

# Mass Marketing Fraud—Awareness & Prevention Tips

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### Mass Marketing Fraud—Basic Overview

Mass Marketing Frauds target individuals of all ages and walks of life. Victims are lured with false promises of significant cash prizes, goods, services, or good works, in exchange for up-front fees, taxes or donations.

### Costs of Fraud

Mass Marketing Frauds victimize millions of Americans each year and generate losses in the hundreds of millions of dollars.

### The Top Schemes

- Foreign Lotteries & Sweepstakes
- Nigerian Letter Scams
- Credit & Loan Scams
- Overpayment Scams
- Charity Scams

### Common Scams—Be on the Lookout for Fraud

#### Foreign Lotteries & Sweepstakes

- Foreign lottery fraud is currently one of the most prevalent consumer frauds.
- Victims are told that they have won a lottery or sweepstakes in a foreign drawing.
- To collect the winnings, victims are told they must first pay various

taxes and fees.

## **Nigerian Letter Scams**

- Victims are asked to help illegally transfer funds out of Nigeria in return for a share of the money.
- Perpetrators ask victims for their bank account information under the pretext that it is needed to complete the transaction.
- Victims may also be asked to pay money up-front to help defray the cost of taxes, legal fees, or bribes.

## **Credit & Loan Scams**

- Victims with poor or non-existent credit are offered credit cards/loans—for an advance fee.
- “Credit repair services” may offer to help those with poor credit improve their credit ratings—for an advance fee.

## **Overpayment Scams**



- The victim is advertising an item for sale.
- A “buyer” sends the seller a counterfeit check or money order for more than the cost of the item.
- The victim is asked to return the difference between the payment and the cost of the item.
- When the payment turns out to be counterfeit, the victim is held responsible by his or her financial institution.

## **Charity Scams**

- Con artists solicit donations in the name of non-existent or fraudulent

charities.

- Most charity scams occur during the holidays or in the aftermath of disasters, when philanthropy is most common.

## **Protect Yourself—How You Can Avoid Becoming a Victim**

### **The Hallmarks of Mass Marketing Fraud**

- Offers appear “too good to be true.”
- Payments for goods or services are required in advance.
- Personal information is requested over the telephone.
- Offers are unsolicited.
- Representatives use high pressure sales techniques, claiming that immediate action is required.

### **What You Can Do**

- Don’t believe everything you are told. If something sounds too good to be true, it probably is.
- Avoid being taken by high pressure sales. Take the time to research offers before deciding whether or not to participate.
- Don’t do business with anyone who solicits your money in advance of awarding a prize.
- Inspect all representatives’ credentials carefully.
- Get all offers in writing and keep a copy for your records.
- Don’t deposit checks sent by companies that claim the check is being sent to pay fees or taxes on lottery winnings.

### **Report Scams When They Occur**

- Don’t ever be embarrassed. These frauds are perpetrated by sophisticated con artists.
- File a claim with the appropriate entities listed in this brochure.
- Report the crime promptly—you’ll have a better chance of getting

your money back and bringing the perpetrators to justice when you file a complaint soon after the crime.

## **Reporting Resources**

### **Federal Trade Commission (FTC)**

[www.ftc.gov](http://www.ftc.gov)

(877) FTC-HELP; (877) 382-4357

Victims are strongly encouraged to report frauds to the FTC, which maintains a comprehensive scam database called Consumer Sentinel.

### **PhoneBusters**

Tel: (888) 495-8501; Fax: (888) 654-9426

For frauds related to Canada, victims should contact PhoneBusters, a Canadian government clearinghouse for fraud information.

### **Internet Crime Complaint Center (IC3)**

[www.ic3.gov](http://www.ic3.gov)

For internet-based scams, individuals are encouraged to report incidents directly to IC3.

### **American Association of Retired Persons (AARP)**

[www.aarp.org](http://www.aarp.org)

For information related to fraud schemes targeting senior citizens, individuals should take advantage of the resources available on the AARP website.

### **Internal Revenue Service (IRS)**

(877) 829-5500

[www.irs.gov](http://www.irs.gov)

To avoid charity frauds, individuals should research organizations on the IRS website.

### **Better Business Bureau, Wise Giving Alliance**

(703) 276-0100

[www.give.org](https://www.give.org)

The Wise Giving Alliance provides information on charities that have been the subject of donor inquiries and also offers tips about charitable giving.