

PROTECT YOURSELF

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You're already doing the right thing by staying informed about the latest consumer scams. The following are the most important quick tips to remember to stay safe and protect your pocketbook:

Research businesses and charities: Before doing business with a company, check its reputation with the Ohio Attorney General's Office and the Better Business Bureau. Ask family and friends for recommendations of businesses and charities. Never do business with a company that refuses to give you information in writing or one that refuses to give you a phone number, a physical address or references. Check with the Ohio Secretary of State to make sure a company is registered as a business in Ohio. Call toll free (877) 767-6446 or on the web at www.sos.state.oh.us.

Read the fine print: Read all the terms and conditions before you sign an agreement. Look for exclusions. Always get warranties in writing. Review contracts with a trusted attorney, friend or family member. Monitor your financial accounts. If a fraudulent charge appears on your bank statement, immediately notify your bank.

Remember your rights: Ohio consumer law protects you from unfair, deceptive and unconscionable practices in consumer transactions. In Ohio, it is illegal to charge a fee for a prize. If you've actually won something, you won't need to send any money to get it.

Reconsider the purchase: Take your time before you make a decision. Never give personal information to someone you don't know or trust, even in a contest. Don't give in to high pressure sales tactics. If it sounds too good to be true, it probably is. Never sign anything you do not understand. Ask questions and demand answers.

Report fraud: If you have a problem with a purchase you made, notify the company in writing. Explain your complaint, the facts of the situation, the resolution you desire, and give a deadline for the resolution. If you suspect fraud or if you cannot resolve the problem on your own, file a complaint with the Attorney General at www.SpeakOutOhio.gov or call (800) 282-0515.

INFORMATION / RESOURCES: For more information and a listing of trusted resources, see the *Elder Fraud* brochure on the Ohio Attorney General's website at: www.ohioattorneygeneral.gov, or call the Help Center at (800) 282-0515, Monday - Friday, 8 am - 7 pm.

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LOOK OUT FOR SCAMS!

Scammers use a variety of tactics to make their offers seem legitimate. Their initial contact usually occurs by telephone, letters, door-to-door solicitations, flyers, e-mails and phony Web sites. They often try to convince consumers to send them money or give personal information, such as bank account numbers and Social Security numbers. Look out for the common signs of a scam listed below.

SIGNS OF A SCAM:

- You've won a contest you've never heard of.
- You're pressured to "act now!"
- You have to pay a fee to receive your "prize."
- Your personal information is requested.
- A large down-payment is requested.
- The company refuses to provide written information.
- The company has no physical address, only a P.O. Box.
- They insist you pay in cash.



COMMON SCAMS

Advance Fee Loans.

In this ploy, scam artists trick you into paying money to qualify for a loan. Scam artists may "guarantee" a line of credit or promise to deposit money in your bank account once you pay an initial fee. Despite these claims, you likely will not receive any money. You should never pay money to qualify for a loan.

Credit Repair Scams.

These scams advertise on the Internet, TV, and telephone poles that bad credit can be erased and debts can be consolidated. Many of them charge hundreds or thousands of dollars but do little or nothing to improve your credit. The reality is that these companies cannot erase accurate negative information from your credit report. With certain exceptions, negative information can remain on your credit report for up to seven years. If you want to improve your credit, contact a credit reporting agency or your creditor directly. You may be able to arrange a payment plan yourself — for no cost.

Fake Check Scams.

Someone sends you a check or money order and asks you to deposit it to your account and then wire-transfer them the money, minus a nice bonus for you, a "thank you" for helping out. Regardless of the pitch, the check or money order you receive will be a counterfeit. It will be returned to your bank unpaid, and the amount will be deducted from your account. Never send money to a stranger.

Foreclosure Rescue Scams.

These scams target homeowners who are having trouble making their mortgage payments. A phony foreclosure rescue company promises to negotiate with your mortgage lender. You pay thousands of dollars, but the company makes little or no contact with your lender.

A phony "investor" offers to buy your house and lease it back to you until you can afford your mortgage payments. The investor takes your money but does not transfer the mortgage loan or pay your lender. As a result, you risk losing your equity and your home.

