



# Module I:

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*FIGHTING BACK AGAINST  
SCAMS AND IDENTITY THEFT*

# Goals

Encourage	Encourage open dialogue around scams that are targeted toward consumers in Georgia
Present	Present compelling reasons to participants to put a credit freeze on their accounts for all three credit reporting agencies
Encourage	Encourage parents and guardians to place a credit freeze on their children's accounts
Help	Help participants identify red flags found in phone calls, emails or text messages that indicate unscrupulous practices they should avoid
Help	Help participants avoid products and services that, while legal, may be predatory in nature

# Goals

Help	Help participants understand and sign-up for the FTC 'Do Not Call Registry'
Encourage	Encourage participants to utilize the 'opt-out pre-screen' option from the three major credit reporting agencies
Encourage	Encourage participants to check their credit reports at least twice per year
Present	Present compelling reasons to participants for reporting suspected scams and cases of identity theft to the appropriate state and federal agencies



# Predatory Products and Services

# Consumer Finance Concerns in the Georgia Marketplace



- Payday Lending
- Title Pawn
- Live Checks
- Prepaid Cards
- Binding Arbitration
- Debt Collection
- Credit Repair



**The Problem Solver Loan**

Get up to **\$10,000** in a day!

The APR for a typical loan of \$10,000 is 89.66% with 64 monthly payments of \$743.99. Credit approval is not guaranteed and is dependent upon underwriting guidelines. See our website or call us for complete disclosures. Some documentation required.

**888-SKY-1224** Call anytime 24/7  
**WesternSky.com**

Western Sky Financial, LLC, is a 100% Native American-owned business operating on a Native American Reservation.



# Payday Lending

Banned in Georgia in 2004



 **The Problem Solver Loan**

Get up to  
**\$10,000**  
*in a day!*

The APR for a typical loan of \$10,000 is 89.68% with 84 monthly payments of \$743.99. Credit approval is not guaranteed and is dependent upon underwriting guidelines. See our website or call us for complete disclosures. Some documentation required.

**888-SKY-1224** Call anytime 24/7  
**WesternSky.com**

Western Sky Financial, LLC, is a 100% Native American-owned business operating on a Native American Reservation.

**Initial Loan:**  
\$10,000

**What You Really Owe:**  
84 monthly payments  
X  
\$743.99  
=  
**\$62,495.16**

# Pay Day Lending: Resolution

If the loan was legally issued:

- Unexpected fees, lender disappears, or other issues may occur.
- Submit complaint to Consumer Financial Protection Bureau (CFPB)

**1-855-411-2372**

**<http://www.consumerfinance.gov/complaint/>**

If the loan was illegal to begin with:

- Contact Attorney General Christopher M. Carr:

**(404) 656-3300**





# Title Pawn

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- A recent study found that 20% of borrowers had their car repossessed
- 4 of 5 loan are renewed
- 50%+ take out 4 loans to pay off

## State Law Caps:

- 25% monthly for first 3 months
- 12.5% monthly after that
- This means a combined maximum yearly interest rate of 187.5%

