

# Consumer Fraud Awareness

Department of Law

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Denver, CO 80203  
Phone: 303-222-4444  
Consumer Hotline: 800-222-4444  
[www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov)  
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Brought to you by Colorado Attorney General John Suthers

Each year, millions of Americans fall victim to scams perpetrated from all over the globe. Although it is difficult to determine exact figures, the [Federal Trade Commission \(FTC\)](#) estimates that, last year alone, more than \$1.7 billion was lost due to fraudulent activity. While exact figures are not available, it is also estimated fraud losses total in the tens of millions of dollars in Colorado alone.

Consumer education is the best weapon in the fight against fraud; therefore, being knowledgeable of the tactics used by scammers will greatly reduce your chances of becoming a victim. With the information contained in this newsletter, along with the numerous other resources available, we hope consumers continue taking the initiative to educate and protect themselves and their families against the unscrupulous behaviors of these fraudsters. **Remember, if it sounds too good to be true, it probably is!**

## Highlights

- \* Common Scams
- \* Better Business Bureau
- \* Consumer Resources

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## AARP ElderWatch—Identity Theft

It doesn't matter who you are, identity theft can happen to anyone, including me!

- Amy Nofziger- Program Leader- AARP ElderWatch

Identity theft can happen to anyone, including the Program Leader of AARP ElderWatch, that's right, my husband and I were victims. We were lucky I knew what to do when we were first notified that someone had tried to apply for five credit cards and two lines of credit in my husband's name. Do you know what to do?

It is important to know how to protect your identity so that the theft doesn't happen in the first place. Regardless of how safe you are with your information, you might still be a victim. That is why it's just as important to know what to do in the first minutes, hours and days after you discovered your victimization. This is something you don't want to put off, educate yourself today.

By following the simple steps in the Attorney General's Identity

Theft Repair Kit, we were able to "stop the bleeding" with our victimization, so the perpetrator was shut off from our credit and good name. In our situation, because we acted quickly and alerted authorities, they were able to make an arrest for the crime.

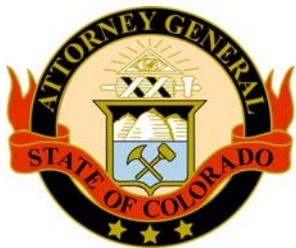
That doesn't always happen because, many times, the thieves aren't even located in the United States. The quicker you act, the better the chances no money is lost and your credit will not be destroyed, as others haven't been as fortunate.

Identity theft may come in multiple forms, but its impact is always frustrating and often-times devastating. To receive your own Identity Theft Repair Kit, please visit: [www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp).

In addition, concerned family members or Coloradans who are 50+ may call 800-222-4444 and press option 2 to speak with an AARP ElderWatch volunteer for further assistance or visit us on the web at: [www.aarpelderwatch.org](http://www.aarpelderwatch.org).



"As a native Coloradan and attorney with more than three decades of experience in the public and private sectors, I am dedicated to helping keep Colorado a great place to live."



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If you have been a victim of or suspect Internet fraud, please report your information to the Internet Crimes Center (IC3) at: [www.ic3.gov](http://www.ic3.gov) and to the Colorado Attorney General's Office at: [www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov).

Consumers should be wary of any of the innumerable offers received through the mail. Sweepstakes, lotteries, or fabulous offers that require money to be paid up front are usually fraudulent.



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Consumers are making an increasing number of purchases over the Internet as the Internet offers a wide variety of products and services at extremely competitive prices.

With this added convenience, consumers often neglect basic principles when making purchases over the Internet and should use the same caution

#### Tips for purchasing goods over the Internet:

- Order from companies you have previously dealt with or you know to be legitimate.
- At a minimum, do some basic research to find out if the business is licensed and verify the company history with the [Better Business Bureau](#).
- Confirm a working customer service number you can contact if you have further questions or product issues.
- Protect your privacy - do not provide any more personal information than is necessary. Never give out your Social Security Number or driver's license number. In addition, be leery if someone asks you to reveal your passwords or any

Consumers should be wary of any of the innumerable offers received through the mail. Sweepstakes, lotteries, or fabulous offers that require money to be paid up front are usually fraudulent. Many of these offers are accompanied by products that do not live up to their description or the promise of large sums of monies won.

