



CRIME PREVENTION HANDOUT

Mail Fraud

Mail fraud is one of the most common types of consumer fraud. Those who use the mail to commit fraud attempt to capitalize on financial needs, naiveté, optimism or the fantasy of hitting the jackpot.

Among the common types of mail fraud are the following:

- **Magazines**

You get a postcard that says nothing about subscriptions but asks you to call a telephone number about a contest, prize or sweepstakes entry. If you call, you may get information about contest prizes or drawing dates: you'll definitely get a sales pitch for magazine subscriptions.

The Problem: Offers for "free," "prepaid," or "special" magazine subscription deals often leave you with years of monthly payments for magazines you may not want or could buy for less elsewhere.

- **Prize Offers**

The mail announces your eligibility for a contest or says you may have won a fabulous prize, but you'll need to pay, at the very least, for a 900 phone number and shipping and handling, before you can enter the contest or collect the prize. Toss any solicitation that asks for money up front.

The problem: Sham solicitations describe the prizes as being far more valuable than the merchandise they're asking you to buy.

- **Foreign Lotteries**

U.S. law prohibits the cross-border sale or purchase of lottery tickets by phone or mail. It's that simple. However, if you've ever bought a foreign lottery ticket, you will receive more solicitations for lotteries or foreign investments in your mail. The reason? Fraudulent marketers buy and sell lists of people who have already fallen for scams. You also may receive solicitations that refer to secret systems to make you a winner. Toss them first; then ask yourself two key questions: If there was a secret system, why would a stranger want to share it with you? Why are you hearing about it for the first time through the mail?

- **Pyramid Schemes**

You get solicitations in the mail for schemes that pay commissions for recruiting distributors, not for making sales. The solicitations usually ask new distributors to pay for high-priced products and claim that you'll make money from the sales of the distributors you've recruited. These are pyramid schemes.

The problems: First, pyramid schemes are illegal; they collapse when no new distributors can be recruited. Second, only those at the very top make money, at least until the law catches up with them.

- **Bogus credit card offers and advance fee loans**

You receive offers for credit cards or promises or guarantees of loans on easy terms, regardless of your credit history. The fees for these "guaranteed" offers start around \$100.

The problems: Legitimate lenders never guarantee credit. If you get anything, it will be a list of lenders who will reject your application if you don't meet their qualifications.

- **Pitches for Credit Repair**

Your mail is filled with offers from credit repair companies and credit clinics that claim they can clean up your credit history-for a fee-so you can qualify for a credit card, auto loan, mortgage, or job.

The problem: It's illegal to charge an upfront fee for credit repair. There's nothing a credit repair company can do for you for a fee that you can't do for yourself for free. You can correct genuine mistakes or outdated information yourself by contacting credit bureaus directly.

- **Travel Scams and Vacation Prize Promotions**

Certificates that congratulate you on winning an exotic trip or fabulous vacation offer may indicate that you are one in a million or "specially selected."

The problems: These unsolicited mailings land in millions of mailboxes, and the promoters couldn't possibly make good on the promises. Inevitably, the cruise ship is a ferry, the hotel accommodations are shoddy, and you usually have to pay for an upgrade. In addition, scheduling the vacation at the time you want may require an additional fee.

- **Chain Letters**

You receive a letter asking you to send a small amount of money to a name on a list, replace one of the names on the list with your own, and then forward the revised message. The letter may claim that the scheme is legal or that a lawyer has reviewed it.

The problem: Chain letters that ask you to send money are almost always illegal and nearly everyone who participates in them loses.

- **Bogus Charities**

Over half a million federally recognized charities solicit for contributions. Most are legitimate, but not all. A legitimate charity sends information about its mission, how your donation will be used, and proof that your contribution is tax-deductible.

The problem: Some phony charities use names that sound or look like those of respected organizations. If you have doubts about the legitimacy of a charitable organization, check with groups like the Philanthropic Advisory Service (703-276-0100), the National Charities Information Bureau (212-929-6300), your state Attorney General, or your local consumer protection agency.

Mail Fraud Protection Tips:

- Deal only with companies or charities whose reputation and integrity are known.
- Discard any solicitation that asks for payment for a “free” gift. If its free or a gift, you shouldn’t have to pay.
- Never give your credit card number or personal, financial or employment information unless you know whom you are calling.
- Avoid making any impulse purchases.
- Discard any solicitation that doesn’t clearly identify the company and its street address and phone number. Pay particular attention if you are asked to call a toll-free number for more information about a product or service. Often, when you dial what you think is a toll-free number in response to a bogus solicitation, you are secretly connected to a pay-per-call 900 number. In such a case, you will be paying to listen to a sales pitch for a product, service, prize, contest or sweepstakes.
- Discard any solicitation that looks like a government document and suggests contest winnings or unclaimed assets are yours for a small fee. The government doesn’t solicit money from citizens.
- Discard any solicitation for a “prepaid” or “special” deal with a nominal monthly “processing fee.” You’ll save yourself years of monthly payments for products or services you no longer want or could pay less for elsewhere.
- If you order something advertised through a mail solicitation, keep a record of the order, a copy of the advertisement, canceled check, receipt, letters and envelope.

In summary: Be suspicious of “free gifts” that require a “tax payment” or “registration fee;” sweepstakes requiring an entry fee or purchase; employment or work-at-home opportunities requiring a fee; offers requiring your credit card number or bank account number; loans that require you to pay a fee in advance; mailings that look like they are from official government agencies when they are not; and prize notices requiring you to call a 900 number.

Reference "The Complete Campus Crime Prevention Manual" by The AEGIS Protection Group.