



CONSUMER ADVOCATE

A publication from the Consumer Protection Section of the Office of Ohio Attorney General Richard Cordray

TOP TEN SCAMS OF 2009

In 2009, the Ohio Attorney General's Office received more than 28,000 consumer complaints. It also opened more than 240 investigations and filed more than 35 lawsuits to protect Ohioans from unfair business practices.

Unfortunately, scam artists also were hard at work in 2009. The year's top consumer scams included:

1) Job scams: As unemployment numbers rose, so too did scams targeting job seekers. Ohioans were bombarded by phony work-at-home offers, job placement scams and false information about unemployment.

2) "Cash for Clunkers" scams: When the federal government offered a program to give credits to consumers who traded in less fuel-efficient vehicles, copycat scammers created phony "registration" Web sites designed to steal consumers' personal information.

3) Foreclosure rescue scams: Scammers targeted homeowners at risk of losing their homes to foreclosure, making false promises to save their homes. They took homeowners' money but never provided any real help.

4) H1N1 scams: The H1N1 virus generated news on a weekly basis, and scammers kept the pace, regularly developing phony "swine flu" Web sites and H1N1-vaccine phishing scams.

5) Advance fee loans: With credit markets tightening, more consumers fell

prey to scammers charging upfront fees for credit cards and loans that didn't exist.

6) "Free trials" of weight loss and beauty products: Web sites boasted free trials for tooth-whitening products and acai berry weight loss supplements. After consumers signed up for the free deals, however, they were charged monthly fees.

7) Fake check scams: Using fake checks to make their sweepstakes scams, phony job offers and online sales scams seem real, scammers convinced consumers to cash the checks then wire-transfer some of the money to the scammer. Later the check was returned as counterfeit and consumers lost any money they sent.

8) Shoddy home improvement work: From unfinished roofs to driveways that were never properly paved, unscrupulous contractors took thousands of dollars from consumers across the state for shoddy work.

9) Phishing scams: Scammers made phone calls and sent e-mails and text messages telling consumers their accounts had been compromised and they needed to enter their personal information. In reality, the messages were a ploy to trick consumers into revealing their personal information.

10) Credit repair scams: Scammers told consumers that they could completely clean up their credit reports and improve their credit scores for a fee. As usual, the offers were just too good to be true and consumers' credit never improved.

OHIO FILES THIRD SERVICER LAWSUIT

Last week, Ohio Attorney General Richard Cordray filed a [lawsuit against Barclays Capital Real Estate dba HomEq Servicing](#), headquartered in New York, for issuing unfair loan modification agreements and providing inadequate, incompetent customer service to Ohioans who were at risk of losing their homes to foreclosure. HomEq is a participant in the federal Home Affordable Modification Program (HAMP).

This is the third such lawsuit Cordray has filed against loan servicers since July; Ohio is the first state in the nation to sue a mortgage servicer for mistreating Ohioans. The other lawsuits were filed against [Carrington Mortgage Services, LLC](#) and [American Home Mortgage Servicing, Inc.](#)

Recently, Attorney General Cordray also wrote a letter to Treasury Secretary Timothy Geithner asking that Troubled Asset Relief Program (TARP) funds be used to support housing counselors and to provide short-term rescue funds to help homeowners.

To file a complaint against a mortgage servicer, contact the Ohio Attorney General at www.SpeakOutOhio.gov or call (800) 282-0515. For assistance with loan modifications or help in a foreclosure situation, contact Save the Dream at (888) 404-4674 or www.SaveTheDream.ohio.gov.

BRING THE ATTORNEY GENERAL'S OFFICE TO YOU: HOST A CONSUMER AWARENESS WORKSHOP

Learn about your rights as a consumer and help protect your community from scams by hosting a consumer awareness workshop in your area.

The Attorney General's Consumer Protection Section offers a prevention program to educate consumers about their rights and teach them how to avoid scams. In 2009, representatives attended almost 250 events throughout the state.

Our 2010 calendar is filling up quickly. Visit www.OhioAttorneyGeneral.gov/ConsumerWorkshops or call (800) 282-0515 to request a speaker.

Available topics include:

Being a Smart Consumer in Today's Tough Economy: Find out the top scams and learn about your consumer rights.

Plan Well, Live Well: Learn the four documents everyone needs, scams to avoid, misconceptions about probate, Medicaid eligibility and much more.

Job Seekers Beware: Scammers target job seekers. Find out how to protect yourself.

Save the Dream of Homeownership: Learn about free federal, state and local resources that can help you keep your home and avoid foreclosure rescue scams.

Scams against the Military and Veterans: Discover the latest scams targeting our

military population, and learn how to guard against them.

Senior Scams: Learn about the latest scams targeting our senior population, and find out how to protect yourself and your loved ones.

Know Your Rights: A Consumer Guide for Students: Students will learn about their consumer rights and how to make smart consumer decisions.

Take Charge of Your Credit: Manage your finances while managing your credit report.

REFUND RIP-OFFS

In a hurry to receive your tax refund? Be leery of tax preparer programs offering to help you get your tax refund early.

You may think you're simply receiving your refund money early, but chances are you're actually signing up for a high-cost loan.

Often called refund anticipation loans, these short-term loans are secured by your expected tax refund. Filing fees, tax preparation fees and interest may eat up all or most of your refund. In some cases, these loans cost nearly half of the refund check amount.

It may be faster to file electronically yourself (for free), keep your entire refund and have the refund directly deposited in your account.

Depending on your income, you may qualify for the Earned Income Tax Credit. For more information or to find a free tax preparation site near you, visit www.OhioAttorneyGeneral.gov/EITC.

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- Receive news and updates from the Ohio Attorney General's Office by signing up at www.ohioattorneygeneral.gov
- Visit www.ohioattorneygeneral.gov for more information.

CORDRAY WARNS OHIOANS OF NEW H1N1 SCAM

Posing as the Centers for Disease Control and Prevention (CDC), scammers have created an e-mail scam to exploit fears driven by the spread of the H1N1 influenza virus, sometimes called "swine flu." The e-mail carries a computer virus that may infect your computer and provide a stranger with access to your personal information.

The bogus e-mail announces the launch of a "state vaccination H1N1 program" and encourages the user to create a personal vaccination profile. It provides a link to a Web page that looks similar to the CDC site. Within the page are downloadable instructions for creating your personal vaccination profile.

Attorney General Cordray warned that by downloading the instructions, visitors are downloading a virus onto their computers and putting their personal information at risk.

To protect yourself, don't click on links in e-mail messages, especially when you are not familiar with the sender, and never respond to unsolicited requests for your personal information.

For legitimate H1N1 influenza virus information, visit the U.S. Department of Health & Human Services informational Web site at www.flu.gov or the Ohio Department of Health informational site, www.flu.ohio.gov.

Report this scam or any other scam to the Attorney General's Office at www.SpeakOutOhio.gov or by calling (800) 282-0515.