

What are some common types of scams?

Scammers are constantly finding new ways to steal your money. You can protect yourself by knowing what to look out for. Here are some of the most common types of frauds and scams. Learn what to watch for and what steps to take to keep yourself, your loved ones, and your money safe.

Common types of frauds and scams

Debt collection scams

Most debt collectors will contact you to collect on legitimate debts you owe. But there are scammers who pose as debt collectors to get you to pay for debts you don't owe or ones you've already been paid.

In most cases, a legitimate debt collector will provide you with information about the debt during or shortly after the first communication. This information may arrive as a letter often called the "validation notice." If you don't receive this information, you can ask for it. If you do receive this information and don't recognize the debt or have questions, you can dispute the debt. And if a debt collector won't send you information about the debt, that might be a sign you are dealing with a scammer.

What to do: Don't provide any personal financial information until you can verify the debt!

Imposter scams

Imposter scammers try to convince you to send money by pretending to be someone you know or trust like a sheriff, local, state, or federal government employee, or charity organization.

What to do: Remember, caller ID can be faked. You can always call the organization or government agency and ask if the person works for them before giving any money.

Lottery or prize scams

In a lottery or prize scam, the scammers may call or email to tell you that you've won a prize through a lottery or sweepstakes and then ask you to make an upfront payment for fees and taxes. In some cases, they may claim to be from a federal government agency.

What to do: Avoid providing any personal or financial information, including credit card or Social Security numbers, to anyone you don't know. Also, never make an upfront payment for a promised prize, especially if you are required to make immediate payment.



Mail fraud

Mail fraud letters look real but the promises are fake. A common warning sign is a letter asking you to send money or personal information now in order to receive something of value later. Examples of mail fraud might include notices of prizes, sweepstakes winnings, vacations and other offers to claim valuable items.

What to do: The USPS has identified common postal or mail fraud schemes. If you're a victim of mail fraud, you can file a complaint through the U.S Postal Inspection Service.

Mortgage closing scams

Mortgage closing scams target homebuyers who are nearing the closing date on their mortgage loan. The scammer attempts to steal the homebuyer's closing funds—for example, their down payment and closing costs—by sending the homebuyer an email posing as the homebuyer's real estate agent or settlement agent (title company, escrow officer, or attorney).

What to do: These schemes are often complex and appear as legitimate conversations with your real estate or settlement agent. When you're about to close on your home, take several steps, including identifying trusted individuals to confirm the process and payment instructions and writing down their names and contact information so you can reach out to them directly.

Romance scams

A romance scam is when a new love interest tricks you into falling for them when they really just want your money. Romance scams start in a few different ways, usually online. Scammers may also spend time getting to know you and developing trust before asking you for a loan or for access to your finances.

What to do: Be smart about who you connect with and what information you share online. Don't share sensitive personal information, such as bank account or credit card numbers or a Social Security number, with a new love connection.

Reporting a fraud and scam

If you're a victim of a scam, you can report it to the authorities by:

- Submitting a complaint online with the Federal Trade Commission.
- Contacting your local police or sheriff's office
- Reporting it to your state attorney general.



What are some classic warning signs of possible fraud and scams?

There are several signs that indicate you might be dealing with a scammer.

They include contact from someone:

- Calling or emailing you, claiming to be from the government and asking you to pay money.
- Asking you to pay money or taxes upfront to receive a prize or a gift.
- Asking you to wire them money, send money by courier, or put money on a prepaid card or gift card and send it to them.
- Asking for access to your money-such as your ATM cards, bank accounts, credit cards, or investment accounts.
- Pressuring you to "act now" or else the deal will go away. Or someone who seems to be trying hard to give you a "great deal" without time to answer your questions.

To report a scam, you can submit a complaint with the Federal Trade Commission. You can also contact your local police or sheriff's office or your state attorney general's office to report the scam. Visit the National Association of Attorneys General for the contact information of each state attorney general.

Tip: Remember that if something doesn't seem right, you can always hang up or walk away. Scammers often want you to make a quick decision without thinking about it. Slow down, do your own research about the offer or consult with someone you trust.

I think I or someone I know was the victim of a scam or financial exploitation. Who can I contact for help?

If you suspect a scam, there are a few important steps you should take right away.

1. Contact your local police or sheriff's office to report the scam.
2. Contact your state attorney general. Visit the National Association of Attorneys General website for the contact information of each state attorney general.
3. If the victim is an older person or a person with a disability, contact your local adult protective services agency. You can find your state or local agency that receives and investigates reports of suspected elder financial exploitation by using the online Eldercare Locator or calling (800) 677-1116.
4. If you or someone you care about is the victim of a fraud, scam or financial exploitation, you can submit a complaint with the Federal Trade Commission.

Because all scams are different, you might have to reach out to a number of other local, state, and federal agencies depending on your situation.

How can I protect myself and others I care about from fraud and scams?

There are several steps you can take to protect yourself and others from fraud and scams.

Criminals and con artists use many scams to target unsuspecting people who have access to money. Consumer scams happen on the phone, through the mail, e-mail, or over the internet. They can occur in person, at home, or at a business.

Here are some tips to protect yourself from scams:

- **Don't share numbers or passwords for accounts, credit cards, or Social Security.**
- **Never pay up front for a promised prize.** It's a scam if you are told that you must pay fees or taxes to receive a prize or other financial windfall.
- **After hearing a sales pitch, take time to compare prices.** Ask for information in writing and read it carefully.
- **Too good to be true?** Ask yourself why someone is trying so hard to give you a "great deal. If it sounds too good to be true, it probably is.
- **Watch out for deals that are only "good today" and that pressure you to act quickly.** Walk away from high-pressure sales tactics that don't allow you time to read a contract or get legal advice before signing. Also, don't fall for the sales pitch that says you need to pay immediately, for example by wiring the money or sending it by courier.
- **Put your number on the National Do Not Call Registry.** Go to www.donotcall.gov or call (888) 382-1222.