



UNITED STATES
POSTAL INSPECTION SERVICE



**MAIL FRAUD
TARGETS
YOUNG
CONSUMERS**

BE ALERT...DON'T BE FOOLED

Fraud and dishonest advertising often target young consumers with especially enticing offers. Postal Inspectors* want you to learn to protect yourself from con artists and learn how the Mail Fraud Statute can help.

The Mail Fraud Statute, enacted in 1872, makes it a federal crime to use the U.S. mail to further any scheme to defraud. Under the 1994 Crime Bill, the use of private interstate carriers is also covered under this statute.

Here's how it works. You may be first attracted by a TV, radio, or newspaper advertisement, or by an offer received at home in the mail or by telephone. If the crooks use the U.S. mail or private carrier to send a brochure or package to you, or if you send your check by mail or private carrier, then there may be a mail fraud violation. Postal Inspectors must gather evidence and prepare the case for criminal or civil prosecution.

Although the vast majority of advertising mail is honest, don't believe that a given claim has been verified just because it was delivered by mail. Postal Inspectors want you to be able to recognize the dishonest promotions when they come to you.

Study the following examples and learn how to recognize many of the common fraud schemes that are designed to separate young consumers from their money.

* *Postal Inspectors are federal law enforcement officers responsible for enforcing over 200 federal laws that protect the public and the Postal Service from such crimes as mail theft, burglary, robbery, assault, mail bombs, mail fraud, and many others.*

MERCHANDISE

Shopping by mail can be very convenient. To prevent the disappointment of receiving something quite different from what was expected, the smart consumer does some homework before ordering. If possible, check out the firm making the offer by contacting local consumer protection agencies. Does the company have a good reputation in the community? Make sure you know your rights as a consumer. If not satisfied, can you return the product for a full refund? Is the product itself covered by a warranty? Can you get a copy of it?

For the smart consumer, mail order shopping can be great fun and a real time saver. Just make sure you do your homework first.



EMPLOYMENT

"Job opportunity" ads target people who have lost their jobs or are seeking employment for the first time. They often charge a "placement" fee and promise to find you an exciting job that pays great, and they may even offer work in an exotic overseas location! Unfortunately, you have to pay their fee first, and then wait for the job offer to arrive. It rarely does.



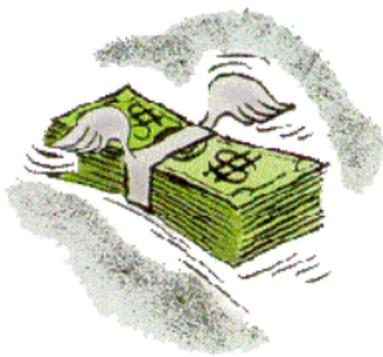
Similar ads may offer specialized technical training and promise easy job placement after completing a course of study. These offers can be costly and very disappointing.

Be wary of "job opportunity" ads that require you to pay in advance

for placement services that are "guaranteed" to place you in a high paying, hard-to-find job.

LOANS

Ads for personal loans attract young people who need funds to buy a car, make a down payment on a home, or pay college tuition. The ads are tempting because they promise easy access to unsecured (no collateral required) loans. Unfortunately, the easy loans are rarely made. All they're really after is the upfront fee they will demand to **"process"** your loan application. The funding is always promised, but all you will receive is a fancy rejection letter from a distant lender.



Save your money for those important financial goals: don't waste it on these crooks demanding advance fees.

WORK-AT-HOME

"Work-at-home" schemes appeal to everyone who would like to work but can't leave home. They target homemakers, the unemployed, the handicapped, and the elderly. Students like them because they offer part-time work and promise great money-making potential. Plus, they are often sold for no more than \$25. The offer to stuff envelopes or do other menial work is entirely dependent on your ability to attract new customers and sell the same program you have purchased. Your costs to photocopy, advertise, and mail solicitations will eat up any money you earn, and you may be participating in a fraud.

Be wary of any work-at-home offer that promises unrealistic income and minimal investment.



CREDIT CARDS/ CREDIT REPAIR

Our society is increasingly dependent on credit cards, ATM cards and other “**smart cards**” for financial transactions. People applying for credit for the first time may have difficulty demonstrating they are credit worthy. If you have a poor credit history, have substantial debts or have failed to pay a bill, obtaining credit can be especially difficult.

Con artists recognize this need and prey on individuals trying to establish credit by offering to help them get credit cards or “**repair**” their damaged credit rating. Usually you will be asked for a processing fee up front with

your credit application. Despite promises that a major credit card and line of credit will be forthcoming, all you are likely to receive is a listing of credit card issuers to whom you may apply for a “**secured credit card.**” Under this arrangement, your credit line will only equal the cash deposit (usually \$300 or \$400) you will be required to make. This may help you establish credit, but do you have the cash to deposit in the bank?

Other crooks offer a “**gold card**” that turns out to be good only for purchases made from the con artist’s own overpriced catalogue.

Be smart and establish credit locally where you bank or shop and always pay your bills on time.



