

Investigator Insight



The Top 10 Scams Reported to the BBB

Scams come in all varieties: Some are sophisticated, others you see coming a mile away. They may be designed to steal your personal identifiers, your money, or both. Would you recognize a scammer’s attempt to trick you if they approached you by text message, phone call, email message or postal mail?

Back in [July](#), 2015, we highlighted the Better Business Bureau’s (BBB) “Scam Tracker”—a new tool allowing consumers to report scams. In this article, we’ll break down the data from the first 10,000 scams reported to Scam Tracker.

Overall, the BBB estimates that 85% of the people who reported a scam avoided falling victim to it. Unfortunately, the other 15% who did fall victim lost a cumulative \$1 million to the scammers.

For each of the top 10 below, you’ll find the type of scam, its percentage of overall reported scams, the BBB’s description, and advice from the Investigators at Kroll for avoiding such scams.

- **Tax Scam**

Percentage of reported scams: 24%

BBB Description: You receive a phone call from someone who claims to be with the IRS. They claim you

owe money in back taxes and will be arrested or face legal consequences if you do not pay (usually by wire or prepaid debit card).

Kroll Advice: The IRS clearly states that they do not call taxpayers, nor will they demand immediate payment or make threats. Do not engage in conversation with the caller. Simply hang up.

- **Debt Collection Scam**

Percentage of reported scams: 8.3%

BBB Description: You receive a phone call from someone claiming that you have an unpaid debt. You are threatened with garnishments, lawsuits, even jail time if you don’t pay right now.

Kroll Advice: According to the Fair Debt Collection Practice Act, you have the right to request validation of debt; written evidence that you are responsible for the debt. Make the validation of debt request to the collector in writing. Understand that while you can be arrested for failure to appear in court if there is a hearing, you cannot be arrested for not paying a debt. Threat of arrest for not making an immediate payment is a sign that the issue is fraudulent.

- **Sweepstakes/Prizes/Gifts Scam**
Percentage of report scams: 8%

BBB Description: You receive a call, letter, or email claiming you've won a prize in a sweepstakes. In order to receive the prize, you are instructed to pay a fee to cover expenses associated with delivery, processing, or insurance.

Kroll Advice: The scammer will state that the "prize" will go to someone else who is willing to pay the fee but there is no prize. Do not entertain such an offer. You should not have to pay a fee to receive a prize or gift.

- **Tech Support Scam**
Percentage of report scams: 6%

BBB Description: You are contacted by "technicians" claiming to have detected a virus or security threat on your computer. Further, they explain that they can, for a fee, log-in and correct the problem remotely. These callers are actually hackers trying to steal money or passwords and/or damage computers with malicious software.

Kroll Advice: These scammers are posing as employees of Microsoft and refer to "Microsoft" or "Windows" in many cases; however, they could claim to be from any company. Do not give remote access to your computer or provide payment to anyone who calls with this claim.

- **Government Grant Scam**
Percentage of report scams: 5.7%

BBB Description: You receive a phone call, email, or letter informing you that you've qualified for a government grant. In order to receive the grant, however, you are instructed to send money as a processing or delivery fee, usually by wire transfer or prepaid debit card.

Kroll Advice: You do not have to pay for legitimate government grants. Making a payment by pre-paid debit card or by wire transfer is essentially like paying with cash. Being asked to pay by these methods is a clear warning sign that you are involved in a scam.

- **Advance Fee Loan Scam**
Percentage of report scams: 3.8%

BBB Description: While searching for loan information, you see an enticing ad and click a link to a website. You fill out an application and receive an email or phone call advising that you are approved for the loan, but you must first send a processing fee, security deposit or insurance. You pay the "fee," but never see the loan.

Kroll Advice: While legitimate lenders may charge a loan application or other fee, they will not promise that you will be approved. This is especially true when the claim is that your bad credit history will not matter. Take time to research lenders before applying for a loan.

- **Credit Card Scam**
Percentage of report scams 3%

BBB Description: The scammer pretends to be from your bank or credit card issuer, and they claim that you are now eligible for a lower interest rate, or that they need to verify a recent transaction. The consumer provides the scammer with their credit card number and security code to "verify" their identity.

Kroll Advice: Ever receive an automated call from "Rachel with Card Services"? It's a scam in which they offer to reduce your interest rate. If you accept the "services" you are charged a hefty fee with little or no effect on your credit card interest rate.

- **Work from Home Scam**
Percentage of report scams: 2.6%

BBB Description: While looking for a job online, you answer an ad that offers big bucks while working from home. The job may be stuffing envelopes, posting advertisements, or shipping packages. You could have your identity stolen when you fill out the employment forms, or even end up handling stolen merchandise.

Kroll Advice: Any offer that involves you creating a bank account in your name to use on the job or paying a fee for job leads is a scam. These scammers take advantage of people desperate for employment. Take your time and verify the job offer is with a legitimate employer.

- **Fake Check/Money Order Scam**
Percentage of report scams: 2.4%

BBB Description: This can happen any time someone is paying you for goods or services (even when you are selling something online). You receive a check in the mail that is larger than the amount owed, and you are asked to deposit the check and wire the difference. The check is a fake and when it bounces, you're out the money.

Kroll Advice: This can occur in various scenarios including a "work-from-home" situation where you are told you will be testing cash checking services. Never accept a check and then send part of the money back to the person who sent the check to you or to another person to whom they've directed you to send the funds.

- **Lottery scam**

- **Percentage of report scams: 2.4%**

- **BBB Description:** You receive a call, letter, or email advising that you have won a large amount of money in a foreign lottery, but you have to pay upfront for taxes and fees. Such lotteries are illegal. Sometimes you may be sent a check as partial payment, but the check will be counterfeit.

- **Kroll Advice:** Unfortunately, this promise of a monetary windfall is a lie. If you make any sort of payment, you've simply verified to the scammer that you have money that they can steal. Ignore the message and do not interact with the sender.

- **A final few words of advice**

- While the variations are endless, all scams bear certain telltale signals. Here are a few all-purpose tips from Kroll's Investigators to help avoid scams in all their varieties:

- Be wary of any claim that expresses the need for immediate response. The scammer wants you to act before you think about what you are doing.
 - Don't simply trust the "look" of something. Scammers work very hard to make their scams seem legitimate—for example, a letter written on "official" letterhead, caller ID number and name appearing to be from a legitimate business, and websites that look just like a real company's website.
 - Money sent by pre-paid card or wire-transfer service is essentially the same as sending cash. Be wary of any "offer" that requires you to do this. This is a red flag alerting you of a scam. You will likely not have a chance to recoup lost money if you fall for it.
 - And, the standard advice, "If it seems too good to be true, it probably is," is as relevant now as ever before.