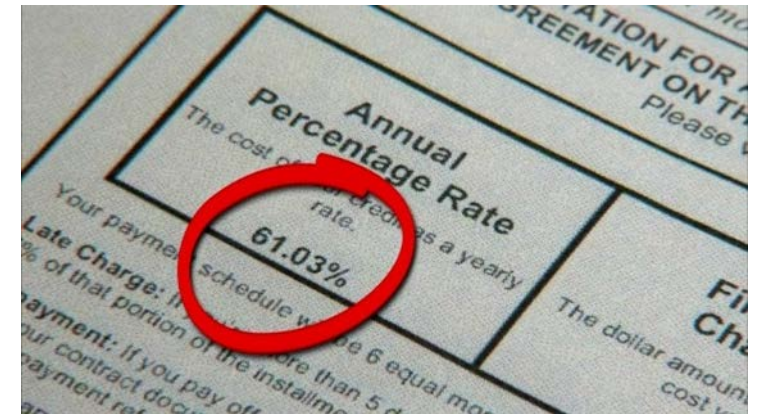




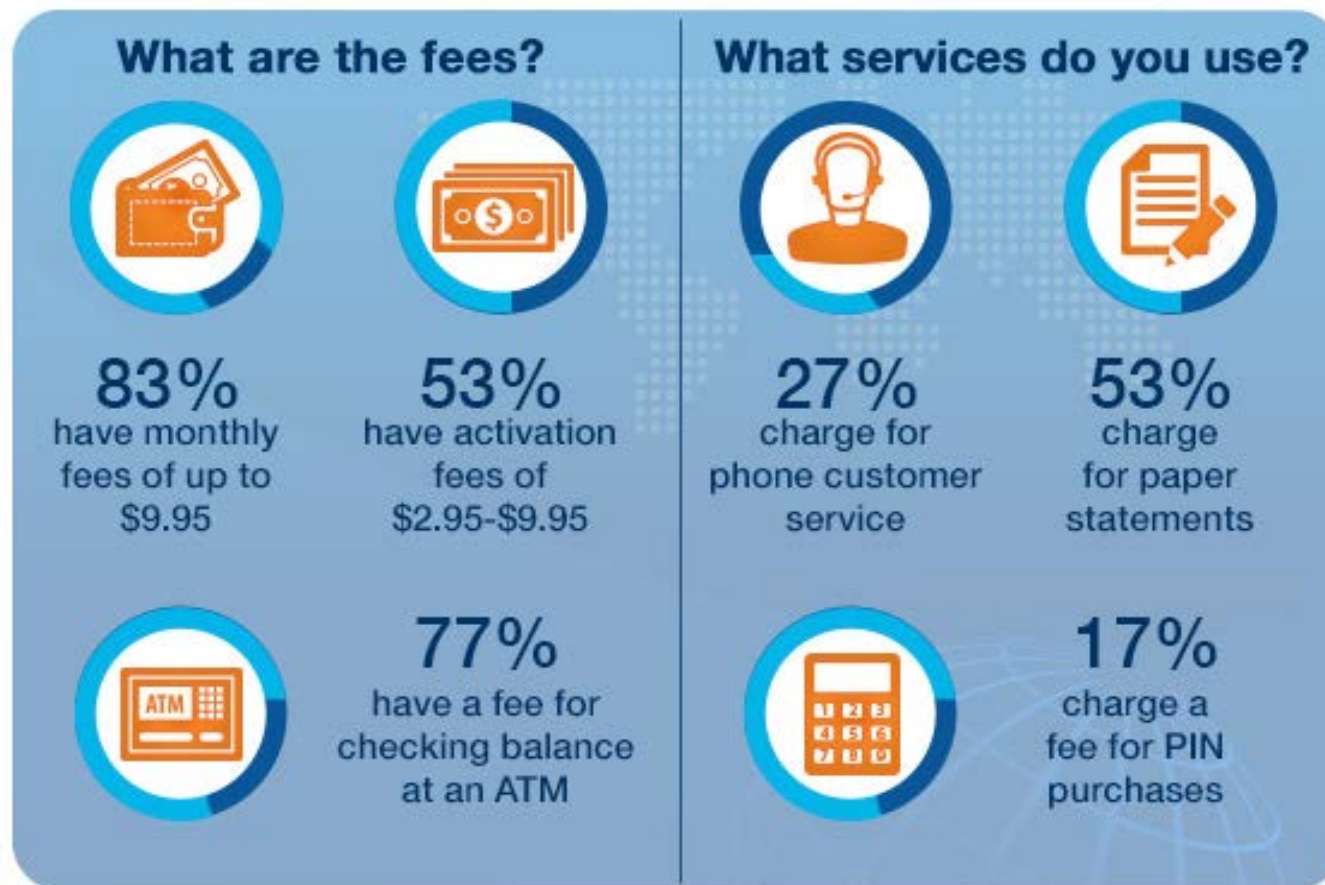
# Live Check Loans

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- Unsolicited
  - Real check – agree to terms by depositing
  - Interest rates around 60%
  - Targeting those on fixed incomes
- 
- \$700 loan at 60% interest becomes \$2,218.70 over 5 years
  - 9 companies in Georgia issuing these loans
  - If you get one of these checks in the mail, tear it up and throw it away.