Grandparent/Grandchild Scam.

Con artists pretend to be grandchildren so they can take advantage of grandparents' generosity and concern for their grandchildren. The scammers make up a story and will ask you to wire transfer money to a foreign country. Never wire transfer money to someone who calls you unexpectedly. Ask the caller a question that only your real family members would know how to answer.

Home Improvement Fraud.

This occurs when contractors don't complete the work they were paid to do. These scams often involve door-to-door contractors who offer to make repairs to your roof, house, furnace, etc. After you pay, the contractor disappears without doing any work or doing a poor job on the repairs.

Scam artists say that they will give you a model home discount, free furnace inspection, or use leftover supplies from repairing another house in the neighborhood. These false promises are tricks to steal your money. Research reputable contractors, don't make large down payments, and avoid paying in cash, as credit cards offer stronger protection if something goes wrong.

Identity Theft.

This occurs when a criminal uses someone else's personal information, (credit card number, bank account number, insurance information, or Social Security number), to purchase goods or services fraudulently. Often, criminals commit identity theft by opening new accounts in a consumer's name, purchasing products, and then leaving the consumer to pay the bill. Never give personal information to anyone you don't know or trust.

Investment Fraud

A scammer might offer you a "risk-free" investment only to steal your money. Some scam artists convince consumers to invest in coins and precious metals, such as gold. Remember, all investments involve risk. Consult with family members or friends before making important financial decisions.

Living Trust Scams

A living trust is a legal arrangement where assets are transferred into a trust while the consumer is still alive, which keeps the assets from going through probate court when the consumer dies. Trusts can be useful estate planning devices, but scam artists make exaggerated or false claims about probate costs or about the tax advantages of living trusts. Contact an attorney for advice before signing any contracts or making any purchases. There are also legal aid programs that offer free help for seniors. Never buy legal services from telemarketers or door-to-door salespeople.

Phony Charities.

You receive a call or letter asking you to make a charitable donation from someone who is only pretending to represent a charity. Always ask how much of your donation would actually go to the charity. Charitable organizations must register with the Ohio Attorney General's Office. Before you donate, verify that the charity is legitimate by calling the Attorney General at(800) 282-0515 to verify.

Predatory Lending.

Customers get into loans they cannot afford. For example, you might sign a loan for a new house thinking you are getting a good deal. Periodically, however, your mortgage payments increase, and you realize you owe more than you can pay.

Prizes/Sweepstakes Fraud.

Someone may fictitiously claim that you have won the lottery, a contest or other prize. In order to collect your winnings, however, you'll be asked to pay a fee. Often, you'll be instructed to send money via wire transfer or money order, possibly to a foreign country. They'll tell you to expect your winnings once you pay, but the prize never arrives. Remember, legitimate sweepstakes are free and require no purchases.

Do not return calls to unfamiliar area codes (*ie. 809, 284, 876, Canada, etc.*). Scam artists trick you into returning their phone calls to claim a prize, and it is possible that your return call is to an international phone number, which would result in substantial long-distance charges.

Reverse Mortgage Abuse.

This is not a scam; it is a loan that allows older consumers to convert home equity into cash. However, some unscrupulous salespeople might pressure you into taking out a reverse mortgage that has very high fees. Do not take out a reverse mortgage unless you fully understand all the costs, terms and conditions. Keep in mind that as interest charges are added to your loan, the total amount you owe will grow over time.

Sale of Annuities.

Consumers who buy a living trust should be wary of salespeople who come back and offer additional services such as an annuity. When you buy an annuity, you give a large sum of money to an insurance company, and it pays you back on a regular basis, usually for as long as you live or for a specific period of time. There are many different kinds of annuities and buyers should clearly understand which type of annuity they are buying, how much money it will cost them, when the company will be paying the money back, and any risk factors involved. Read all the terms and conditions and seek advice before making a major financial investment.

Work-at-Home and Business Opportunity Ploys.

These scams use sales pitches claiming that you can make good money working from home or getting involved in a business opportunity. You will be urged to pay up-front for materials or start-up costs. Ultimately, the only people who will profit are the scam artists. Beware of seminars that promise money making advice but deliver only high-pressure sales pitches.