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- WHAT CAN THE DIVISION DO FOR YOU?
- Assist Consumers in obtaining a refund or in being made whole.
- Assist Consumers with a settlement of a transaction.
- Issue a citation against offenders, refer for prosecution and collection if necessary.
- Provide a list of businesses that are on the division "Buyer Beware List" or to verify charities and career schools that are registered or exempt. [www.dcp.utah.gov](http://www.dcp.utah.gov)

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- CONSUMER PROTECTION MISSION:
- PROTECTING CONSUMER RIGHTS VIA:
  - EDUCATION – Informing Consumers about fraud, scams, and other schemes, to protect their rights.
  - ENFORCEMENT – Responding to Consumer complaints and investigating deceptive and unfair business practices, and taking legal action against businesses that do not come into compliance with applicable statutes.
  - REGISTRATION – Enforcing registration requirements for telemarketers, charitable organizations, health spas, debt relief providers, credit service organizations, business opportunities, and post-secondary proprietary schools (career colleges).

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- (a) indicates that the subject of a sale has performance characteristics, uses, or benefits, if it has not;
- (b) indicates that the subject is of a particular standard, quality, grade, style, or model, if it is not;
- (c) indicates that the subject is new if it is not;
- (d) indicates that the subject is available to the consumer for a reason that does not exist, including reasons falsely used like "going out of business"; "bankruptcy sale"; "final days"; "liquidation sale"; "fire sale"; etc.
- (e) indicates that the subject has been supplied in accordance with a previous representation, if it has not;
- (f) indicates that the subject will be supplied in greater quantity than the supplier intends;
- (g) indicates that replacement or repair is needed, if it is not;
- (h) indicates that a specific price advantage exists, if it does not;
- (i) indicates that the supplier has a sponsorship, approval, or affiliation the supplier does not have;

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- (j) indicates that the transaction involves a warranty or other rights and remedies, if the representation is false; or fails to honor a warranty term;
- (k) indicates that the consumer will receive a rebate, discount, or other benefit as an inducement for entering into a transaction in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, if receipt of the benefit is contingent on an event occurring after entering into the transaction;
- (l) after receipt of payment for goods or services, fails to ship the goods or furnish the services within the time advertised or otherwise represented or, if no specific time is advertised or represented, fails to ship the goods or furnish the services within 30 days, unless within the applicable time period the supplier provides the buyer with the option to:
- (m) fails to furnish a notice of the purchaser's right to cancel a direct solicitation sale within three business days of the time of purchase in a door-to-door/telephone direct solicitation (over \$25);
- (n) uses a pyramid scheme;
- (o) represents that funds or property conveyed in response to a charitable solicitation will be donated or used for a particular purpose if the representation is false;
- (p) overcharges or fails to notice the consumer in vehicle repairs in insurance claim situations;

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- (q) includes in any contract or receipt any confession of judgment or any waiver of any of the rights;
- (r) charges a consumer for a consumer transaction that has not previously been agreed to by the consumer;
- (s) enters into a consumer transaction with a person who lacks the mental ability to comprehend;
- (t) solicits for the sale of a product or service by providing an unsolicited check unless the supplier is a bank or financial institution;
- (u) sends an unsolicited fake bill or invoice or implies there is an obligation for an unsolicited service;
- (v) issues a gift certificate without printing in a readable manner any expiration date or extra fee to be deducted;
- (w) misrepresents the geographical origin or location of the supplier's business in connection with floral products.

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### HOW TO MAKE A QUICK BUCK

According to FBI statistics, the total take from all bank thefts in 2010 was \$43 million! Loot was stolen in 5,105 incidents, resulting in an average take of \$8,423. The banks were able to recover about \$8 million (19%).



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### HOW TO MAKE A QUICK BUCK WITHOUT REALLY TRYING!

Step One: Create flashy site.



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### Step Two: Capture the Data.

A screenshot of a web form titled 'General Account Information' and 'Billing Information'. The form includes fields for Account Name (First Name, Last Name), Phone Number, Email, Username, Password, and Confirm Password. The Billing Information section includes fields for First Name, Last Name, Address, City, State, Zip Code, Card Type (Dropdown), Card Number, and Card Expiration. A 'Pricing Information' section at the bottom shows 'Total Price: \$1.00'.

