



The Consumer Connection

A quarterly publication by the Orange County Consumer Fraud Unit

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"Some scammers offer to handle financial arrangements for you, but then just pocket your payment."

Send your mortgage payments ONLY to your mortgage provider.

Avoid businesses that guarantee to save your home from foreclosure or stop the foreclosure process. This is the first clue that they are dishonest.

FROM THE DESK OF CARLOS MORALES

Consumer Investigator Supervisor

This issue highlights the efforts of local, state and federal agencies to combat fraud. The economic turndown is "shaking the rats out of the attic". Scammers and conmen are scurrying out of every crevice to steal your money. Anyone can be vulnerable to their attacks, so stay alert and watch out. The current economic uncertainty puts us all at risk for a financial loss from these predators.

The Federal Bureau of Investigation reports that Florida is among the top 10 markets for mortgage fraud. Did you know the Orange County Sheriff's Office, Florida Attorney General and other state and regulatory agencies have joined together and created task forces to deal with mortgage fraud and real estate crimes? The Internet Crime Complaint Center states that complaints of online crime hit a record high in 2008. They received a total of 275,284 complaints, a 33.1% increase over the previous year. The average individual loss amounted to \$931.

It is up to you to become more vigilant and report suspected frauds. Remember it is easier to prevent a crime than to solve one. The resources are out there; use them! Let's all become "Fraud Fighters" and keep your money where it belongs, in your own pocket.

Foreclosure Rescue Scams

If you have fallen behind on your mortgage payment, steer clear of foreclosure prevention and loss mitigation companies who may contact you promising that they will help you to avoid foreclosure. In many cases these companies are only out to charge you a hefty fee for information you could receive for free from your lender or a HUD approved counselor.

There are several types of Foreclosure Rescue Scams you should be aware of:

- Foreclosure Prevention Specialist** – phony foreclosure counselors
- Phantom Help** – charges high fees for work the homeowner could do themselves
- Lease/Buy Back** – homeowners are deceived into signing over the deed to their home
- False Bailout** – homeowner is lead to believe that they can rent their home from the new owners and eventually repurchase the home.
- Bait and Switch** – homeowner thinks they are signing new mortgage documents but are actually signing over the deed to their home

If you are unsure about a business or individual who is offering to help you avoid foreclosure, contact a nonprofit housing counselor who can offer you help and information free of charge. The HOPE NOW alliance has a 24-hour hotline 1-888-995-HOPE to provide mortgage counseling assistance. You can also visit them online at www.hopenow.com.

If you have been a victim of a foreclosure rescue scam, report it to the Office of Attorney General at 1-866-966-7226 or www.myfloridalegal.com.

1. *Don't pay upfront*
2. *Do business with licensed companies*
3. *Don't fall for false promises*
4. *Get all costs and details before you decide*
5. *Don't wire fees to someone you don't personally know*
6. *Never give out your credit card or bank account numbers unless you initiated the contact and confirmed the business is legitimate*
7. *Be suspicious of lenders outside the United States*
8. *Never send payment to an individual for a loan*

Is That Loan Offer for Real?

The scam: Consumers are responding to advertisements and websites that guarantee loans, regardless of credit history. After providing some basic information, they are told they have been approved for a loan. All the consumer needs to do is pay an upfront application or processing fee or the first month's payment.

The truth: If somebody tells you they can *guarantee* you a loan if you pay a hefty fee upfront that is the hallmark of an advance-fee loan scam. You shouldn't have to pay money to get money. This is not to be confused with things like small credit-report fees you pay upfront when you apply for a mortgage. The key difference is that you are not being *guaranteed* the mortgage. It is illegal to guarantee somebody a loan in exchange for a fee. Be suspicious of companies that claim they'll guarantee you a loan despite bad credit, bankruptcies or unemployment. Legitimate lenders base their entire loan decision on whether you'll be able to repay your loan. If you have been a victim of an advance fee loan contact the Florida Department of Financial Services at 1-800-848-3792 or www.fldfs.com.

Fraudulent Credit Card Offers

The scam: In several parts of the United States, people receive what seems to be an automated phone call with the message: "Your credit card expires soon, and you can now get a lower interest rate. Please hold the line for the next operator." The call connects to an individual who repeats the offer of lower card interest rates, then asks victims to give the numbers of any cards that are due to expire in the next few months.

The truth: These are phishing scams. Numbers gleaned this way are immediately used to buy goods. Never give your card number to an inbound caller unless you know 100% who they are. If someone claims to know your card is about to expire, ask them to tell you the number. Usually, they'll just hang up.

