

Victim Assisted Fraud

Do nots (protect yourself against fraud)

1. On the Pangea platform

- Do not let other people use your information to create a Pangea account, including your name, address, phone number and debit card information
- Do not follow instructions from unknown third parties to create and use a Pangea account to pay for services, promotional offerings, prizes, or under any other circumstances
- Do not use your account to send money on behalf of someone else, especially to people you don't know
- Do not use your account to send money to any receivers that you don't know

2. In general

- Do not provide your personal or financial information (debit card, credit card, account number) to unknown third parties over the phone, especially companies advertising promotions or prizes in exchange for small "processing fees"
- Before making any payments over the phone to an individual or company, verify their information to ensure that they are providing legitimate services
- Immediately report to your bank any unknown charges on your debit or credit card

Examples of victim-assisted fraud schemes

1. Requests for fee payments in advance of receiving products or services at a future time

For this type of fraud, the victim sends money to the fraudster in advance of receiving a certain product or service, including the opening of a new credit card, a loan, flower delivery, etc. Beware of requests for advance fee payments, particularly from companies that you don't know and companies that require you to forward payments overseas.

2. Mystery Shopping – Remittance Companies

For this type of fraud, the fraudster contacts the victim through employment websites and asks them to evaluate the services of a money transfer company. The fraudster then sends the victim a check and instructs them to deposit the check in their bank account and use the funds to test the services of the money transfer company. The victim sends the money transfer, the fraudster picks it up in the termination jurisdiction, and when the check bounces, the victim is left responsible for the funds.

3. Emergency Funds

The fraudster contacts the victim claiming to be someone that the victim knows or to be acting on behalf of someone that the victim knows. The fraudster will then request the transfer of funds in order to facilitate the resolution of an emergency situation. Examples include money to pay for bail or medical expenses. The fraudster will then disappear after receiving the money.

4. Relationship

The fraudster will create a fake relationship with the victim on-line and request money for various reasons, including travel, medical expenses, financial hardship, or personal/family emergencies, and disappear after receiving the money.

5. “Nigerian” Bank Account Scam

For this type of fraud, the fraudster will offer the victim a large sum of money in exchange for the victim to help the fraudster transfer funds out of the country. The fraudster usually engages the victim as follows:

- The fraudster claims to be the relative of a wealthy or important individual that deposited a large amount of money in a Nigerian bank prior to passing away, typically an amount ranging between USD 800,000 to USD 1,000,000.
- The fraudster claims to have a legal right to the account and the funds, and expresses a desire to transfer the money out of Nigeria into a foreign account.
- The fraudster claims to have found the victim through a recommendation or by chance, and requests that the victim help the fraudster transfer the money out of Nigeria in exchange for 15 – 50% of the funds.
- The fraudster will ask the victim to make a payment to cover a fee or tax required to transfer the funds out of Nigeria and disappear after receiving the money.

6. Lottery Schemes

In this scheme, the victim receives a notification that they have won a large amount of money or a prize in a competition, lottery or sweepstake even though they have not participated in any such events. The initial contract may be facilitated by mail, telephone, email, text message or social media.

To claim the prize, the victim will be asked to pay a processing fee to pay for insurance costs, government taxes, bank fees or courier charges. The fraudster makes money by continually collecting fees from their victims.

7. Jobs Proposal

In this scheme, the fraudster will contact the victim via email, letter or phone to offer them a job that requires very little effort but high returns. To secure the job, the victim is required to pay a small fee. The fraudster makes money by continually collecting fees from their victims.

Useful Resources

8. Federal Trade Commission

<https://www.ftc.gov/>

9. Internet Complaint Center (IC3) Federal Bureau of Investigation

<https://www.ic3.gov/complaint/default.aspx>

10. OnGuard Online

<https://www.consumer.ftc.gov/features/feature-0038-onguardonline>

11. Scam Watch

<https://www.consumer.ftc.gov/features/feature-0022-financial-educators>