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Step Three: Throw in a Nonsense Disclaimer, Preferably in Fine Print.

As more fully described below, following your risk-free 3-day trial to the program, you'll be charged the monthly subscription fee of \$59.84. You'll have 3 days from your initial signup date to access and use the system. You'll also receive 10 days free access to the program. After the initial 10 free days, you will be billed \$29.71 should you choose not to cancel. After your initial risk-free trials, your subscription will automatically renew approximately every 30 days from the date you signed up. You can cancel any time after the risk-free trial period, in which case you won't be refunded that month's subscription charge, but you will have member access through the end of the month, and you will not be billed again.

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### The Finishing Touches

- Represent that there are only 46 slots open and that the consumer, by entering his or her personal information, will be able to determine if he or she qualifies for the product and or services.
- When the consumer goes to the order page, misrepresent that there are now only 32 slots open.
- These numbers can remain constant no matter how many times one goes to the landing page.
- Indicate that the product and/or services have sponsorship, approval or affiliation that it does not have; e.g., use logos or names of companies like GOOGLE; CNBC; AOL; USA TODAY; ABC and CNN.

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- **PRODUCT IS IRRELEVANT**
- Work At Home Schemes
- Teeth Whitening
- How to Buy and Sell on eBay
- Diet Pills (Does Acai Berry ring a bell?)
- Colon Cleanse

- **THE MONEY IS MADE FROM THE MARKETING PLAN DEBITING THE CONSUMER'S ACCOUNT**

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Telephone Fraud Prevention  
**13-26-11. Prohibited practices.**

- It is unlawful for any solicitor:  
  
To solicit prospective purchasers on behalf of a telephone soliciting business that is not registered with the division or exempt from registration.

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Telephone Fraud Prevention  
**13-26-11. Prohibited practices.**

- To use a fictitious personal name in connection with a telephone solicitation.
- To make or cause to be made any untrue material statement, or fail to disclose a material fact necessary to make any statement made not misleading, whether in connection with a telephone solicitation or a filing with the division.

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Telephone Fraud Prevention  
**13-26-11. Prohibited practices.**

- To make or authorize the making of any misrepresentation about its compliance with this chapter to any prospective or actual purchaser.
- To fail to refund within 30 days any amount due a purchaser who exercises the right to cancel within 3 business days; or
- To fail to orally advise a purchaser of the purchaser's right to cancel within 3 business days.

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**Telephone Fraud Prevention**  
**13-26-11. Prohibited practices.**

- It is unlawful for any telephone soliciting business:
- To cause or permit any solicitor to violate any provision of this chapter; or
- To use inmates in telephone soliciting operations where inmates have access to personal data about an individual sufficient to physically locate or contact that individual, such as names, addresses, telephone numbers, Social Security numbers, credit card information, or physical descriptions.

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**The National Do Not Call Registry**

- The National Do Not Call Registry gives you a choice about whether to receive telemarketing calls at home. [Most telemarketers](#) should not call your number once it has been on the registry for 31 days.
- If they do, you can file a complaint at <https://donotcall.gov>
- You can register your home or mobile phone for free at the same website and
- At [www.dcp.utah.gov](http://www.dcp.utah.gov)
- *But beware the email scam or telemarketing scam involving the Do Not Call Registry!*

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**Telephone & Internet Fraud Prevention**  
**SCAMS**

- The following are samples of scams and schemes that have been called into the division since the beginning of 2011

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CONTINUITY PLAN  
NEGATIVE OPTION

- TRY A FREE SAMPLE – ONLY PAY FOR SHIPPING
- IF YOU DO NOT CANCEL WITHIN A SPECIFIC TIME-FRAME YOUR ACCOUNT IS DEBITED
- USUALLY HIDDEN IN TERMS AND CONDITIONS

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MISUSE OF THE WORD FREE

- IF WORD FREE IS USED ALL LIABILITIES / PAYMENTS MUST BE DISCLOSED UP FRONT IN CLEAR AND CONSPICUOUS TERMS

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- **Lottery Scam** - The victim is sent an unexpected email notification that he has won a large sum of money in a lottery. After the victim contacts the claims agent to collect his winnings, the victim will be asked to pay "processing fees" or "transfer charges" before the winnings can be sent to him.
- IF YOU WIRE MONEY TO A SCAMMER – YOU HAVE LOST YOUR MONEY

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## Is Nothing Sacred?

