



Better Business Bureau

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Press Release

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BBB Names Top Scams of 2012

The Better Business Bureau investigates thousands of scams every year, and this past year launched two websites to help consumers figure out which offers are real and which ones are possibly frauds:

BBB Smart Investing (www.bbb.org/smartinvesting), developed in partnership with the FINRA Investor Education Foundation, informs consumers about investment fraud, Ponzi schemes and risky investments, and helps them assess their risk, check out brokers, and avoid getting taken.

BBB Scam Stopper (www.bbb.org/scamstopper), developed in partnership with Western Union, educates consumers about the major types of scams and provides information on how to avoid them and how to report them.

Here are BBB's Top Ten Scams of 2012:

Scam of the Year: Newtown Charity Scams

Within hours of the horrific shooting at Sandy Hook Elementary School in Newtown, Connecticut, social media pages dedicated to the child victims began cropping up, some of them scams asking for money. BBB's Wise Giving Alliance offered tips for donors to understand how and when to best support those dealing with such a tragic crisis. Although the number of people defrauded is most likely low, the cynicism and sheer audacity of these scams merits our selecting it as the "Top Scam of 2012."

Top Overpayment/Fake Check Scam: Car Ads

The ad says, "Get Paid Just for Driving Around" – a prominent company is offering \$400+ per week if you'll drive around with their logo all over your car. They send a check for you to deposit, then wire part of the payment to the graphic designer who will customize the ad for your vehicle. A week later, the check bounces, and you are out the money you wired.

Top Emergency Scam: Grandparents Scam

A grandchild is traveling abroad and calls/texts/emails to say he or she has been mugged/arrested/hurt and needs money right away ("...and please don't tell mom and dad!"). The FBI says that, thanks to social media, it's getting easier for scammers to tell a more plausible story because they can use real facts from the supposed victim's life ("Remember that great camera I got for Christmas?" "I'm in France to visit my old college roommate."). Before you wire money in an emergency, check with the supposed victim or their family members to make sure they really are traveling. Odds are they are safe at home.

Top Employment Scam: Mystery Shopping

Working as a secret shopper may sound like an ideal way to supplement your income, but scammers have figured that out, too, and many job offers are nothing more than a variation on the Overpayment/Fake Check Scam (above). Sometimes they even tell you that evaluating the wire service company is part of the job, which is why you need to send back part of the money. The Mystery Shopping Providers Association says it's not the practice of their members to pre-pay shoppers. Find a legitimate mystery shopping job at www.mysteryshop.org.

Top Advance Fee/Prepayment Scam: Nonexistent Loans

Most of the scams advertise online and promise things like no credit check or easy repayment terms. Then the hook: you have to make the first payment upfront, you have to buy an "insurance policy," or there is some other kind of fee that you have to pay first to "secure" the loan. This year, we heard a new, aggressive twist on

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loan scams: consumers who were threatened with lawsuits and law enforcement action if they didn't "pay back" loans they said they had never even taken out in the first place. Some got calls at their workplace, even to relatives. The embarrassment of being thought of as a delinquent caused some victims to pay even when they knew they didn't owe the money.

Top Phishing Scam: President Obama Will Pay Your Utility Bills

At the peak of summer with utility costs soaring, consumers got emails, letters and even door-to-door solicitations about a "new government program" to pay your utility bills. Hey, the president wants to get re-elected, right? Maybe he's just trying to win votes. Victims "registered" with an official-looking website and provided everything scammers needed for identity theft purposes.

Top Sweepstakes/Lottery Scam: Jamaican Phone Lottery

The calls come from Jamaica (area code 876) but the person claims to represent BBB (or FBI, or other trusted group). Great news: you've won a terrific prize (typically \$2 million and Mercedes Benz) but you have to pay a fee in order to collect your winnings. There are lots of variations on this; sometimes it's a government grant. Best just to hang up and then file a phone fraud report with the appropriate government agency (see below).

Top Identity Theft Scam: Fake Facebook Tweets

Two top social media sites were exploited in one of this year's top scams. You get a Direct Message from a friend on Twitter with something about a video of you on Facebook ("What RU doing in this FB vid?"). In a panic, you click on the link to see what the embarrassing video could be, and you get an error message that says you need to update a video player. The file isn't a new video player; it's a virus or malware that can steal confidential information from your computer or smart phone. Report the spam, reset your password, and revoke connections to third-party applications.

Top Home Improvement Scam: Sandy "Storm Chasers"

BBB spends a lot of time investigating and reporting on home improvement scams, but this year we saw an unusual amount of "storm chaser" activity following Super Storm Sandy. Some were legitimate contractors who came from other areas for the volume of work available; others were unlicensed, uninsured and ill-prepared for the work; and some were even scam artists who took the money and never did the work. Check references, and find a contractor at www.bbb.org.

Top Sales/Rental Scam: Real Stars, Fake Goods

From the Super Bowl to the World Series, counterfeiters manage to have their hands in your pocket all year long. With the London Olympics added to the mix, i2012 was a good year for sports fakes. Some scammers sold cheap knock-offs in front of stadiums. Others set up websites that stole your money and never had any goods to begin with. Counterfeit goods are not only a rip-off for you because the merchandise is usually shoddy, but they are also a rip-off for the teams, athletes, designers, and artists who create, license and sell the real thing. Buy directly from team stores and websites, or from legitimate retailers.

More information for consumers:

- For more information on these and other scams, go to [BBB Scamstopper](http://BBB_Scamstopper). Sign up for our Scam Alerts and learn about new scams as soon as we do.
- To search for a business in the U.S. or Canada, or to find your local BBB, go to BBB.org.
- For information on charities, go to Give.org.
- For information on U.S. government services, go to: USA.gov.

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