Most foreign lottery solicitations are typically sent from what appears to be a legitimate foreign government agency

## Internet Fraud

with internet purchases as they do with traditional brick-and-mortar stores.

Many of the same tactics used by dishonest people over the phone or through the mail are now used on the Internet. Failure to deliver items, fraudulent investment offers, rent-to-own schemes, multi-level marketing or pyramid schemes, and

information used to install your online service.

- Find out in advance what the shipping and handling fees will be for items ordered. Don't assume the seller will choose the least expensive option for you.
- Check the promised delivery date. By federal law companies must ship items by the date they promise or, if no delivery date is stated, within thirty days after the order date. If the seller cannot ship the item within that time, the seller must notify you, give you a chance to cancel the order, and send a full refund if you choose to cancel.
- Ask ahead of time what the company's refund policy is

the familiar postal chain letters are just a few of the old tried-and-true scams which have been converted for use on the Internet.

Fraudulent companies can literally disappear into "cyberspace," erasing all traces of their operation and leaving you with few remedies against them. Keep in mind, **if it sounds too good to be true, it probably is.**

and ask to be provided with a copy.

- Pay with a credit card. If a product does not arrive or if you believe it was misrepresented, you can dispute the charge with your credit card company. In addition, federal law protects you if someone uses your credit card in an unauthorized fashion.
- Do not, under any circumstances, provide your checking account number.
- Familiarize yourself with your financial institution's account protections.
- Keep a record of your purchase and print out a copy of your order form and any other correspondence you receive.

## Mail Fraud

and looks authentic. These offers typically include an enclosed fraudulent check and requests the consumer to use these funds to send monies to cover "taxes, administrative fees, international processing fees, etc."

Never respond to these direct mail inquires and *NEVER* send any money as this is fraud. Along with being fraudulent, federal statute prohibits mailing payments to purchase any

ticket, share, or chance in a foreign lottery.

Along with foreign lotteries, it is also illegal for direct mail sweepstakes to require a purchase as a condition of entering the sweepstakes.

As mail fraud falls under the purview of the U.S. Postal Inspector, please report any fraud scheme in which the U.S. Mail is directly used to the U.S. Postal Inspection Service at: <https://postalinspectors.uspis.gov>.

## Work-At-Home Opportunities

Typical work-at-home scams utilize claims of large earning potential for little expenditure of time. Job opportunities may appear on Craigslist, on any number of on-line job sites, or through unsolicited e-mail messages. Examples of some common work-at-home scams include:

- **Home Assembly and Crafting** – Certainly, there are some legitimate opportunities to turn real craft skills into a home-based business, but be wary of any “opportunity” that promises what may seem to be unrealistic projected earnings and requires you to pay the promoter for all materials and kits to be assembled.
- **Envelope Stuffing** – Another one of the classic ways people are promised a profitable way to earn money at home. After you purchase all of the supplies (envelopes, stamps or stamp meter, etc.) you may have to stuff thousands of envelopes just to break even.

- **Mystery Shopping** – Workers are recruited to shop on-line or at local stores to prepare store reviews. Often the first thing they are asked is to “shop” Western Union or MoneyGram. You are sent a check that you deposit in your personal bank account and then wire-transfer most of that money before the check actually clears your bank (keeping a fee for yourself). Unfortunately, the check you received is bogus, causing the check to be returned “unpaid” and leaving you responsible to your bank for the bad check.
- **Reshipping** – So-called large multi-national companies recruit people to re-ship products all over the world. You have to ask yourself: “Why would any legitimate company need to rely on individual shipping clerks working out of their homes?” The answer is simple – a legitimate company would never operate in this fashion. You are likely participating in an illegal theft or counterfeit enterprise, allowing the scam-

mers to hide behind your address and identity, as you ship stolen or counterfeit goods around the globe for them.

