

Consumer Fraud

Don't Be a Victim

Everyone is potentially the victim of a scam. The Federal Trade Commission says that even savvy consumers face many fraudulent offers every day. The FTC ought to know: last year, the agency logged in over 813,899 complaints from consumers. The actual loss in 2007 was \$1.2 billion.

Two common beliefs seem to set the victims apart from those who are left alone:

- It's my turn to be lucky.
- Problems only happen to the other guy.

Such unrealistic thinking helps the con artist. The first rule of thumb is to look at all offers with a skeptical eye.

Universal Human Desires

Remember, schemers are trying to get you to part with your money. They will use everything in their trick bag. Their main tool is a good knowledge of human nature. The schemer uses it to prey on universal human desires and knows that we all want:

- To be healthy
- To be wealthy
- To be loved
- To be secure
- To get something for nothing or a lot for a little

In order to take your money, schemers have to convince you that they have what you want. Again, be very skeptical of anyone appealing to these powerful desires.



The Con Artist: All Shapes and Sizes

Do not make the mistake of stereotyping fraud offenders or con artists. They can be male or female, manual laborers or professional types, locals or out-of-towners, courteous or rude, well dressed or sloppy. They can be any age or race.

Con artists may work alone or in teams. When working in a team, they may approach you together or separately and at different times,

so you don't associate one individual with the others. Often they operate by mail or phone and you may never actually see them.

Recognizing Scams

Recognizing fraud in the marketplace is becoming more and more difficult. Consumers need to develop internal radar that cues them to possible scams. Trust your intuition; if something doesn't seem right, chances are it isn't. This is especially true if money is involved. Here are some areas to look out for:

Door-to-Door Sales

- Many disreputable sellers operate this way. To protect yourself, you might adopt the policy of not buying items or services door-to-door; you can tell salesmen this if they try to pressure you.
- Be alert to phrases like "I have this leftover product right from the factory...." or "I'm working my way through college selling magazines (or Bibles, etc.)...". Phrases like those usually signal, at best, a bad deal for you with nowhere to return defective products and, at worst, a scam.
- Also beware of anyone selling life insurance, burial insurance, or pre-paid funerals door to door. For these things, it's best to comparison shop with reputable companies.

Off-the-Truck Items

- Beware of anyone selling anything off the back of a truck. Though you might think you are getting a great bargain, you also might be buying stolen merchandise, which is a crime. If the item you're buying is not stolen, it's probably defective and you will have no way to return it.
- Always look out for the word "refurbished." One new con involves selling "new" mattresses, which are actually old ones salvaged from the trash and fitted with new covers.
- If the seller offers you "easy credit," (i.e. weekly payments) it is probably a scam and you will end up paying more than you would in a store, even if you charged the item.

To complain or ask questions:

Consumer Protection Division
Office of the Kentucky Attorney General
1024 Capital Drive
Frankfort, KY 40601

<http://ag.ky.gov/consumer/>

Complaint form:

<http://ag.ky.gov/consumer/forms.htm>

(888) 432-9257

The Better Business Bureau
east of Frankfort, call (800) 866-6668
west of Frankfort, call (800) 388-2222

The Federal Trade Commission (FTC) (877) 382-4357 – Toll Free Consumer Help Line (9 a.m. – 8 p.m. Eastern time, Monday - Friday)
www.ftc.gov

Reference: FTC Releases List of Top Consumer Fraud Complaints in 2007 [News release]. (2008, February 13).
<http://www.ftc.gov/opa/2008/02/fraud.shtm>

Photos: Microsoft

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January 2010

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