# Prepaid Cards



Source: Bankrate's 2014 Prepaid Debit Cards Survey



# Binding Arbitration

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- **Private, binding** dispute resolution procedure
- Arbitration **costs more** than filing a claim in court.
- Unlike a court ruling, a binding arbitration ruling **can't be appealed.**
- **Lack of transparency**—everything happens behind closed doors.
- Many will **exclude you from class action suits** in the future.



# Binding Arbitration

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- Objectivity is **questionable**.
  - Consumers obtain relief only **9%** of the time when they file claims – Companies obtain relief **93%** of the time when they make claims or counterclaims.
  - Average consumer ordered to pay companies **\$7,725**
- **Consumers pay \$161** to file claim in arbitration – pay **nothing** to join class action lawsuit.
- **\$440,000,000** recovered in class actions last year – after attorney fees and court costs; **\$86,216** recovered in arbitration.



# Example: Boost Mobile Contract

## The Service Agreement

These Ts&Cs are part of your service agreement with us (the "Agreement") and constitute a contract under which we provide you Services under terms and conditions that you accept. **THIS AGREEMENT CONTAINS A MANDATORY ARBITRATION PROVISION WITH A CLASS WAIVER, A REPRESENTATIVE ACTION WAIVER, AND A JURY WAIVER PROVISION.** In addition to these Ts&Cs, there are several parts of the Agreement, which includes but is not limited to the following: (i) the subscriber agreement and transaction materials that you receive and accept; (ii) the plan(s) that you chose as set forth in our written services and transaction materials that we provide or refer you to during the sales transaction, including on-line and telephone transactions (if your service plan is not specifically set forth in any in-store brochure or printed materials, the requirements and terms set forth in the current written Agreement and transaction materials apply); (iii) any confirmation materials that we may provide to you; and (iv) the terms set forth in the coverage map brochures. **It is important that you carefully read all of the terms of the Agreement.**







# Binding Arbitration in Georgia

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## LEGAL

- Employment
- Home Building
- Car Loans & Leases
- Service Contracts (Cell Phone, Cable, Utilities)
- Online Agreements (iTunes, Netflix, PayPal)
- Credit Cards
- Retirement Accounts
- Investment Accounts
- Checking Accounts
- Nursing Facilities

## ILLEGAL

- Contracts for the Purchase of Consumer Goods (for example, cars)
- Insurance Contracts
- Provisions Relating to Injuries Resulting from Medical Care (medical malpractice)
- Provisions Relating to Personal Bodily Injury or Wrongful Death Based on Tort
- Loan Agreements in which the Amount of Indebtedness is \$25,000 or Less at the Time of Execution

# Top ID Theft Complaints in Georgia (2016) = 12,787



Rank	Category	Complaints	Percentage
1	Employment or Tax-Related	3,954	31%
2	Credit Card	3,786	30%
3	Phone or Utilities	1,937	15%
4	Bank Fraud	1,534	12%
5	Loan or Lease	1,140	9%
6	Government Documents or Benefits	668	5%
	Other	2,110	17%
	Attempted ID Theft	45	<1%





# Tax Fraud Prevention

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- Everyone should file a tax return. Everyone.
- Know how the IRS will contact you and request payment.
  - **Only** via mail for payments or refunds
- Keep personal documents locked away and shred old (3+ years) documents.
- Choose a reliable tax preparer:
  - AARP Tax Aid Program (all ages; no income limit)
  - IRS VITA Sites (up to \$54,000)
  - Higher Income/Complex Return: Find a CPA with experience