FREE PRIZES

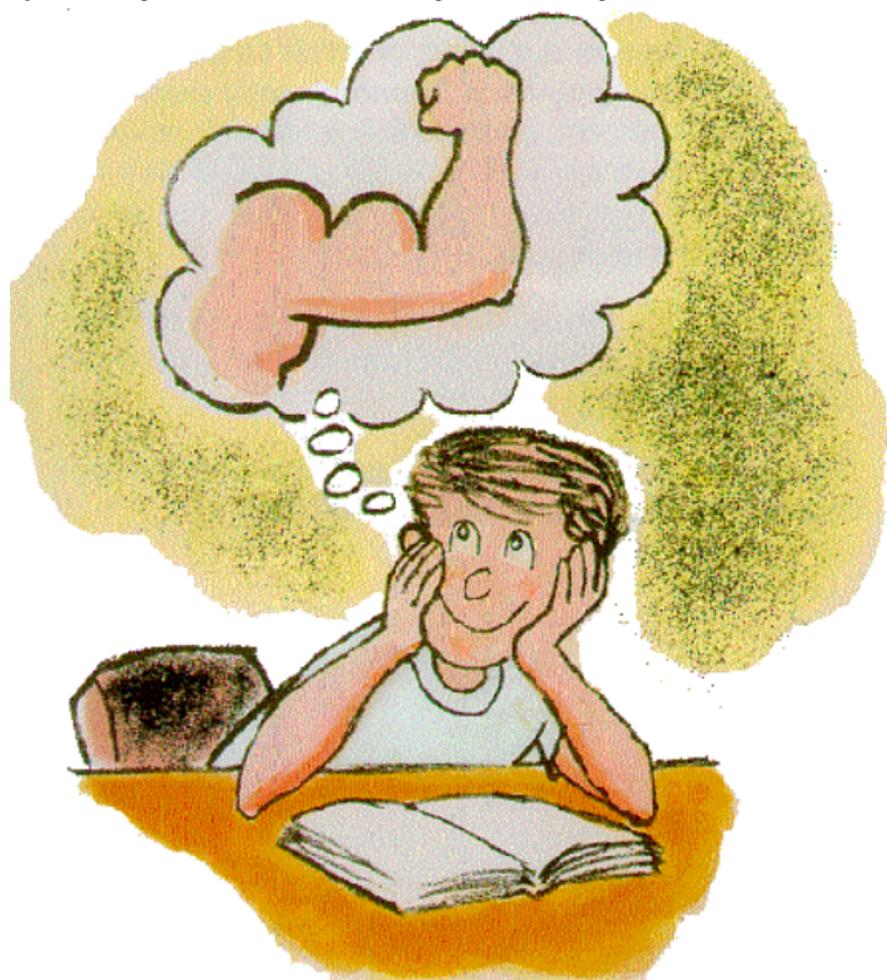
The mails are full of so-called “**sweepstakes**” offers and “**free prizes**” offers. Some offer fantastic cash prizes to participants who respond. Others offer vacations, jewelry, TVs, stereo equipment or smaller cash awards. Legitimate companies do conduct sweepstakes promotions where anyone can enter and no purchases or fees are required. Your chances of winning may be slim, but you pay nothing to participate. However, if you are offered a “**free prize**” that asks you to pay shipping or handling charges, registration fees, taxes, auditor’s expenses, or storage **fees--watch out!**

You can bet the “**free prize**” will be worth considerably less than the money you pay.

MEDICAL QUACKERY

Many young people suffer from a lack of self-confidence because of perceived deficiencies in their personal appearance. Crooked promoters prey on these insecurities by offering products that promise to help you lose weight, develop a more attractive figure, enlarge muscles, or cure acne. Unfortunately, many of these products are not going to perform as advertised and may be utterly worthless.

Medical problems should never be trusted to quackery. Take them to your family doctor.





BOILER ROOMS MEAN HIGH PRESSURE

Crooked telemarketing operations are often referred to as “**boiler rooms.**” These crooks may sell everything from insurance to precious gems. Regardless of what’s being sold, the transaction usually begins with a telephone call from a fast-talking salesperson armed with a **high pressure** sales pitch that requires a decision to purchase or invest **right now.** You won’t be given time to think it over or check it out. The caller may offer to have a private courier come to your home to pick up your check. This is your cue to hang up the phone. No legitimate company is going to demand a decision under those circumstances.

When you feel the sales pressure going up, slam the phone down.

Postal Inspectors also want you to know that tampering with mail found in personal mail receptacles or neighborhood collection boxes or vandalizing mail receptacles is a very serious crime.

THERE IS A STANDING REWARD OFFER OF \$5,000 FOR INFORMATION LEADING TO THE ARREST AND CONVICTION OF ANYONE FOR THEFT OF MAIL OR U.S. POSTAL SERVICE PROPERTY.

REMEMBER THESE CONSUMER PROTECTION TIPS TO PROTECT YOURSELF FROM FRAUD:

1 Take your time and investigate offers that you receive by mail and telephone.

2 Be extremely skeptical of anyone offering fantastic opportunities to earn easy money, win "free prizes," receive huge discounts on merchandise or travel, or anything else requiring no effort from you beyond writing a check or giving out a credit card number.

3 Document your transactions. Get promises or guaranties in writing before acting. Keep mailing envelopes. The postmark proves that the mails were used.

4 Protect your financial information. Don't give out credit card numbers or checking account numbers unless you know exactly how much you will be charged and you intend to make a purchase. Never send cash through the mail.

5 Resist high pressure sales tactics. Insist on time to think. Discuss offers with trusted friends, family members, or advisors.

6 Report suspicious offers received by mail or unsatisfactory transactions involving the mail to the U.S. Postal Inspection Service for investigation by contacting your local postmaster or the Chief Postal Inspector, Washington, DC 20260-2100, or call the toll free **Postal Crime Hotline** at **1-800-654-8896**. You can also receive valuable information by calling the **National Consumer League's Fraud Information Hotline** at **1-800-876-7060**.