Protect Yourself from Counterfeit Checks

The scam: Consumers throughout Central Florida are receiving cashier's checks in the mail because they have won a sweepstakes. They are told the checks are to be used to cover the taxes or fees to release the full award. All they have to do is cash the check and wire the funds by Money Gram or Western Union.

The truth: Fraudsters use various scams to get unsuspecting victims to accept counterfeit checks or money orders, deposit them into their account, and then wire funds before the check is returned unpaid. Common ploys are advance payment for sweepstakes, bogus employment offers, and overpayment scams. For more information please visit: www.FakeChecks.org.

Government Grant Scams

The scam: Have you heard? The government is giving away free money! It's all part of the Obama stimulus package. These government grants can be used for anything: buy a car, purchase a home, start a business or pay your credit card bills. Even take a vacation. And here's the best part – because this is a grant, you never have to repay the money.

The truth: Con artists are creating phony web sites with names like PresidentObamaGrants.com and FederalGovernmentGrantSolutions.com. "They're advertising them on search engines like Google and also promoting them in chat rooms," says Susan Grant, director of consumer protection at the Consumer Federation of America. "Don't fall for it," warns Eileen Harrington, of the Federal Trade Commission's Bureau of Consumer Protection. "There is no money in the stimulus package to send out individual checks to people." No one has to pay to get a list of government grants or to apply for one. More importantly, no company can "guarantee" you'll receive grant money.

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We're on the Web!

www.orangecountyfl.net

We always seek to shed light on issues that affect you. If you have story suggestions for *The Consumer Connection*, please email us at fraudhelp@sao9.org. It is our goal to give you news you can use.

Internet Crime Complaint Center (IC3)

The IC3 is a partnership between the Federal Bureau of Investigation, the National White Collar Crime Center and the Bureau of Justice Assistance. Its mission is to serve as a vehicle to receive, develop and refer complaints regarding the rapidly expanding area of cyber crime. The IC3 gives the victims of cyber crime a convenient and easy-to-use reporting mechanism that alerts authorities of suspected criminal or civil violations. The IC3 accepts online internet crime complaints at www.ic3.gov.

Helpful Websites

www.800HelpFla.com

www.FakeChecks.org

www.fldfs.com

www.HelpWithMyBank.com

www.HopeNow.com

www.hud.gov

www.ic3.gov

www.MyFloridaLegal.com

www.MyMoney.gov

www.pueblo.gsa.gov

Florida Division of Consumer Services
Created by the National Consumers League
Florida Department of Financial Services
Office of the Comptroller of Currency
Hope Now Alliance
Housing and Urban Development
The Internet Crime Complaint Center
Office of Attorney General of Florida
Dedicated to teach the basics of financial education
Federal Citizen Information Center

Report a Rip-Off

If you have a complaint regarding the purchase of goods or services, and the transaction occurred in Orange County, contact us. We will receive and investigate your complaint and attempt to secure a resolution to the problem. If you are in doubt as to which agency would be best to handle your complaint, contact our Unit and we will either direct you to the proper office or accept your complaint for review and referral as warranted. You may call the Consumer Fraud Unit at 407-836-2490 or email us at fraudhelp@sao9.org.

Recent Cases

In November 2007, an Orange County homeowner gave a \$700.00 check to an air conditioning company to purchase an extended warranty. The contractor assured her that she would receive the warranty within six weeks. Months passed and the paperwork never arrived. A year later the homeowner contacted the manufacturer and discovered she didn't have a warranty. She immediately tried to contact the business but was unsuccessful. Upon filing a complaint with our office, we located the contractor and he corrected the situation.

In December 2008, a consumer received a cell phone bill and was shocked to see that he was being charged late fees and was being warned that the matter was going to be turned over to a collection agency. He checked the account online and discovered the company had been mailing the bills to another name and address. He called and wrote the company but his complaint fell on deaf ears. After we contacted the business on behalf of the consumer, the company found their error and credited the customer's account.

In July 2008, a consumer made an online purchase for a motorized bicycle. The bicycle never arrived and when the consumer inquired he was given many excuses. He was told the item was back ordered; another time he was told there was an earthquake; the next time it was a hurricane. We were able to track down the seller but determined he had gone out of business. Nevertheless, we were able to negotiate a repayment plan between the buyer and the seller for the \$1,099.00 purchase.

See us at the 2009 Hurricane Expo, May 30-31 at Orlando Fashion Square, E Colonial at Maguire