# Report Tax Fraud

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File complaint with the IRS

**1-800-908-4490**

Georgia Department of Revenue

**1-877-423-6711**

Identity theft involved? Get assistance from the Federal Trade Commission:

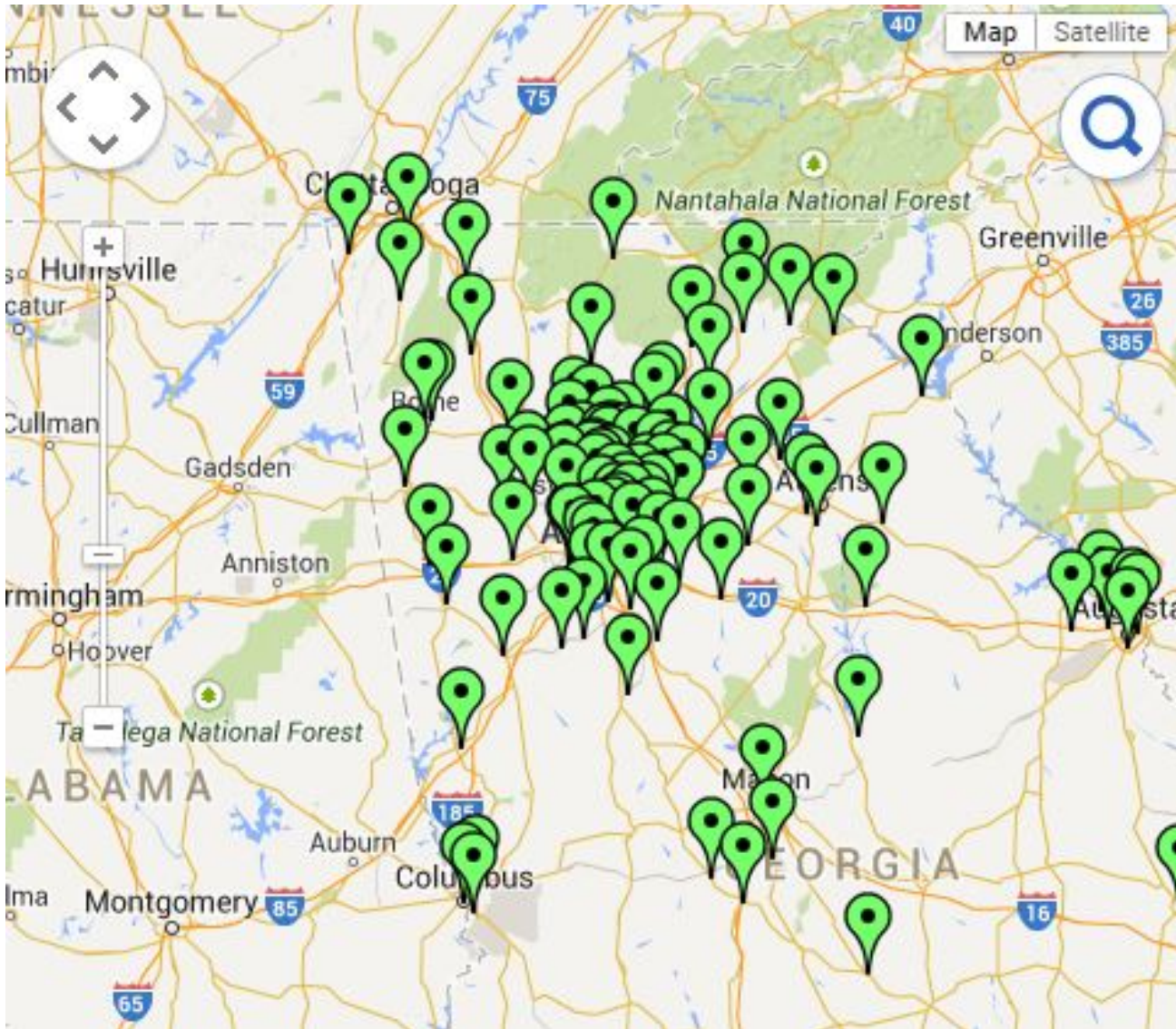
**1-877-FTC-HELP (1-877-382-4357)**



# Free & Reliable Tax Prep Map

[www.georgiawatch.org/taxmap](http://www.georgiawatch.org/taxmap)