- Romance Scam** (love scam, sweetheart scam, dating scam) - Victims are usually approached by the scammers on a online dating service, in a chat room or an instant messenger service (like Yahoo IM). The scammers then pretend romantic intentions, gain the affection of victims, and ultimately use that goodwill to exploit them in various ways. Sometimes the scammer will request money for a airplane ticket so they can come visit the victim. Other times there is an emergency of some kind that the scammer requires a money transfer for.

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## FAMILY MEMBERS IN TROUBLE!!!

- Help me grandma, I am in Las Vegas and I was robbed!
- Please wire some money to me so I can get home!

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The screenshot shows a news report from KSL-TV. The main headline is "WORK AT HOME REPORT" and the sub-headline is "Salt Lake City Mom Makes \$6,793/ Month And You Won't Believe How She Does It!". The article features a photo of a woman and child. The text describes how the woman, Melissa Johnson, has become a successful work-at-home mom through a program called "The Mommy Hustle". The report includes details about her earnings and the program she is involved in.

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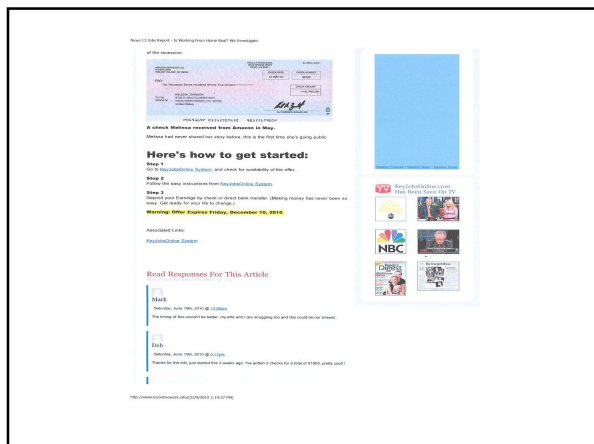
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- **Check Cashing Scam (Work-at-Home Scam)** - The victim is conned into cashing or depositing fake checks or money orders. Often the scammer will offer the victim a "work-at-home" opportunity that involves cashing checks for the scammer's fictional company in exchange for a commission. "Cash the \$5,000 check. Then send 90% (\$4,500) to us. You can then keep 10% (\$500) for yourself." The victim will deposit the check into their bank account. Many times the bank accepts the check not knowing that it is a fake. The victim then sends the \$4,500 to the scammers via money transfer. Days or even weeks later the bank discovers the fake check and the victim is legally responsible for paying the money back.

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- **Loan Scam** - The scammer poses as a banker who is willing to loan the victim a large sum of money. Sometimes a relatively small up front fee of some kind is required. Other times the banker sends a fake check that is much higher than the agreed upon loan amount and the banker requests that the surplus be sent back to him or paid to other clients.

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- **Rich Philanthropist Scam** - The scammer is a rich person who wants to help poor people and needs the victim's help to transport the money.

-- **Rich Person in Need Scam** - The scammer pretends to be a wealthy person who, for any of various reasons, has become separated from his wealth and needs the victim's help to get it back. For example "My rich diamond merchant father was murdered and I was driven from my home by rebel soldiers. I am now a refugee in Nigeria and I need someone, 25 years of age or older, to stand as my guardian and recover my family fortune for me."

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- **Charity Scam** - The scammer poses as a charitable organization seeking donations. Some times the scammer pretends to be terminally ill (or some other down-on-their-luck person) who needs emergency funds.

