

# Financial Scams and Fraud: Gain Confidence and Get the Protection You Deserve

As hard as you work to make money and as difficult as it is to save it, the last thing you want to do is lose any of it through fraud. Financial fraud is now the number one consumer complaint, and billions of dollars are lost each year to unscrupulous operators, hackers, and gangsters.

Some frauds have been around for years, yet millions of people continue to fall victim to them. A healthy dose of skepticism and a bit of caution is sometimes all it takes to protect yourself from these low-tech schemes.

According to Tom Holloway, president of TheBANK of Edwardsville, "We work diligently every day to protect our customers from financial fraud but there are many steps that consumers can take such as being more aware of frauds and scams when they present themselves."

In general, consider the following points when trying to determine whether an offer is an opportunity or a scam.

- The greater the potential return, the greater the risk.
- Investments seldom exist without some risk involved.
- Always get information in writing before giving away any money.
- Never let emotions interfere with your business affairs.
- Never invest what you cannot afford to lose.
- Legitimate offers will always be there tomorrow.
- Take time to do careful research.
- If an offer sounds too good to be true, it probably is.

TheBANK of Edwardsville offers these tips and fraud alerts to help you keep your money and financial identity safe from wrong doers.

**1) Watch out for fraudulent telemarketers!** They may start with a postcard promising cash and prizes if you call an "800" or "900" number. If you do it, a friendly voice will ask for your credit card number to "verify" your identity, then come the high-pressure tactics to get you to buy merchandise with your credit card. Later, you may be billed several times, or you may never receive the merchandise at all.

**2) Fake Orders for Magazine Subscriptions.** People selling magazine subscriptions may "offer" an extremely low price which is only available if you pay with a credit card. Repeatedly, terms like "verification," "identification," or "process" will be used to try to get you to reveal your credit card number. Once you give it, the con artist will use the number to place fake orders.

**3) Investment Frauds.** In areas with a high concentration of senior citizens, investment frauds are usually carried out on a hit-and-run basis. These scams may involve the selling of coins, oil and gas leases, precious metals, and gemstones. The caller will flatter you as a "smart investor" who can recognize a good deal, then confide that if you sign up quickly you can get in on a great

"opportunity." Remember these salespersons are professionals and gifted at getting people to believe them.

#### **4) Travel Scams.**

Travel scams often combine phone and mail fraud. A phone call from a travel club announces that you are the grand prize winner of a contest. You are told that this prize only can be obtained if you pay a membership fee to their travel club, as small as \$10 or as much as \$300 or more. And again, you must pay using your credit card. Once the callers have your card number, they can use it to fake orders. The best way to defend yourself against questionable calls, other than to hang up, is to ask the caller to send you information in writing.

#### **5) Home Repair**

This con game is spreading rapidly and will continue to do so as dwellings and their owners both grow older. Someone comes to the door and says there is a problem with your house-- roofing, siding, electrical, driveway, whatever. They offer to fix the problem quickly at what seems like a reasonable cost. Once they have begun the work, however, major problems suddenly turn up that will cost more than the original estimate. Often the "experts" have created the damage themselves. Before you let anyone work on your house, be sure to get several estimates for the repair. Ask for references.

#### **6) Fake Contests**

Fake contests are a prevalent form of mail fraud. You get a notice saying you have won a "free" trip, a TV, or even a car. To redeem your prize, you should send "X" number of dollars or bring the money to a certain place. In reality, prizes frequently do not exist, or if they do, only a very small number of them will be awarded.

Watch out for prizes that you have to pay for. Also, carefully examine any letters that look official or urgent.

If you think you've been the victim of financial fraud, contact your local police department and contact your State's consumer agency.