better Business Bureau of North Alabama receives thousands of calls from consumers who have been scammed or nearly scammed. The strategies of the scams vary with some targeting many people for small amounts at a time and others more narrowly focused, taking people for thousands or tens of thousands of dollars. Here are your BBB's top ten scams of 2014:

1. IRS Impersonator Phone Calls

Scammers call saying that they are with the Internal Revenue Service (IRS) and demand money or say that you have a refund due. These scammers can sound threatening and will likely urge you to act immediately, attempting to trick you into sharing private information which could ultimately lead to identity theft. The IRS will never call to demand immediate payment, nor will the agency call about taxes owed without first having mailed you a bill.

2. Government Grant Scams

A caller claims that you are eligible for a free government grant and either wants your checking account information so that the money can be wired directly into your account or requires that you send payment in order to claim your grant. If you have to pay money to claim a "free" government grant, it isn't really free, and the only official access point for all federal grant-making agencies is grants.gov.

3. Sweepstakes and Lottery Prize Notifications

One of the most highly reported scams by North Alabama residents are calls from someone claiming that you have won a sweepstake or a lottery. The caller, who might claim to represent Publishers Clearing House, usually instructs the consumer to go to a local discount department store or pharmacy and load money on to a reloadable debit card to cover prize fees or taxes. Mailings sent to local residents typically come with a check that is made payable to the recipient for thousands of dollars and instructions to cash the check and wire part of the funds back to the sender. Remember that you must enter to win, and if you have to pay anything for something you've won, you haven't really won.

4. Grandparent Scam

A grandparent receives a frantic phone call from whom they are led to believe is their grandchild. The scam artist, posing as their grandchild, explains that he or she has gotten into trouble and needs their help. The "grandchild" asks the grandparent to wire thousands of dollars for reasons including posting bail, repairing the grandchild's car, covering lawyer's fees or even paying hospital bills for a person the grandchild injured in a car accident. Your BBB advises you against disclosing any information before you have confirmed it really is your grandchild.

5. Scams Involving Reloadable Debit Cards

Victims report scam phone callers that make a variety of claims including that you owe the IRS, have delinquent debt or unpaid utility bills, have won a sweepstake or have been offered a job or a grant. In each of these scams, the caller often asks for payment using a reloadable debit card, such as a Green Dot MoneyPak card, available at many retailers. Since it's easy to use, untraceable and readily available, it has become a favorite among scammers. It is important to remember that Green Dot MoneyPak cards themselves are not fraudulent or a scam. To avoid these scams, you should only use reloadable debit cards to reload prepaid cards or accounts you control and refuse any offer that asks you to buy one of these cards.

Top Ten Scams from 2014 (cont'd)

6. Counterfeit Checks

Counterfeit checks can be used in a variety of scams including work-at-home opportunities where the receiver is instructed to deposit a cashier's check and then wire money elsewhere. Until the financial institution can confirm the funds have been "finally collected," the consumer is responsible for any funds he or she withdraws against that check deposit. The amount of time it can take for the bank to finally collect the money can vary, particularly with out-of-state or out-of-country checks. In most cases, victims report that they wired money to the check issuer only to find that the deposited check bounced and was uncollectible.

7. Bogus Computer Technicians

Computer technicians claiming to work for Microsoft or other computer companies are contacting consumers to notify them that their computer has operating problems, viruses or other issues that need immediate attention. The Better Business Bureau of North Alabama warns that these callers aim to gain remote access to your computer so that they can access your online banking information or download spyware that monitors your keystrokes.

8. Caller ID Spoofing

Caller ID Spoofing involves technology that allows you to alter the name and phone information that appears on others' Caller ID boxes. Originally the technology was invented to allow employees to make calls from home while displaying their company phone number. However, scam artists have found the technology to be a great tool to trick consumers by masking their real number so that when they successfully scam someone out of their money or personal information, it will be much more difficult for law enforcement to track them. The Better Business Bureau of North Alabama advises you to ignore the calls or let them go to voicemail and then delete the messages.

9. Employment Scams

While there are several variations of employment scams, some of the most common have been associated with secret shopping jobs and reshipping jobs that are advertised in newspapers and on websites like Craigslist.com, Monster.com, CareerBuilders.com and Yahoo HotJobs. The job seeker is told that the employer is in a foreign country and needs an American contact to handle its business in the U.S. In some instances, the scammer fraudulently disguises him or herself as being a representative of a reputable American company. Consumers should be wary of any employer that asks for your social security number, bank account numbers or for money upfront.

10. Car Wrap Scams

Scammers place ads on the internet or send mass emails that claim they will pay you to shrink-wrap your car with an advertisement, in many cases for an energy drink. The scammers promise to pay you a certain amount to "rent" the space on your car, but they send you a check for more than that amount. They tell you to deposit the check, take your share of the money and wire the rest of it to the company that will wrap your car. Weeks after you wire the money, which could be thousands of dollars, you find out that the deposited check was fake.

*Source: www.bbb.org

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