



FBI TIPS ON AVOIDING INTERNET FRAUD

If it sounds too good to be true, it probably is

The Internet Crime Complaint Center, a partnership of the FBI and the National White Collar Crime Center, in 2007 released its latest annual report on victims' complaints received and referred to law enforcement. Among the results:

- Internet auction fraud was by far the most reported offense - 44.9% of referred complaints
- Non-delivered merchandise and/or payment - 19.0% of complaints
- Check fraud - 4.9% of complaints
- Credit/debit card fraud, computer fraud, confidence fraud, and financial institutions fraud – other 31% of complaints

Some Tips to Avoid Internet Auction Fraud:

- Understand as much as possible about how the auction works, what your obligations are as a buyer, and what the seller's obligations are before you bid.
- Find out what actions the web site/company takes if a problem occurs and consider insuring the transaction and shipment.
- Learn as much as possible about the seller, especially if the only information you have is an e-mail address. If it is a business, check the Better Business Bureau where the seller/business is located.
- Examine the feedback on the seller.
- Determine what method of payment the seller is asking from the buyer and where he/she is asking to send payment.
- If a problem occurs with the auction transaction, it could be much more difficult if the seller is located outside the US because of the difference in laws.
- Ask the seller about when delivery can be expected and if the merchandise is covered by a warranty or if you can exchange it.
- Find out if shipping and delivery are included in the auction price or are additional costs, so there are no unexpected costs.
- There should be no reason to give out your social security number or driver's license number to the seller.

Avoiding Non-Delivery of Merchandise:

- Do your homework on the individual or company to ensure that they are legitimate.
- Try to obtain a physical address rather than merely a post office box and a phone number, and call the seller to see if the number is correct and working.

- Send them e-mail to see if they have an active e-mail address and be wary of sellers who use free e-mail services where a credit card wasn't required to open the account.
- Consider not purchasing from sellers who won't provide you with this type of information.
- Don't judge a person/company by their web site.
- Be cautious when responding to special offers (especially through unsolicited e-mail).
- Be cautious when dealing with individuals/companies from outside the country.
- Inquire about returns and warranties.
- The safest way to purchase items via the Internet is by credit card because you can often dispute the charges if something is wrong.
- Make sure the transaction is secure when you electronically send your credit card numbers.

Avoiding Credit Card Fraud:

- Don't give out your credit card number(s) online unless the site is a secure and reputable site. Sometimes a tiny icon of a padlock appears to symbolize a higher level of security to transmit data. This icon is not a guarantee of a secure site, but might provide you some assurance.
- Don't trust a site just because it claims to be secure.
- Before using the site, check out the security/encryption software it uses.
- Do your homework on the individual or company to ensure that they are legitimate.
- Make sure the transaction is secure when you electronically send your credit card numbers.
- You should also keep a list of all your credit cards and account information along with the card issuer's contact information. If anything looks suspicious or you lose your credit card(s), you should contact the card issuer immediately.

Avoiding Investment Fraud:

- Rule of thumb: If it sounds too good to be true, it probably is.
- Don't invest in anything based on appearances. Just because an individual or company has a flashy web site doesn't mean it is legitimate. Web sites can be created in just a few days. After a short period of taking money, a site can vanish without a trace.
- Don't invest in anything you are not absolutely sure about. Do your homework on the investment and company to ensure that they are legitimate.
- Be cautious when responding to special investment offers (especially through unsolicited e-mail).
- Be cautious when dealing with individuals/companies from outside your own country.
- Inquire about all the terms and conditions.