"Daily Beast" Exclusive: Three Cups of Tea Author Greg Mortenson Sued for Fraud, Deceit, Breach of Contract  
May 6, 2011 11:21 AM EDT  
 A new legal shoe has dropped in the scandal surrounding Three Cups of Tea author Greg Mortenson. A suit charges him and his charity, the Central Asia Institute, with fraud, deceit, and civil racketeering.  
 Mortenson rocketed to celebrity status on the heels of a 2007 memoir, *Three Cups of Tea*, that tells an engaging story of how a failed mountain-climbing venture inspired him to build schools across Afghanistan and Pakistan. The book brought \$60 million in donations to the charity he created and earned him a personal fortune from book royalties and lecture fees. In the process, Mortenson won praise from U.S. leaders such as President Obama and General David Petraeus. His book was even given a spot on the U.S. military's required reading lists.  
 A CBS *60 Minutes* segment last month, along with an investigation by author Jon Krakauer, brought it all down in flames, reporting that Mortenson had fabricated central parts of his memoir, claimed to build schools that didn't exist, and, lately at least, had spent more time and money promoting his book than helping schoolchildren overseas."

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- **Recovery Scam** --
- "There's a sucker born every minute." -- P.T. Barnum
- This variant targets **former victims** of scams. The scammer contacts the victim saying that their organization can track and apprehend the scammer and recover the money lost by the victim, for a price. Alternatively, the scammer may say that a fund has been set up by the Nigerian government to compensate victims of 419 fraud, and all that is required is a processing and handling fee. Such scammers will very often pose as Nigerian EFCC agents.

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• **Employment Scam** (job scam) - Scammers pose as recruiters or employers offering attractive employment opportunities which require the job seeker to pay them money in advance, usually under the guise of work visas, travel expenses, etc.

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• **Escrow Scams** - A scheme involving a fake escrow account. The scammer convinces the victim to place his money (or other assets) into a fake escrow (holding account) that is controlled by someone pretending to be a neutral third party. The idea is that the money stays in escrow until the terms or conditions of the bogus transaction have been met. Scammers set up fake escrow sites as part of their scam. These scammers infest sites such as eBay, Craigslist, and automotive auction websites.

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• **Overpayment Scam** (Auction Scam) - Scammer will pay for a listed item on eBay, Craigslist or other classified ad site with a fake check or money order that is far larger than the agreed-upon price of the item. The scammer tells the seller to deduct any packing or shipping costs incurred, then refund him the remainder using a wire transfer service. Often times the victim sends the remainder only to discover later that the check or money order was a fake.

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• **Cancellation Scam** - Similar to the Overpayment Scam. The scammer will pay for a listed item on eBay, Craigslist or other classified ad site with a fake check. After the victim receives and deposits the fraudulent check, the scammer cancels the transaction and demands their money back immediately. The victim then refunds the entire balance of the check by wire transfer. Only later is the deposited check discovered to be a fake.

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• **Phishing Scam** - The victim is sent a bogus email or receives a phone call that appears to be from a bank or a popular website like Ebay or PayPal. The victim is told that his account needs to be updated or that a security breach requires his immediate attention. There is usually a link to click that sends the victim to a fake log-in page that looks very similar to the real log-in page of the real website. The victim attempts to login on the fake page and unwittingly gives his ID and password information to the scammers.

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• **Email Password Scam** - A type of phishing scam where the scammer attempts to collect your email's username and password by claiming to be a member of the email's hosting company (hotmail, gmail, etc.) Frequently done by telephone or via email, which is titled something urgent such as "Verify your email account to avoid it being closed!" If the scammer acquires this information they use it to hijack your account and use it to send a fake plea for help to everyone in your address book.

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• **Friend's Hijacked Email Scam** - A friend's email account is hijacked by a scammer. The scammer then poses as your friend and asks you to send money to him in a foreign country. "I was traveling in Nigeria and was robbed! Please send me \$2,000 via Western Union so I can get a plane ticket home!" Of course, if you get such an email, it costs you nothing to just call your friend and verify the authenticity of the story.

• OFTEN DONE VIA TELEPHONE

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• Collection Scam

• Perpetrators off shore are purchasing data from unscrupulous employees of Pay-Day Lending companies, then contacting persons who had old accounts and make threatening calls telling them that they are going to jail if they do not pay up.

• Latest variant: DEA Scam for online pharmacy orders.

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• Perpetrators also just cold call the elderly, usually someone who has just lost a spouse and claims the spouse that passed owes money and the survivor will go to jail if it is not paid.

• Professionals not exempt!

- Attorney scam (scammer poses as rich client)
- Real Estate Agent scam
- Landlord scam

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**QUESTIONS?**

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