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## Help for California Consumers

### Consumer Connection

The California Department of Consumer Affairs (DCA) produces an excellent quarterly electronic newsletter packed with useful information for consumers called *Consumer Connection*. The Spring issue has articles to help homeowners facing foreclosure, the true story about selling your gold jewelry for cash, tips for dealing with debt, common scams and more. To access the Spring issue go to: <http://www.dca.ca.gov/publications/newsletter/spring2009.pdf>.

### Consumer Information Center

The Consumer Information Center, part of the California DCA, serves as the first point of contact for consumers with concerns or questions on a wide variety of consumer issues. Staff provides information on licensing requirements, complaint procedures, and referrals to other agencies. They can be reached at: 800-952-5210  
<http://www.dca.ca.gov>  
dca@dca.ca.gov  
Consumer Information Center  
1625 N. Market Blvd. Ste. N-112  
Sacramento, CA 95814

### WE Connect

WE Connect is the California First Lady's initiative to help working families. The site is a one-stop shop connecting Californians to programs and services they may be eligible for. The site offers information on housing, food banks, coupons, programs for low-cost utilities and auto insurance, and tax credits. WE Connect is a public/private partnership linking families with community resources. For more information visit: <http://www.WEconnect.net>.

### Hospital Fair Pricing Program

Californians can now find out how much hospitals are willing to discount care for uninsured patients by visiting the Hospital Fair Pricing Program website. Consumers can search a hospital by name or location to find the hospital's discount pricing policy and download an application. Patients can find out if they qualify for low-priced or free care.

<http://syfphr.oshpd.ca.gov>

# A Wealth of Information to Help You Cope



**The Federal Trade Commission (FTC)**, the nation's consumer protection agency, created this website to help consumers tackle some money issues head-on. Use the menu to find tips and resources on money matters. scams, credit, debt, your home, and jobs.

<http://www.ftc.gov/moneymatters>

**CareerOneStop** is a pathway to career success. It contains tools to help [job seekers](#), [students](#), [businesses](#), and [career professionals](#).

<http://www.careeronestop.org/>

**eXtension** is an interactive learning environment delivering the best, most researched knowledge from the smartest land-grant university minds across America. eXtension offers credible expertise, reliable answers based upon sound research, and creative solutions to today's complex challenges. eXtension is unlike any other search engine or information-based website. It's a space where university content providers can gather and produce new educational and information resources on wide-ranging topics. eXtension helps solve real-life problems in real time.

<http://www.extension.org/personal%20finance>

**The Federal Citizen Information Center (FCIC)** is a one-stop source for consumer information from the federal government. They offer over 200 free and low-cost publications on topics such as cars, child care, education, federal benefits, money management, food, health, housing and travel. Their catalog is available from:

800-FED INFO(333-4636)

<http://www.pueblo.gsa.gov>

**The National Endowment for Financial Education (NEFE)**, a nonprofit foundation dedicated to helping consumers make sound financial decisions throughout life's ups and downs, offers a web site with practical articles, worksheets, tips and valuable resources from across the web.

<http://www.smartaboutmoney.org/>

**MyMoney.gov** is the U.S. government's website dedicated to teaching all Americans the basics about financial education. Whether you are planning to buy a home, balance your checkbook, or invest in your 401k, the resources on MyMoney.gov can help you do it better. Throughout the site, you will find important information from 20 federal agencies government wide.

<http://www.mymoney.gov>

# Protecting Against Fraud

When the Economy Cools Down,

Financial Scams Heat Up

## **Protect yourself from con artists preying on distressed homeowners and others facing difficulties.**

The economy may be slow, but for thieves prowling for victims, business is always brisk. Crooks are taking advantage of the difficult economy, including tighter credit and higher unemployment, to trick people into accepting fraudulent and deceptive offers that seem beneficial on the surface but actually could cost a lot of money or result in identity theft.

Here are some common schemes being reported, followed by tips for protecting yourself.

**Mortgage rescue schemes**—Con artists are preying on hard-pressed homeowners in the current depressed housing market. Companies posing as foreclosure specialists “promise miracles,” such as falsely claiming they can save a home from foreclosure by lowering the loan balance, interest rate and monthly payments, and “all for a large upfront fee.”

Instead, distressed homeowners should contact their mortgage loan servicer to request a modification of their loan at no cost.

Before contacting your lender or loan servicer, though, think about getting help from a trained, reputable housing counselor who can help you for no charge or a small fee. Find one through groups such as NeighborWorks America ([www.nw.org](http://www.nw.org)) or by calling 1-888-995-HOPE (4673). Or, for a referral to a counseling agency certified by the U.S. Department of Housing and Urban Development (HUD), visit [www.hud.gov/office/hsg/sfh/hcc/hcs.cfm](http://www.hud.gov/office/hsg/sfh/hcc/hcs.cfm) or call 1-800-569-4287.

To see a Federal Trade Commission warning about foreclosure rescue scams, go to [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre42.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre42.shtm).

**Other credit-related scams involving upfront fees**—Several of these have been circulating since problems emerged in mortgage and other credit markets. In some cases, con artists claim they can “guarantee” loan approvals to people with credit problems—in exchange for a big upfront fee. Of course, after collecting the nonrefundable fee, the loan falls through.