- **Payment Processing** – Similar to the reshipping scams, payment processing or payment transfer scams have multiple objectives; solicit you to participate in a theft/money laundering scheme or gain access to your personal and financial information to be used for identity theft.

There are many other dubious work-at-home offers out there. The best thing you can do is be highly skeptical of any offer which:

1. Is conducted entirely long-distance via e-mail or by phone calls;
2. Asks you to use your personal bank account or home address for processing shipments or payments;
3. Promises large earnings with little up-front investment and minimal hours; or
4. Requires that you provide personal identifying or financial information.

## Social Media

Social media outlets have grown in recent years and offer a wealth of information to share with friends, family, and organizations all across the globe.

As a result, millions of users worldwide utilize these services. Due to its success and the content of user information, social media users have also become targets of fraud and identity theft.

Much of this fraud occurs from pop-up advertisements offering a “free trial” for products or services, gift

cards for completing surveys, and offers for entering into contests. Typically, when you respond to these requests and enter in your credit card information, you are unknowingly purchasing products or services without proper disclosure and billed for products and services that are usually never provided.

In addition to financial fraud, identity theft is on the rise through social media outlets. Users of these outlets should consistently review their provider’s security settings to ensure the maximum amount

of protection. Users should always be aware that information posted on these sites may provide insight to anyone who has access to this information, including scammers. Common information includes: checking in at your favorite restaurant, vacation postings, family events, etc.

All of this information can be useful to you and your friends but it can also be valuable information for scammers to learn about your behaviors to steal your identity or even burglarize your property.




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**Be highly skeptical of any offer that is conducted entirely long-distance via e-mail or phone calls, asks you to use your personal bank account or home address for processing shipments or payments, promises large earnings with little up-front investment, or requires that you provide personal identifying or financial information.**

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**Identity theft is the fastest growing crime in America.**

**Technological advances, Social Media, and the proliferation of the internet have only enhanced our exposure to thieves seeking to steal our identity.**

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## Locksmith Services

When locked out of their car or home, consumers often search the yellow pages or internet for locksmith services. Be aware that neither the yellow pages or Google screen businesses for legitimacy.

These resources can not guarantee that the purported business, or even the address provided for the company, is legitimate. Some bogus businesses list addresses that are actually vacant lots. False addresses mislead consumers into believing that a company is located nearer than it is and that a locksmith might arrive more quickly.

A false address also misleads consumers that he or she has somewhere to go to directly complain in the event the service is not provided as promised.

Judging by consumer com-

plaints received by the Attorney General's Office, many consumers are unhappy with the service provided and the cost incurred when dealing with some locksmiths.

Many consumers complain of having to pay over \$100, and as much as \$160 for a simple car lockout despite advertisements touting a low service fee (i.e., \$25). Consumers complain that "labor" charges were either not disclosed to them or they were misled as to the cost of labor, which can be as much as ten times the service charge.

Many reputable locksmiths will provide a quote for an auto lockout before dispatching a service agent. Locksmiths can open most makes and models of cars in less than five minutes. Only a few luxury and foreign cars present a challenge to most locksmiths. But, some lock-

smiths will claim that a basic car lock presents a difficult challenge and will ask the consumer to agree to a charge of \$150. At this point a consumer may have waited up to an hour for the technician to arrive. Faced with having to call another locksmith and start all over again, most consumers will pay the exorbitant charge.

The best way to avoid this problem is to purchase a locksmith service beforehand (i.e., through AAA) or choose a locksmith prior to a problem arising. Instead of randomly picking out a locksmith online, ask around for a locksmith you can trust. Professional locksmith trade associations such as Associated Locksmiths of America (ALOA) can assist in your selection as well as the [Better Business Bureau](#).

## Partner's Corner -Better Business Bureau (BBB)

The Better Business Bureaus serving Colorado are part of a continued program with the Colorado Attorney General's Office and AARP Elder-Watch to assist in serving Colorado consumers more quickly and effectively.