- Hours
- Locations
- Appointment Information
- Eligibility



# Credit Repair and Credit Repair Scams



## Beware if they:

- Want you to pay for credit repair services *before* any services are provided
- Do not tell you your legal rights and what you can do yourself – **for free**
- Recommend that you *not contact* a consumer reporting company directly
- Claim that they can remove *valid but negative* info
- Suggest that you try to invent a “new” credit report by applying for an EIN to use instead of your SSN
- Advise you to dispute all information in your credit report or take any action that seems illegal

Everything You Need

## Credit Repair

\$69.00/mo

- ✓ Dedicated Credit Coach
- ✓ Unlimited Bureau Disputes
- ✓ Unlimited Debt Validations
- ✓ Original Creditor Interventions
- ✓ Goodwill Negotiations
- ✓ Cancel Anytime
- ✓ Risk-Free Refund Policy
- ✓ 24/7 Access to Your Account



IDENTITY THEFT

# Aftermath of ID Theft

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150 million Social Security numbers were exposed due to data breaches in 2015.

Takeovers of credit card accounts is down 2%

- Likely due to “chip” cards

Tax fraud increased 15% in the past year as more thieves use info to obtain jobs, file tax returns, and get driver’s licenses.

- More than half of victims did not receive “rightful refund”
- Many, thus, borrow from family/friends, apply for gov. assistance, obtain loans, use credit cards, or reach out to faith-based organizations for help.

20% of identity theft victims report false arrests or warrants put out against them.

- Wreak havoc on workplace, finances, and good name



# What Do Identity Thieves Want?

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- Social Security number
- Date of birth
- Address
- Telephone number
- Driver's license
- Account numbers
- Credit cards and numbers
- Pins and passwords
- Mother's maiden name
- Financial records
- Email address





# How Do Identity Thieves Get Your info?

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- Directly from you**
- Family member
- “Dumpster-diver” or your mailbox
- Phishing and pre-texting
- Bogus Job Offers
- Fake Sweepstakes or Lotteries
- Working In Your Home
- Changing Your Address
- Shoulder surfing
- Social Network Websites
- File Sharing or Peer-to-Peer Software
- Large-scale commercial data breaches
- Reading RFID
- Medical Identity Theft
- Maybe someone you do business with



# Preventing Identity Theft

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When you receive a shady call, email or text, **HANG UP AND REPORT:**

- **Phone: 1 (877) FTC-HELP (1-877-382-4357)**
- **Online: <https://www.ftccomplaintassistant.gov>**

Limit using personal information online

Use a different, unique, password for every account

Keep personal information safe and secure

Get bank & credit card alerts sent to your phone

Sign up for “Opt-Out-Prescreen” at no charge

- **[www.optoutprescreen.com](http://www.optoutprescreen.com) or by calling 1-888-567-8688**

Add yourself to the “Do not call” registry

- **[www.donotcall.gov](http://www.donotcall.gov) or 1-888-382-1222 (TTY: 1-866-290-4236)**



# Preventing Identity Theft

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- Check your credit reports – 2 free from each bureau per year (in Georgia)
- Freeze your credit
- Set a fraud alert
- File your taxes early
- Register for an ID Protection PIN from the IRS – need it to file taxes
- Create a “My Social Security” Account – prevent someone from registering as you and receiving your benefits
- Create an account with the Georgia Department of Driver Services – Allow you to check your driving history in case someone is using your license fraudulently



