

107940

U.S. Department of Justice
National Institute of Justice

This document has been reproduced exactly as received from the person or organization originating it. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the National Institute of Justice.

Permission to reproduce this ~~copyrighted~~ material has been granted by

Public Domain/United States
Postal Inspection Service

to the National Criminal Justice Reference Service (NCJRS).

Further reproduction outside of the NCJRS system requires permission of the ~~copyright~~ owner.

107940

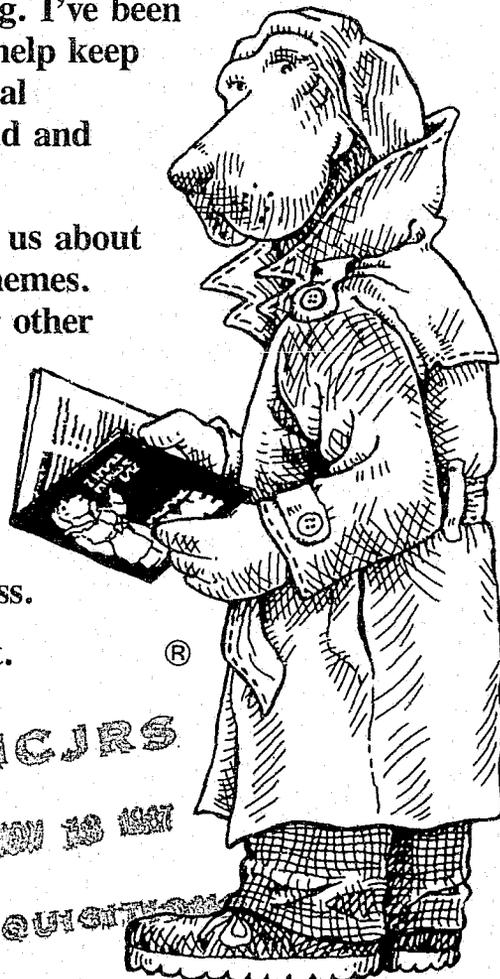
I'm McGruff, the crime fighting dog. I've been working with the Postal Service to help keep you from becoming a victim of postal crimes. I'm talking about mail fraud and mail theft.

Every year, thousands of people tell us about getting ripped off by mail fraud schemes. Others report the theft of checks or other valuable mail from their mailboxes.

So, the Postal Service has prepared this booklet. It's full of tips and ideas on how to discourage mail thieves and how to help put mail fraud con artists out of business.

Take some time to read this booklet. Study it. Act on it. By working together, we can help the Postal Service . . .

**TAKE A BITE OUT OF
CRIME®**



®
NCJRS
NOV 18 1977
ACQUISITION

© 1979 The Advertising Council, Inc.

THIS BOOKLET HAS BEEN PREPARED BY THE POSTAL INSPECTION SERVICE
IN COOPERATION WITH THE CRIME PREVENTION COALITION.

8076

Contents

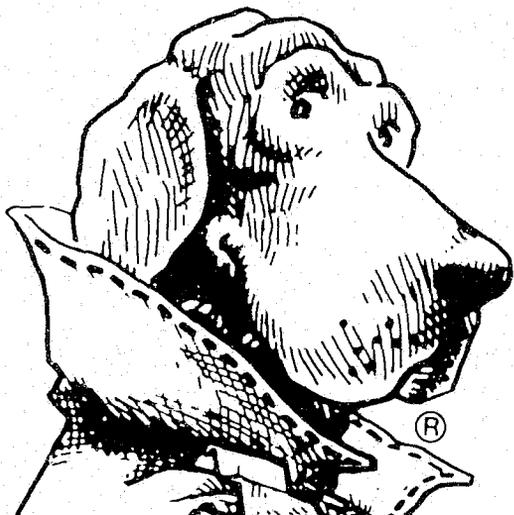
	Page
Mail Fraud	3
Medical Fraud	5
Work-at-Home Schemes	7
Charity Fraud	8
Land Fraud	9
Insurance Fraud	11
Investment Fraud	12
Home Improvement Fraud	13
Lotteries	14
Chain Letters	15
Distributorship Fraud	17
Phony Job Opportunities	18
What To Do If You've Been Conned	19
Mail Theft	20
Protect Your Mail	21
Neighborhood Watch	23
Other Problems	
Unsolicited Merchandise	25
Sexually Oriented Advertisements	26
Postal Inspector Locations	28
Crime Prevention Coalition Booklets	31

MAIL FRAUD

What Is Mail Fraud?

