



## Things You Should Know About ... ONLINE SCAMS

The Internet and commercial online services provide a valuable new information source for consumers. However, the information for it also provides con artists with endless ways to scam consumers. Don't let these scam artists take advantage of you! Acquaint yourself with the following information and use common sense when conducting transactions online.

### **Typical Online Scams**

#### ***Pyramid Schemes***

You will be promised money or valuables in exchange for soliciting new members. Pyramid schemes are only successful if new members join the group. If no new members join, the pyramid falls, and those at the bottom lose their initial investment. These schemes are typically promoted as games, buying clubs, motivational companies, mail order opportunities, or investment organizations.

#### ***Get-Rich-Quick/Work-at-Home Schemes***

Scam artists will offer to pay you large sums of money in exchange for working at home – stuffing envelopes or designing computer graphics. You will probably be required to buy address lists or software necessary to perform the “work” up front. Always beware of any “job” that requires an up-front purchase.

#### ***Internet Malls/”Business Opportunities”***

Internet malls are composed of web page collections that offer special buying opportunities to consumers. The malls make a profit by leasing web pages and selling recruitment licenses. For a large fee, which you pay up front, you can obtain a license to solicit new members and get a percentage of the membership fees they collect. However, these memberships are virtually impossible to sell, so consumers usually end up losing their investment. This type of recruitment plan is also used to market other “business opportunities” as well.

#### ***Credit Repair Scams***

Some companies will offer to fix or repair your credit report for free. However, these companies often charge an up-front fee and do little to improve your credit report. In reality, the only cure for a poor credit report is time and prompt bill paying.

#### ***Health Offers***

Consumers are lured into buying vitamins, treatments, or “cures” with the promise of better health, fitness or appearance. However, many of the products and treatments being promoted are not regulated by the FDA and may be ineffective or harmful.

#### ***Fraudulent Degrees***

Scam artists fronting fictitious schools offer diplomas in exchange for cash. The diplomas look like official degrees from prestige-sounding universities, but are actually worthless.

#### ***Gambling Schemes***

Some internet sports or casino gambling services claim to be legal. Chances are, however, that they're not.

## **Tips for Avoiding Online Scams**

*Never Judge a Book by its Cover-* A website may look professional and be aesthetically pleasing, but that doesn't ensure that the company is legitimate or operating lawfully.

*Always Investigate a Company's Reputation-* Ask a company for a verifiable street address and telephone number before doing business with them. To further verify the company's legitimacy, check with your local business bureau or the Attorney General's Consumer Fraud Hotline.

*Always Use a Secure Browser-* Most legitimate businesses use encryption technology to enable you to safely send personal data such as credit card numbers and banking information online. Encryption technology scrambles your personal information for transmission and decodes it only once it has safely reached the intended vendor. To ensure you are using a secure browser, look for a web address that begins with "https" instead of "http:" on the page that asks for your personal information and look for an icon of a locked padlock on the status bar at the bottom of your page.

*Remember-* when making online transactions, use as many sources as possible to verify the company's legitimacy and quality of the products or services offered.

Always be wary of offers marketed as "too good to be true," "inside information," or "hot opportunities."

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