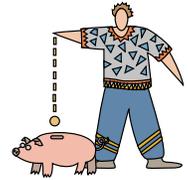


Consumer Fraud

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What is fraud?

It is fraud when a seller of goods or services lies about an important fact or fails to tell the consumer about an important fact. Con artists can commit fraudulent acts against any consumer, but members of some groups are victimized more often than others are.

Proving fraud, in a legal sense, can be difficult. In general, a consumer is a victim of fraud under the following conditions:

- The seller makes a false representation about the product or service (tells a lie).
- The seller knows that the supposed "facts" are untrue (knows it is a lie).
- The seller intends to deceive the victim.
- The victim actually believes the untruths.
- The victim suffers damages by relying on the untruths.

Who is victimized by fraud and why?

There are several reasons that any of us might become a victim of fraud, particularly during difficult times. Greed can be a factor. The human tendency to want to "keep up with the Joneses" makes us want more and it is tempting to think there might really be a way to "get rich quick" or take shortcuts to get what we want.

Our marketplaces are becoming more complex, and we are busy. A busy consumer may find it difficult to take the time to gather all the knowledge needed to make a sound decision. Dealing with expert liars makes it even harder. Successful con artists are expert salesmen who can trick consumers into unsound decisions by showing them with too much information or pressuring them to make a decision with too little information.

Elderly people often fall prey to fraud. They are more likely to have difficulties refusing high-pressure sales tactics, may be lonely and will listen to a seller's scam in order to have someone to talk to, or they may not have the resources they need to do research before buying a product.

The average scam runs for 90 days or less. For that reason, it is critical that all of us who are victimized react swiftly to fight back. If we don't, the scam artist who defrauded us is long gone with a new scam, under a new name, with new victims. Unfortunately, he also is long gone with our money. He is counting on getting away with it because consumers are embarrassed to admit they were victims and don't complain.

What are some types of fraud and how do I avoid becoming a victim?

Regardless of the specific method that a con artist uses, there are some tips that can help you avoid fraud:

- If it sounds too good to be true, it probably is!
- Do not be pressured by salespeople into buying it NOW.
- Investigate before you invest. If you cannot afford to lose the money you invest, do not invest in risky ventures.
- Avoid purchasing goods or services from people, companies, or organizations you do not know (whether in person, by phone, via the Internet or by mail).
- Be skeptical about unsolicited sales calls.
- Ask callers to send information about the company in writing and verify it.
- Do not pay for something that is supposedly "free."
- Do not give calling card, credit card, or bank account numbers to strangers by telephone, Internet or mail unless you initiated the order for goods or services.
- Guard your social security number. Avoid using it as your driver's license number.
- If you use a cellular phone, request a detailed billing of calls from your cellular carrier and use a Personal Identification Number (PIN).

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- Before contributing to charities you are unfamiliar with, check them out with your state charity regulator, such as the Attorney General's office.
- Ask for information about a company, price information, and written estimates from door-to-door salespeople before doing business with them.
- A contract worth signing can wait until you've taken the time to understand it.
- Always ask for information and clarification in writing.
- Hanging up is often the best action when you receive a call offering a fabulous deal over the telephone.
- Do not invite a door-to-door salesperson into your home if you do not want to hear a sales pitch.
- Con artists look like you and me. Even if someone sounds like they are your friend, take the time to investigate an offer carefully.

What to do if it happens to you...

If you have been conned, act quickly! Contact local and state authorities and file a report.

- Call the Missouri Attorney General's hotline (1-800-392-8222) and let them know what has happened.

You may find that you are not alone and that several others have fallen victim to the same scam.

- Report the con to the National Fraud Information Center (1-800-876-7060).
- If mail was involved, contact the local postal inspector.
- Finally, file a complaint with the Better Business Bureau. Though the Better Business Bureau cannot help you get your money back or press charges, by placing a report on file with them, you may help others from being scammed later.

Most people are embarrassed that they have fallen for a scam, and therefore, have a tendency to not report what has happened to them. However, someone committing fraud cannot be stopped if we do not contact the authorities. Scam artists will continue cheating innocent people until someone reports them. It is also highly likely that you are not alone. If you have been cheated, others probably have been as well. Your report could be the one that ends a scam in your area.

References:

Procter, B. and Schuh, W. (2000). *Consumer Beware. Building Strong Families*. University Outreach and Extension.