**No legitimate lender can promise a loan without looking at a borrower’s financial condition.**

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**Work-at-home scams**—Thieves prey on people who have lost their jobs or need extra cash by sending unsolicited e-mails and running advertisements on the internet and in newspapers. The ads offer flexible, easy part-time jobs working at home and involve a lot of pay for doing very little, such as processing payments or shipping items. These offers may seem especially attractive if you've just lost your job. What can go wrong? Here are two common scenarios.

Your “employer” may steal your identity and commit fraud by obtaining your bank account and Social Security numbers, perhaps as part of a fake job application. Or, you could face major losses if your new boss requests that you deposit a check or electronic transfer into your bank account and wire funds out of your account (after deducting your “commission”), and later your bank tells you that the original deposit was bogus and you're responsible for the money.

For more information about work-at-home scams and a complaint form, go to [www.IC3.gov](http://www.IC3.gov), a website established by the U.S. Department of Justice and the National White Collar Crime Center.

**“Mystery shopper” scams**—It's common for businesses and consulting firms to pay consumers to visit and shop at their retail locations or dine at their restaurant and then submit confidential reports about the experience. These part-time workers are known as “mystery shoppers” and “secret shoppers.” But fraud

artists are cashing in by setting up fake mystery-shopping programs that look very real, including job application (requesting Social Security numbers) and professional-looking websites, and then convincing new recruits to wire money using funds from their own checking account.

Here's how it works. Your first assignment as mystery shopper is to deposit a \$2,000 cashier's check into your bank account—supposedly to cover a \$1,900 purchase you're about to make for your new part-time “job,” plus a \$100 advance payment for your services. You're then instructed to withdraw \$1,900 in cash from your bank account, take it to a particular store to have the funds wired to a person (a “colleague” of your new employer) in Canada. Later, you'll go home and fill out an evaluation of the store's money-transfer service. But eventually, perhaps a couple of weeks later, the cashier's check you deposited will be returned as counterfeit, and you will be responsible for the money you withdrew from your account.

**Fraudulent e-mails, calls and faxes related to bank failures, mergers or other current events**—Crooks are pretending to be from a financial institution in the news (perhaps one that has acquired a failed institution) or a government agency (such as the FDIC) asking for consumers to supply personal information, such as account and Social Security numbers or passwords. Don't fall for this trick.



*Continued on p. 5*



**False or misleading sales or certificates of deposit (CD)**—Bank CDs issued by FDIC-insured institutions have long been considered to be among the safest financial investments available because of the deposit insurance protection. However, with the slow economy resulting in relatively low interest rates on insured CDs, savers looking for high yields may be tempted by internet or newspaper advertisements offering unusually high returns. While most advertising for CDs is accurate and legitimate, beware that some may be misleading or even untrue. Some high-yielding accounts have strings attached, like a requirement that you buy insurance or annuities you may not want. Other accounts may be deceptively advertised as FDIC-insured accounts but they're not, and that's a violation of federal law.

In general, how can you protect yourself from financial scams and rip-offs?

- ◆ Be wary of requests to “update” or “confirm” personal information—such as your Social Security numbers and bank account and credit card numbers (including

security codes)—in response to an advertisement or an unsolicited call, text message or e-mail. Be extremely skeptical of any unsolicited offer that requires you to send a payment or provide bank account or other personal information before receiving anything in return.

- ◆ Take the time to thoroughly research the people or organization offering a job, loan, deposit, investment or other “opportunity” involving your money or personal information.
- ◆ Walk away from any offer from a stranger that would involve a large deposit into your account and instructions to wire any of that money back, perhaps to someone in another country.
- ◆ In general, assume that any offer that sounds unrealistic or otherwise “too good to be true”—especially one from a stranger or an unfamiliar company—is probably a fraud.

To learn more about common financial frauds and how to protect yourself, see the FDIC’s multimedia presentation “Don’t Be an Online Victim” at: <http://www.fdic.gov/consumers/consumer/guard>.



Source: FDIC Consumer News, Winter 2008/2009, pp. 5–6

# Five FREE Resources Every Consumer Should Have on Hand

- 1. Consumer Action Handbook**  
Use this guide to get help with consumer purchases, problems and complaints. Find consumer contacts at hundreds of companies and trade associations; local, state and federal government agencies; national consumer organizations; and more. 2009, 177 pages, 568T
- 2. Building Financial Freedom**  
Learn about ways to develop or improve your savings and investment strategies. Includes a worksheet to help track your spending and how to find the right kind of financial help. 2008, 18 pages, 632T
- 3. Taking the Mystery Out of Retirement Planning**  
Designed for those about 10 years from retirement, this comprehensive publication has step-by-step worksheets to help you figure out how much money you need to retire and how to make sure your funds will last during your retirement. 2005, 68 pages, 583T
- 4. ID Theft: What It's All About**  
Thieves can steal your personal information and use it to commit fraud for long periods without your knowledge. Here's how to protect yourself, and what to do if you are a victim. 2005, 18 pages, 569T
- 5. Social Security: Understanding the Benefits**  
Provides details on retirement, disability, survivor's benefits, Medicare coverage, Supplemental Security Income and more. 2008, 21 pages, 518T

All these publications are available free through the Federal Citizen Information Center. To order your free copies go to:

<http://www.pueblo.gsa.gov>



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Today's Consumer is written primarily for the staff of UC Cooperative Extension. It is now available online. Send comments and requests to me at: Cooperative Extension, University of California, Riverside, CA 92521; 951-827-5241.

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