# Signs of ID Theft to look for

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- Accounts on your credit report that you didn't open
- Incorrect personal information on your credit report
- Credit inquiries from companies you've never contacted
- Incorrect amounts for loans on your credit report
- Money moved or missing
- Bills that you used to receive no longer coming in



# If your identity has been stolen

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- Report the fraud immediately to your bank and credit card company
- Cancel your affected cards and order replacements
- Place a fraud alert and security freeze on your credit reports
- File a complaint with the Federal Trade Commission – print out ID Theft Affidavit
- File a police report with your local police force – bring ID Theft Affidavit – police report and affidavit create ID Theft Report
- Order your credit reports
- Use credit reports to find errors – contact all the companies where the fraud occurred and explain the situation
- Correct the credit report by sending letters disputing accounts

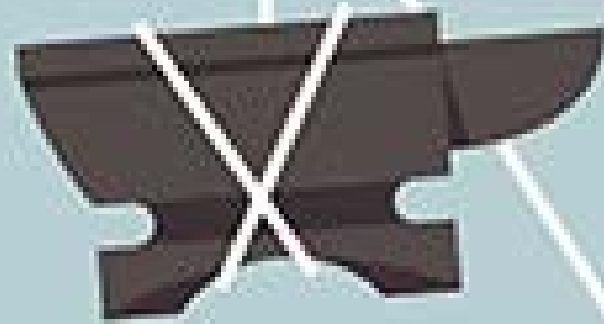


# How much could you lose?

If you report your debt card lost:	Your maximum loss is:
Before any unauthorized charges are made.	\$0
Within 2 business days after you learn about the loss or theft.	\$50
More than 2 business days after you learn about the loss or theft, but less than 60 calendar days after your statement is sent to you,	\$500
More than 60 calendar days after your statement is sent to you.	Possibly unlimited

# SCAMS

FIGHTING BACK AGAINST







# Types of Scams

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**Something Good:** You've won something or are eligible to get a job.

**Something Bad:** You will be penalized or fined for not responding or participating.

**Something Emotional:** Someone is in need of your help!

# New Scams – 2017

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## Car Wrap

<https://www.consumer.ftc.gov/blog/how-spot-car-wrap-scam>

## Mortgage Relief

<http://www.clark.com/five-warning-signs-of-a-mortgage-relief-scam>

## Lost Pet

<http://www.bbb.org/central-georgia/news-events/news-releases/2016/06/lost-pet-scams-are-you-at-risk/>

# New Scams - 2017

## IRS Voicemail

- <https://www.consumer.ftc.gov/blog/voicemail-irs-imposter>

## Caller ID Spoof

- Call using number similar to yours as a way to get you to answer – in case you had blocked a number

## Card Skimmer

- Wiggle before using



# New Scams - 2017

## International Travel Scam

[https://www.consumer.ftc.gov/blog/avoid-international-travel-document-scams?utm\\_source=govdelivery](https://www.consumer.ftc.gov/blog/avoid-international-travel-document-scams?utm_source=govdelivery)  
Use [U.S. Department of State's](#) website for important travel information and real links to consulates and important documents.

## LinkedIn Job Offer Scam

Random offer for a job you did not apply for. Asks for information and even money for training.

## Low-Cost Trial Scam

Offer for \$1 trial of a product. If you're not careful, they auto-sign you up for up to \$200 in *monthly* subscriptions!

# In the age of big data breaches...

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Weebly – website builder – 43 million users

Equifax – 145 million consumers

Yahoo – 500 million accounts

## How to Protect

1. Backup your data
2. Anti-malware/Firewall
3. Wipe old computers/phones
4. Update your OS and software
5. Secure your wireless network
6. Turn off your computer
7. Principle of Least Privilege
8. Passphrases over Passwords
9. Enable remote wiping
10. Use TouchID and turn off Bluetooth

Unrelated but don't carry your social security card in your purse/wallet!



# Module I:

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