

Fraud

Don't become a victim of fraud or identity theft! Use these tips and publications to learn more.

It's not always easy to spot con artists. They invade your home through the telephone, computer, and mail; advertise in well-known newspapers and magazines; and come through your door. Most people think they're too smart to fall for a scam, but the opposite is true.

The [National Consumer League's National Fraud Information Center](#) reported that from January to September 2005, online auctions accounted for 42 percent of all complaints received. Far worse, the average loss was an astounding \$1,129. The loss to consumers from identity theft was \$5 billion in 2004, with an average loss of \$400, \$1,440 if the crime was committed online.

One particularly insidious type of crime preys on the goodwill of the American public: charity fraud, which increases at times of national tragedies and natural disasters. (According to the Better Business Bureau's Wise Giving Alliance, Americans gave \$200 billion to charity in 2000.) Anyone can fall victim to these crooks: Almost without fail, they're well-mannered, friendly, and helpful—at least at first.

Tips

- Make sure you understand how an online auction works before you bid on merchandise.
- Investigate the seller as much as possible. Be wary if the seller has only a post office box address or an email address.
- Bid at auction houses only if there's insurance to protect the buyer or an escrow account where your money will be held until you receive your merchandise.
- Always use a credit card for your auction purchase so that you can dispute the charge if necessary; never use a wire transfer, money order, or personal check.
- To protect yourself against exorbitant charges, make sure you know the shipping and handling charges up front.
- To foil identity thieves, never give out your Social Security number or other personal information.
- Shred all bills, bank statements, and "pre-approved" credit card offers before you put them in the trash.
- Don't have new checks mailed to you at home; pick them up at the bank.
- When someone asks you for a contribution to a charity, call the charity and make sure it is soliciting in your neighborhood.
- Make your check out to the name of the charitable organization, never to the person who is doing the soliciting, and mail it directly to the charity.