With one toll-free call from anywhere in Colorado to the Colorado Consumer Hotline 800-222-4444, callers can be connected directly to AARP Elder-Watch, Colorado No-Call, the Colorado Attorney General's Office, and the appropriate Better Business Bureau.

In connecting with the BBB, consumers can receive updated business reports, complaint statistics, dispute resolution

services, and, among other things, connectivity with sound businesses operating in Colorado.

The Bureaus participating include [Denver/Boulder, Colorado Springs, Ft. Collins](#) (also serving Wyoming), and [Farmington, NM](#) (serving Western Colorado). Since the program's inception in 2001, over 476,000 Colorado consumers have called the Colorado Consumer Line for assistance.

With the focus on consumer education, the Colorado Attorney General's Office supports the new BBB initiative providing additional consumer resources through the new, monthly e-newsletter from the Denver/Boulder BBB.

The Better Business Bureau serving Denver/Boulder is excited to launch its new consumer focused e-newsletter, titled *The Informer*.

*The Informer* is full of news and information about everything from the latest scams in our community; industry tips on a vast array of marketplace issues; how to choose a charity – all the way to information on getting the most out of the free services offered by your BBB. For almost 60 years, the Denver/Boulder BBB has been promoting an ethical marketplace and helping to keep consumers educated and savvy.

To sign up to receive *The Informer* at no cost, please click [here](#).




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Colorado does not license locksmiths and no formal training is required by the state in order to act as a locksmith.

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Sign Up [here](#) for the New BBB Newsletter: *The Informer*

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## Consumer Resources

### Colorado Attorney General

1525 Sherman Street  
Denver, CO 80203  
[www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov)

### Consumer Protection Line:

Toll Free: 800-222-4444  
Metro Denver: 303-222-4444  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### Collection Agency Issues

**Colorado Collection Agency Board**  
303-866-5304  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### Fraudulent or Unwanted Calls

**Colorado No-Call**  
303-776-2675  
800-306-7041  
[www.coloradonocall.com](http://www.coloradonocall.com)

### Uniform Consumer Credit Code

303-866-4494  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### AARP ElderWatch

Toll Free: 800-222-4444  
Metro Denver: 303-222-4444  
[www.aarpelderwatch.org](http://www.aarpelderwatch.org)

### Better Business Bureau

[www.bbb.org](http://www.bbb.org)  
Denver/Boulder  
303-758-2100  
Northern Colorado  
970-484-1348  
Southern Colorado  
719-636-1155  
Western Colorado  
505-346-0110

### Citizens Advocate Office

127 State Capitol  
Denver, CO 80203  
Toll Free: 800-283-7215  
Main Office: 303-866-2885  
[www.colorado.gov](http://www.colorado.gov)

### Colorado Foreclosure Helpline

1-877-601-HOPE (4673)  
[www.coloradoforeclosurehotline.org](http://www.coloradoforeclosurehotline.org)

### Colorado Coalition for Elder Rights and Adult Protection (CERAP)

c/o CO Non-profit Development Center  
1-800-773-1366 (message phone and FAX) [www.ccerap.org](http://www.ccerap.org)

### Federal Trade Commission (FTC)

877-382-4357  
<http://www.ftc.gov/>

### Identity Theft

Colorado Bureau of Investigations (CBI):  
Identity Theft Hotline: 855-443-3489  
[www.cbi.state.co.us](http://www.cbi.state.co.us)

### Legal Resources

Colorado Bar Association  
Toll Free: 800-332-6736 (in Colorado)  
303-860-1115  
[www.cobar.org](http://www.cobar.org)

### Locksmith - Associated Locksmiths of America - ALOA

3500 East Street  
Dallas, TX 75247  
214-819-9733  
Toll Free: 800-532-2562

Can't find what you're looking for? Please view the Colorado Attorney General Consumer Resource Guide for additional tools and resources at: [www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov)



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*Not on the registration list? Visit us on the web to ensure receipt of future correspondence at:*  
[www.coloradoattorneygeneral.gov/fraudawareness](http://www.coloradoattorneygeneral.gov/fraudawareness)

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