**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**How to Avoid Fraud**

You have been hired to educate the public on avoiding common types of consumer fraud. Using the website [WWW.FRAUD.ORG](http://WWW.FRAUD.ORG) read the scan assigned to your group and answer the questions for that scam. Be prepared to share your findings to the class.

**#1 Advance Fee Loans**

(Click on “Spot a Scam”, then “Telemarketing”, then “Advance Fee Loans”)

1. Paying “up front” is a sign of a scam. What might they say these “upfront costs are for”?
2. Why shouldn’t you trust a lender that contacts you by telephone?
3. Why is a lender promising you you’ll get approved even if you have credit problems a sure sign of a scam?

**#2 Internet Merchandise Sales**

(Click on “Spot a Scam”, then “Telemarketing”, then “Internet Merchandising Sales”)

1. What agency can you contact if you are unsure of a particular store you are buying from on the Internet?
2. Understand the offer- what does this mean?
3. What form of payment should you always use when buying online? Why?

**#3 Lotteries and Lottery Clubs**

(Click on “Spot a Scam”, then “Telemarketing”, then “Lotteries and Lottery Clubs”)

1. Why do people actually believe they’ve won something?
2. What’s illegal about playing lotteries between borders?
3. What do scammers claim about “lottery clubs”?

**#4 Prizes & Sweepstakes**

(Click on “Spot a Scam”, then “Telemarketing”, then “Prizes and Sweepstakes”)

Read the first two bullets. What are the two items that are illegal for companies to do in regards to sweepstakes?

1.

2.

3. When you win, you must pay taxes. Where does this tax money go, and NOT go?

**#5 Fake Checks Scams**

(Click on “Spot a Scam”, then “General Fraud”, then “Fake Check Scams”)

1. What is one of the variations (scams) that people fall victim to?
2. How to fake scammers hunt for their victims?
3. How are YOU the one responsible for the checks you deposit?

**#6 Fraud Against Elders**

(Click on “Learn about Scams”, then “Fraud Against Older Adults”, scroll down to the very last paragraph and click the last two words “clicking here”.

1. According to the National Consumers League, how many telemarketing fraud victims are ages 60 or older?

2. What is the first step in helping elders with telemarketing fraud?

3. THE SECOND STEP in fighting telemarketing fraud against seniors is to understand why they are particularly vulnerable. It’s a myth that victims are incompetent, lonely, or isolated. In fact, AARP research shows that many older victims are active people who are simply lured by false promises of great deals or ways to add to their "nest eggs." Fraudulent telemarketers take advantage of the fact that:

* it’s difficult to tell when someone is legit
* seniors tend to be trusting
* it’s easy to wear people down

**#7 Fraud Against Elders**

(Click on “Learn about Scams”, then “Fraud Against Older Adults”, scroll down to the very last paragraph and click the last two words “clicking here”.

1. The third step of helping elders recognize telemarketing fraud is educating them on the “red flags”. What are two of these red flags?
2. THE FOURTH STEP is to recognize when older people have been victimized or may be in grave danger and know how to help them. Seniors may be in trouble if they (choose 2 listed)
3. What is the Do Not Call Registry and how can someone sign up?

**#8 File a Complaint**

(Click on “File a Complaint”)

WHAT TO REPORT:

* NCL's Fraud.org accepts reports about attempts to defraud consumers on the telephone or the Internet.
* Telemarketing fraud can involve companies calling consumers or consumers calling companies in response to a mailing or other form of advertising. It also includes:

1.

2. Internet fraud can include:

3. NCL’s fraud.org group does accept reports on:

**#9 File a Complaint**

(Click on “File a Complaint”)

1. How To Report:

Generally, to process fraud reports, NCL's Fraud.org needs the following information:

* name of company
* names of people you dealt with at the company
* company address (including website or e-mail address if you are reporting Internet fraud)
* description of what good or service was offered
* amount of money the company requested
* the amount of money you actually paid
* date of first contact with company
* date of payment
* your name
* address
* phone number
* a short description of what happened. If you chose to write, please include all of the information in your correspondence.

2. NCL's Fraud.org does not take information such as:

1. NCL’s Fraud.org would like to know what about your payment?

**#10 File a Complaint**

(Click on “File a Complaint”)

WHAT WILL HAPPEN TO YOUR REPORT

* We will enter the information in our state-of-the-art incident report system.

1. We will relay your report to the appropriate:

2. Your report will be transmitted to the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Consumer Sentinel complaint database and the National Association of Attorneys General. This information is available 24 hours a day to law enforcement agencies in the U.S. and Canada.

3. Information you provide informs federal and state regulators of possible illegal telemarketing or Internet activities. While there is no guarantee that you will recover money lost to fraud, you can at least \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_