



Scam Gram!

Keep the sharks at bay

A Consumer Action News Alert • July 2016 • www.consumer-action.org

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!

Lose the weight (and your sanity)

Consumers who purchased author, radio/TV personality and all-around huckster Kevin Trudeau's diet book *Natural Cures "They" Don't Want You to Know About* probably didn't lose weight, but they did lose money. Those savvy enough to Google Trudeau *before* pulling out their wallet (perhaps prompted by the [unnecessary](#), disturbing use of quotations in his book title) would have learned that the Federal Trade Commission (FTC) had already banned him from infomercials due to deceptively advertising something called "coral calcium supreme" as a cure for cancer. Undeterred, Trudeau went on to pitch more products, billing *Natural Cures* as an easy weight-loss regimen when in reality the nightmare publication [prescribed](#) "a complex plan that required near-starvation level dieting, daily injections of a prescription drug that consumers could not easily get, and lifelong restrictions on what people could eat." As fun as that sounds, the FTC promptly sued Trudeau, who was sentenced to 10 years in the slammer. The agency is now mailing millions of dollars in refunds to consumers. If you want to avoid diet scams, watch out for bogus claims like miracle pills and products; diet patches, jewelry or other accoutrements; herbal teas; body wraps; and literal snake oil. Any program or product that promises more than a one-to-two-pound loss per week, says you don't need to change your diet or increase your exercise, or asks you to go to extremes of any kind is probably nonsense.

Doctors faking sick

The United States just experienced its largest healthcare fraud bust! The feds are cracking down on medical professionals who bill the government for fraudulent and unnecessary services, prescriptions, medical equipment, home care and the like only to personally pocket the money. In this latest case, doctors, nurses and healthcare companies conspired to siphon off a whopping \$900 million in federal payments through taxpayer-funded programs (like Medicare and Medicaid) that help (actually) ailing patients. U.S. Attorney General Loretta E. Lynch summed up the [scheme](#), stating: "The wrongdoers that

we pursue in these operations seek to use public funds for private enrichment. They target real people—many of them in need of significant medical care. They promise effective cures and therapies, but they provide none.” With so many deceptive doctors running around, how do you know *you’re* not being defrauded? “Patients need to stay on top of things,” said Linda Sherry, Consumer Action’s director of national priorities. “We all have a role to play in preventing government benefits fraud. It’s important to fully understand any treatment plan a medical professional recommends and to review your bills and benefits statements for accuracy to make sure the goods and services your medical caregivers order are necessary and actually being delivered.” You can learn more about the different types of healthcare fraud and how to report them [here](#).

Chameleons and con artists

Imposter scams occur when a scammer pretends to be someone they’re not in order to get their hands on your hard-earned cash. The FTC just [released](#) four new one-minute videos (perfect for sharing on social media...in English and en español!) to help consumers identify and avoid the most popular types of imposters, including irritating “IRS” callers, fake online prince (or princess) charmings, bogus tech support personnel, and those who would prey on the elderly through the notorious and prolific “[grandkid scam](#).” The FTC received over 350,000 complaints about imposter scams last year alone (outnumbered only by complaints about annoying debt collectors and nasty identity thieves). We at Consumer Action are constantly hearing about imposter scams (IRS ones in particular, which is why we cannot stress enough: If someone calls you pretending to be with the IRS and asks for money, hang up!). So please share the FTC videos, but remember, they still don’t cover every type of imposter out there. Scammers can come up with some pretty creative stuff: See [this creep](#) who pretended to be a country music star in order to bed an adoring fan (hey, he does kind of look like Jason Aldean) and [these women](#) who, ironically, initially got in good with the people they defrauded by pretending to be “fraud investigators.”

Wise readers

One interview you can’t ace. A reader wrote us to ask about the [legitimacy](#) of job interviews through Yahoo Instant Messenger (IM). We informed him that scammers love this and other messaging apps because they don’t have to show their face and therefore don’t run as much of a risk of getting caught. If you apply for a job online and are told that the interview will take place via IM, research the company and place a call to its human resources department before agreeing to chat, and *definitely* don’t give out any personal or financial information. Job interviews over IM are, it would be safe to say, very rare.

Worthless warranties. Another reader tipped us off to a threatening auto warranty expiration [letter](#) that she got in the mail. The ominous correspondence told the reader she needed to “act immediately” because her factory warranty was expiring and an alleged “Vehicle Services Department” could revoke her eligibility for coverage. As our wise reader stated: “I am a senior and laughed when I received it, thinking how stupid these people are since I no longer have this car,” however “the wording is somewhat threatening and could be misconstrued by a senior citizen as something that ‘has to be paid for’.”

Money for nothing. One mom emailed us after saving her son from a government [grant scam](#). When she heard her son talking on the phone to someone about his bank account routing number, she urged him to hang up. The scammer had told the young man that he worked for the National Institutes of Health (NIH) and wanted to reward him with grant money deposited directly into his account for “doing well at his job.”

When the son later called NIH and gave the government agency the alleged employee's name and badge number, he quickly learned he'd dodged a bullet.

Tips!

● **SIM-ply horrible switcheroo.** A SIM card is that tiny, removable electronic chip in your cell phone that links that specific phone to your account. Let's say you bought your phone from Verizon—if an identity thief can convince a Verizon retailer that they're you, then they can claim that they (you) lost their (your) phone or damaged the SIM card. If the scammer is successful, the sympathetic Verizon employee will let them purchase a new, expensive smart phone for a song and a contract through your account, leaving you with a dead phone, a hefty bill and a two-year contract. Unfortunately, the "SIM swapping" scam is [heating up](#) this summer.

● **Don't take this lump!** Imagine buying a costly new cell phone online only to open the box and discover a lump of worthless clay. Quite a few Amazon buyers are [claiming](#) to be targets of this terrible scam. In reality, however, the "victims" are the scammers. In order to take advantage of Amazon's generous refund policy and get their money back for a phone that they *did* in fact receive, the buyers plant the clay in the box, upload photos and write bad reviews accusing the sellers of defrauding them. If you sell products online, be aware of scams that take advantage of buyer protection policies.

● **Bad news for the bad guys.** The FTC [announced](#) last month that it made it illegal for telemarketers to ask for payments (for anything) through the methods most commonly exploited by con artists and scammers. These include cash-to-cash money transfers (like those that MoneyGram and Western Union provide) and PINs from cash reload cards like MoneyPak. The agency has also banned telemarketers from asking for your bank account information and using it to make a "remotely created check" that you never see or sign. If a law-breaking nuisance calls you, hang up and report the call to the FTC.

● **Combatting fraud in communities of color.** The FTC's been busy lately; last month it released a [report](#) on how to fight fraud in African American and Latino communities, where the problem is particularly pervasive. (If you're Hispanic or black, you're up to three times as likely to have experienced debt-related fraud, for instance, than non-Hispanic whites). The FTC is partnering with groups like the NAACP to educate consumers on the importance of reporting fraud and is suggesting a number of helpful fraud prevention strategies that law enforcement can use to help keep community members safe.

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

Use our ["Tell a Friend" page](#) to let your friends know they can sign up for their own copies.

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