

Steer clear. Insist on seeing the advertised item. If you decide it's what you want despite the sales pitch, insist on buying it. File a complaint with your local Consumer Fraud Division and Better Business Bureau so other people won't get conned.

Unsolicited Merchandise

Cagey con artists will send you a "gift" in the mail—a tie, a "good luck" charm, a key chain. You didn't order it. What do you do?

If you're the kind of person they're looking for, you'll feel guilty and pay for it. But you don't have to.

- If you haven't opened the package, mark it "Return to Sender." The Post Office will send it back—at no charge to you.
- If you open the package and don't like what you find, throw it away.
- If you open the package and like what you find, keep it—**free**. This is a rare instance where the rule of "finders, keepers" applies unconditionally.

Whatever you do, don't pay for it. Look at your "gift" as an honest-to-goodness way of getting something for nothing. And don't get conned if the giver follows up with a phone call or visit—by law the gift is yours to keep.



Mail Fraud

The Contest Winner

"YOU'VE WON! This beautiful brand-name sewing machine is yours for a song! To claim your prize, come to our store and select one of three attractive cabinets for your new machine. Bring this letter with you and go home with a new sewing machine for next to nothing!"

Treat an offer like this carefully. Shop around before you claim your prize. Chances are the cost of the cabinet will be more than the machine and cabinet are worth.

C.O.D., alias "Not at Home" scheme—you are asked to accept and pay for a C.O.D. package for your neighbor who is not at home. The package may contain unordered goods or some useless or worthless material. It is sometimes worked on business concerns after a telephone call makes sure the employer is unavailable. Doctors, lawyers, accountants and other professional people are frequently victimized by payments made by their unsuspecting staff.

The Con Game

The Pigeon Drop

You and Marvin are waiting for the bus. Marvin starts a friendly conversation. He says he's just found a large sum of money on his way from work. What should he do with it? Maybe his "boss" can suggest something. Marvin leaves to check and comes back a few minutes later. His "boss" said to divide the money, but first, each of you must put up some "good faith" money. Once you hand over your share, though, you'll never see it or Marvin again.

The Bank Examiner

This time Marvin is wearing a conservative three-piece suit. He tells you that he's a bank official and needs your help to catch a dishonest teller. All you have to do is withdraw your savings and give the money to him so he can check the serial numbers. If you do, you've been "stung." A real bank official would **never** ask you to withdraw your money.

Gold And Silver Fraud

Buying and selling gold and silver coins or bars can be dangerous. There have been a number of burglaries and robberies associated with the process. Never supply your name to anyone

you have not personally confirmed to be reputable when dealing in liquid items like coins, stamps, diamonds, etc., particularly when cash transactions are involved.

Some buyers and sellers advertise in newspapers without taking precautions to insure responding persons are legitimate and reputable.

It is easy for phony buyers and sellers to lure innocent people into traps.

Unless dealing with a reliable agent at an established place of business, extra precautions should be taken. Some of which are:

- Be wary of deals with prices too good to be true. They probably are.
- Store gold or silver in safe deposit boxes and advise potential buyers or sellers this is where it is kept.
- Beware of counterfeit coins, such as silver or gold plate over lead or brass. Bullion bars or chips sealed in plastic with phony assay stamps which purport to be "official" have also been used.
- When buying bag silver, verify quantities, dates and authenticity of coins.
- Be wary of deals in which delivery of the valuable items is only partial or is postponed to a later date under unusual circumstances. The holding party or third party may not exist or, if real, may know nothing of the deal.

Attorney Generals
Consumer Fraud Division
HOT LINE
1-800-352-8431

PRESCOTT POLICE DEPARTMENT
Crime Prevention Division

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How To Avoid Con Games & Fraud



McGruff Says!

Be Smart And...
TAKE A BITE OUT OF CRIME



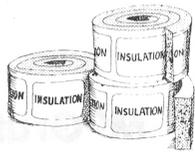
Know Your Con

If someone wanted to take your money, how could he get it? The common crook might try a hold-up. But what about the less common crook? The con artist. The dishonest businessman. The cheat. They're after your money too. But they don't use a gun. They use fraud.

Fraud includes many different activities. A con game is fraud: a crook tricks a victim into handing over some money, and then takes off with the cash. Shady or dishonest business practices are fraud: they convince consumers to pay more money than a product or service is worth. Phony investment deals or fake business opportunities are frauds: they take advantage of a person's desire to make money.

