



## Fraud Awareness

Every day, con artists tempt consumers with get-rich-quick schemes. Although new variations are created constantly, the purpose of these scams is the same; to steal your hard-earned money.

In an effort to provide consumers with information regarding these schemes, Community Financial has created this brochure which contains some of the leading scams, along with steps you can take to protect yourself.

## Common Fraud Scams

### Counterfeit Checks

Sellers beware. You place an ad in the local newspaper or online to sell a car, jewelry, motorcycle, etc. An interested buyer contacts you to purchase these items and a price is agreed upon. You are given a check that may say "cashier's check" or "official check." However, when the check is presented to your financial institution for negotiation, you are informed that it is fraudulent.

In a similar scam, the purchaser will send the seller a check for more than the agreed upon purchase price. The purchaser will then request the overpayment be sent back via a wire transfer. After the wire transfer is sent, the check is returned as fraudulent. By that time, you are out the merchandise and the additional money.

Remember, before turning over any merchandise to a purchaser, make sure the check you have received is a valid item by verifying the check with the drawee bank at a number independently obtained.

### Charity Fraud

Someone contacts you asking for a donation to their charity. It sounds like a group you have heard of before and want to help out.

They often refuse to send you information about the charity, give additional details or tell you how the money will be used. They might even thank you for a pledge you don't remember making.

How can you tell if a charity is legitimate and not a scam? Scammers want your money quickly, and often pressure you to donate right away.

## **Lottery/Sweepstakes**

A consumer receives a phone call, email or letter stating that they have won a large sum of money in a lottery or sweepstakes. The winner is told that a check will be sent to them to cover part of the taxes they will owe.

They are then instructed to deposit the check into their account, withdraw a specified amount within a few days, and send the funds via wire or money transfer to the lottery/sweepstakes office.

The letter promises the sender that once the funds are received, the remaining prize money will be forwarded. After the money is wired, the deposited check is returned as fraudulent to the consumer's account and no winnings are ever received.

### **Don't gamble with your money. Ask yourself:**

- How could I win the lottery if I never bought a ticket or entered a sweepstakes?
- Why do I need to send money to get my winnings?

## **Home Repair Fraud**

Nationwide, billions of dollars are lost every year due to home repair scams targeted against senior citizens. Anyone, however, can be the victim of home repair fraud.

Senior citizens are often approached by individuals offering to perform various home repair jobs such as asphalt paving, driveway repair, roof or gutter repair, chimney cleaning, tree trimming etc. The perpetrators claim to have materials left over from other jobs and say they can offer significant discounts.

Once the job is completed, the cost of the work is several times more than the first quote. The work done is usually inferior and incomplete.

## **Imposter Scams**

You get a call or email. It might come from a government official or say that you've won a prize. Maybe it seems to be from someone you know, like a grandchild, relative or friend. Or maybe it's someone you feel like you know, but haven't met in person.

Whatever the story, the request is the same; wire money to pay taxes, fees, or even the bail for someone you care about.

But is the person on the phone who you think it is? Judging by the complaints to the Federal Trade Commission the answer is no. The person that called you is pretending to be someone else so they can use your emotional ties to take your money.

## **Employment Scams**

Con artists pitching work-at-home and other job scams rake in billions of dollars each year. These scams are a favorite way for con artists to exploit people. They use appealing, but unrealistic come-ons to lure people into parting with their hard earned money with the hopes of hitting it big financially.

## Advance Fee

Starting a home-based business is easy. Just invest a few hundred dollars in inventory, set up, and training materials, they say. Of course, if and when the materials do come, they are totally worthless and you are stuck with the bill.

## Pyramid Schemes

You're hired as a "distributor" and shell out big bucks for promotional material and product inventories with little value. You are promised money for recruiting more distributors, so you talk your friends and family into participating. The scheme grows exponentially but then falls apart. The only one who makes a profit is the criminal who started it.

## A Few Safety Tips

- Contact the Better Business Bureau to determine the legitimacy of a company.
- Be suspicious when money is required up front. Do not be pressured to sign right now or lose the "fantastic deal."
- Do your own research into legitimate work-at-home opportunities. The "Work at Home Source book" is available at your local library.
- Never deal with anyone who promises you a job or requires you to pay in advance for information about a job.
- Do not make a check out in the name of a person, no matter what kind of deal they offer. Many scammers use this tactic to make it easier for them to cash the check.
- Do not do business with door-to-door sales people unless you can verify they have a local office. Get and check references. Do not be afraid to offend someone by not doing business with them.

## How to Report Scams

- File a complaint with the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov).
- Report scams to the state Attorney General at [www.michigan.gov](http://www.michigan.gov).
- If you get unsolicited email offers or spam, send the messages to [spam@uce.gov](mailto:spam@uce.gov).

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