

## Year Long Trends

- 12% of telemarketing crooks targeting U.S. residents are from Canada, but they account for 88% of advance fee loans, 55% of lottery clubs, and 38% of prize/sweepstakes scams.
- Use of bank debits continue to rise, accounting for  $\frac{1}{3}$  of all payments in telemarketing scams.
- Wiring money is the most common method of payment in Prizes and Sweepstakes scams (46%) and Advance Fee Loans (56%).
- Bogus credit card offers became the #1 scam of the year, representing more than  $\frac{1}{4}$  of all fraud reports from consumers.
- Of the top ten frauds, the highest average losses are found among lottery/lottery clubs, prizes/sweepstakes, and advance fee loans complaints.
- Over  $\frac{1}{4}$  of all victims are above the age of 60, being most affected by lottery clubs.



## Telemarketing

## Scams

January—December  
2002

### Top Ten Scams

Category	% of All Complaints	Average Loss
<b>Credit Card Offers</b> <i>False promises of credit cards, even if credit is bad, for a fee paid upfront</i>	27%	\$208
<b>Work-at-Home Plans</b> <i>Kits sold on false promises of big profits from working at home</i>	18%	\$310
<b>Prizes/Sweepstakes</b> <i>Request for payment based on promised of cash or valuable prizes that never materialize</i>	16%	\$2,379
<b>Advance Fee Loans</b> <i>False promises of personal or business loans, even if credit is bad, for a fee paid upfront</i>	8%	\$1,147
<b>Magazine Sales</b> <i>Misrepresent cost of subscriptions or pretend to be publisher calling about renewals</i>	5%	\$183
<b>Buyers Clubs</b> <i>Memberships in discount buying clubs consumers never agreed to join or thought were free trial offers</i>	4%	\$169
<b>Telephone Slamming</b> <i>Switch consumers' phone service to another carrier without their consent</i>	2%	\$102
<b>Lotteries</b> <i>False promises to help consumers win money or claim winnings from foreign lotteries.</i>	2%	\$5,272
<b>Travel/Vacations</b> <i>Offers of free trips or discount travel that never materialize</i>	2%	\$437
<b>Nigerian Money Offers</b> <i>False promises of riches if consumers pay to transfer vast fortunes to their accounts</i>	2%	No Losses Reported



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## Ages of Consumers

<i>Ages</i>	<i>% of Complaints</i>
Under 20	below 1%
20-29	16%
30-39	19%
40-49	22%
50-59	16%
60-69	12%
70+	15%

## Methods of Payment

<i>Category</i>	<i>% of Payments</i>
Bank Debit	37%
Check	16%
Credit Card	13%
Wire	13%
Money Order	10%

## Methods of Contact by Telemarketing Crooks

<i>Category</i>	<i>% of Contacts</i>
Phone	45%
Mail	36%
Print	16%
Other	3%

## Location

### Consumers

<i>Location</i>	<i>% of Complaints</i>
Florida	13%
California	10%
Texas	7%
Pennsylvania	5%
New York	5%

### Crooks

<i>Location</i>	<i>% of Complaints</i>
California	14%
Florida	14%
New York	9%
Ontario	7%
Texas	5%