



Keeping Michigan consumers safe and informed!

Attorney General Bill Schuette's CONSUMER EDUCATION

Happy February—the last month of the “meteorological winter,” and thankfully, the shortest month of the year.

The Better Business Bureau recently released its annual list of top scams. Reports to the [BBB Scam Tracker](#) in 2016 confirm that tax scams are still the top scam—[despite a huge drop \(95%\)](#) in reports after the September 2016 police raid in Mumbai, India, that shut down a major call center with more than 700 employees.

The BBB's scam tracker is an interactive, online tool launched a year ago to track and warn others of scams. Users can search the United States and Canada for scams by date, type, and state or province.

The top three scams on the 2016 list – tax scams, debt collection scams, and sweepstakes/prizes/gifts scams – were the same as in 2015. New to the top ten are online purchase scams (#4) and phishing scams (#10).

Online purchase scams, which are the focus of this month's newsletter, were common in 2015 as well, but this scam type was not added as a BBB Scam Tracker category until 2016. Employment scams (#5) are also new to the top ten, but only because work-from-home scams, previously a separate category, were included. Another change was the drop of tech support scams from #4 last year to #7 this year.

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BETTER BUSINESS BUREAU'S
TOP 10 SCAMS OF 2016

1

TAX SCAMS

2

DEBT COLLECTIONS

3

SWEEPSTAKES/PRIZES/GIFTS

4

ONLINE PURCHASE

5

EMPLOYMENT

6

GOVERNMENT GRANT

7

TECH SUPPORT

8

ADVANCE FEE LOAN

9

FAKE CHECK/MONEY ORDER

10

PHISHING

ONLINE BUYING AND LYING

Online classified ad scams trick buyers and sellers into thinking they are dealing with a legitimate contact when in fact, the person on the other side is actually a thief.

BUYERS BEWARE

Thieves will post fake ads that may include pictures and other details—often copied from a reputable seller's ad. To lure victims, scam ads will often list items at prices lower than other similar ads, and they will be posted on reputable classified websites.

When a potential buyer shows interest, the thief will be "travelling" or will have "moved overseas," but will offer to have an agent deliver the goods upon receipt of payment. Some thieves will even claim to be serving overseas in the military.

Following payment to the thief, a fake email receipt from a fake secure payment provider will be sent to the buyer, but the buyer will never receive the goods nor be able to contact the seller.

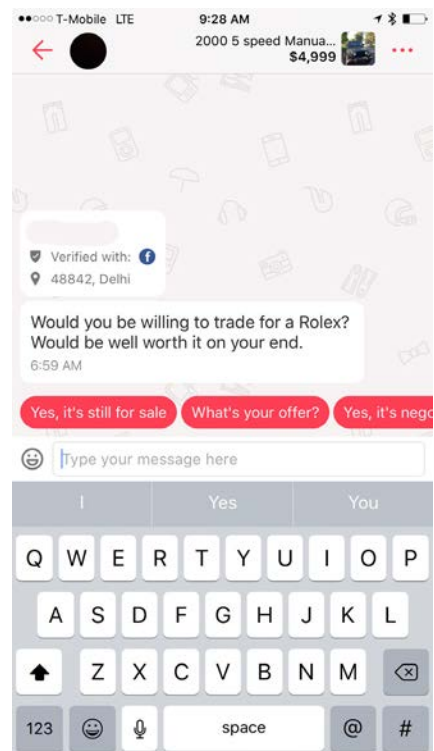
For physical goods, don't pay the seller until you have inspected the item in person. For rental properties or vacation bookings, only use reputable online booking agents, and always check the refunds and cancellation policy.

SELLERS BEWARE

Thieves also pose as genuine buyers. Don't deal with any buyer who sends an overpayment and asks that the excess be refunded—especially by an untraceable form like a wire transfer, money order, or pre-paid card. The original overpayment will eventually bounce, and the seller will be out the refund amount—and any items shipped.

Fake buyers, like fake sellers, may also be overseas. A big clue it is a scam is the buyer's interest in your item despite its common availability in their home country and shipping costs far outweigh the cost of the item.

Beware, too, of swapping offers where you trade your authentic item and receive a fake item in return. See the ad and offer: "Your Jeep for a Rolex."



ONLINE BUYING AND LYING

Thieves Use Venmo to Fool Sellers

The money transfer app Venmo is handy when you need to pay a coworker back for lunch or send money to friend. Be wary, however, when using the app with someone you don't know.

[The BBB reports that thieves are exploiting it and scamming sellers.](#)

How the Scam Works:

You are selling a big-ticket item (like a computer, tablet, or car) on Craigslist or another classified online service. You find an interested buyer who is ready to make the purchase. But rather than pay with cash, the buyer suggests sending money through Venmo. You've used the payment app successfully to transfer money to friends, so you agree.

At first, everything seems fine. You get an alert from Venmo that the buyer sent the money, so you hand over or mail the item. A few days pass, and then you notice the funds never appear in your account. You've been scammed.

Transfers in Venmo take several days to process. Thieves know this and take advantage of this by setting up transactions and canceling them before they go through. By the time victims realize they've never received the money, the thieves are long gone.

The BBB Offers Tips to Avoid a Venmo Con:

- Use Venmo with friends: Protect yourself from scams by only using Venmo for its intended purpose—sending money to people you personally know.
- Link Venmo to a credit card. As with many other purchases, using a credit card will help protect you if you don't get the goods or services you paid for. Linking to a debit card or directly to your bank account does not give you that added protection.
- Check your account to be sure that the money transferred: It takes a few days for Venmo payments to transfer. If you have any concerns that a payer didn't really send the money, be sure to check your account directly.

Learn more about how to [protect yourself with using Venmo](#) on its website. Here's a link to Venmo's BBB Business Review.

To report a scam, contact the Department of Attorney General at:

Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-373-1140
Fax: 517-241-3771
Toll free: 877-765-8388
[Online complaint form](#)



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