"Now that's a big problem. Just keep reading. I'll show you some of the most common consumer frauds, and tell you how to avoid 'em."

Home Improvement Fraud



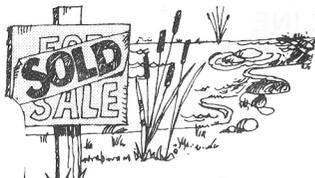
Home repairs and improvements can be costly. So watch out if somebody offers to do an expensive job for an unusually low price. Or if a firm offers to make a "free" inspection. Or if the workers just "happened to be in the neighborhood."

These are the favorite tricks of dishonest home repair firms. Some offer a price you just can't resist. Once you sign the contract, you learn why: they never deliver the service! Others send door-to-door inspectors to do free roof, termite, or furnace inspections. You

can bet these "free" inspections will turn up plenty of expensive repairs. Some fly-by-night companies will offer to do the work on the spot. When they leave, you may be left with a large bill and a faulty repair job.

After a cursory examination of your home, the trickster ruefully reports it is infested with termites and attempts to sell a highly overpriced termite extermination job through "scare" tactics. Often the alleged termites are nothing but ants. Unscrupulous operators are not above bringing the insects along with them and turning them loose in your home to "clinch" the deal.

- Always get several estimates for every repair job, and compare prices and terms. Check to see if there is a charge for estimates.
- Ask your friends for recommendations. Or ask the firm for references – and check them.
- Check the identification of all "inspectors."
- Call the Attorney Generals Consumer Fraud Division or Better Business Bureau to check the company's reputation **before** you authorize any work.
- Be suspicious of high-pressure sales tactics.
- Pay by check – never with cash. Arrange to make payments in installments – one-third at the beginning of the job, one-third when the work is nearly completed, and one-third after the job is done.



Land Fraud

Real estate can be a great investment. The enterprising real estate salesperson knows how anxious you are to find just the right property – especially for an investment or retirement home. A nice, warm climate? Not too crowded? A new development? Some dis-

honest agents will promise you anything – swimming pool, country club, private lake – to get your name on the contract.

Even if the sales agents promise you luxury, they may **not** guarantee the basics, like water, energy sources, and sewage disposal.

Most land developers offering 50 or more lots (of less than 5 acres each) for sale or lease through the mails or by interstate commerce are required by law to file a Statement of Record with the U.S. Department of Housing and Urban Development.

This document tells you almost everything you need to know about your future home: legal title; facilities available in the area such as schools and transportation; availability of utilities and water; plans for sewage disposal; and local regulations and development plans. All this information must be given to you in a **property report** prepared by the developer. **Always ask to see this report before you sign anything.**

If the developer doesn't give you a copy of the property report for the lot you're considering, you can obtain it from HUD for a \$2.50 fee.



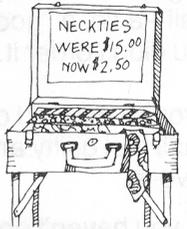
Investment Frauds

There are dozens of different investment frauds. Sometimes people are offered the "chance of a lifetime" to invest in a promising new company. The swindler takes the investor's money and quietly goes out of business. Another type of investment fraud is the "pyramid franchise." The investor buys a dealership for hundreds or thousands of dollars, and recruits other distributors or salespersons. Eventually, there are hundreds of distributors, but no one to sell the merchandise. Those at the top make lots of money before the pyramid collapses, leaving the individual investors without their cash.

Watch for these warning signs:

- High-pressure telephone sales efforts.
- The investment seems too good to be true.
- The emphasis is on setting up dealerships rather than selling a product.
- Potential investors are not encouraged (or allowed) to contact other investors.
- The promoter does not offer to "buy back" any unsold merchandise.

Bait and Switch



Customer: I'm looking for the \$100 stereo system that was advertised in the paper.

Salesperson: This is it right here. As you can see, the case is slightly damaged and the speakers are pretty small. We're out of stock right now and don't expect any more for about three months.

You'd be better off with this set over here. For only \$300 you get...

This is a classic case of "bait and switch." Either the store doesn't have the advertised item, or the salesperson makes it seem awful and steers you over to a more expensive item.

Bait advertising is the offer of certain articles or services at bargain prices which the advertiser has no intention of selling, but desires to sell a substitute at a higher price—usually an inferior substitute at an exorbitant price. The advertised goods are said to be "nailed to the floor" and are disparaged by salesmen who would probably lose their job if they sold it. A variation of this is to offer credit terms not really available.