It is a scheme to get money or anything of value from you by offering a product, service, or investment opportunity that does not live up to its claims. Prosecutors must prove the claims were intentionally misrepresented and that the mails were used to carry out the scheme.

The Postal Inspection Service investigates violations of the mail fraud law. Consumer complaints are the primary basis for investigation by Postal Inspectors.



“Nobody would fall for fraud if it looked like fraud, right? So most of the time it looks like something else—a good deal, a business opportunity, a gift, or a chance to make a quick buck.”

Be An Informed Consumer When You Shop By Mail

You can save time and money when you shop by mail. Most mail-order companies are honest and stand behind their products and services.

Unfortunately, there are a few rotten apples who give direct mail advertisers a bad name. They cheat people by peddling worthless products, medical quackery, and get-rich-quick schemes. Some fly-by-nights take your money and send you nothing.

Unscrupulous businesses don't mind taking advantage of an unwary customer. "Let the buyer beware" is their motto—and you might be the buyer.

Mail fraud works because people don't recognize it until it's too late. To stop mail fraud, you've got to know it when you see it.

Mail fraud artists frequently rely on the same old tricks; you may even be familiar with some of them. The following pages include some of the more common mail fraud schemes. Watch out for them.

Medical Fraud

The snake oil merchant is still with us. But today's quacks are highly sophisticated salespeople who use widespread deceptive advertising to offer miracles like . . .

Instant cure for arthritis!

Lose weight overnight!

Grow more hair!

Look years younger!

Increase sexual powers!

Most of the gadgets and gimmicks advertised are not tested by competent medical authorities, and some are downright dangerous, so:

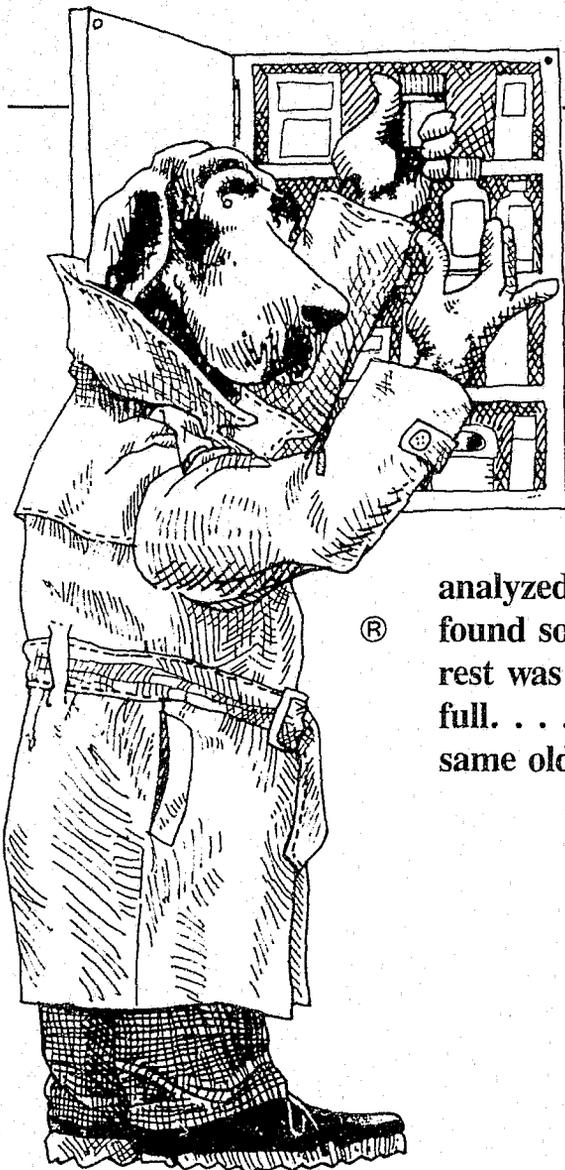
Don't trust your health to a salesman.

Don't believe claims of a secret cure or miracle drug.

Don't believe claims of excessive weight loss.

Don't believe exaggerated claims of regained youth or the perfect figure.

Protect your health and your pocketbook. Before purchasing any cure-alls, check with your family doctor.



“Not long ago, I saw an ad for an amazing concentrated vitamin capsule, guaranteed to dissolve the fat right out of your body. Sounded great—just what I needed to shed a few pounds.

® “But when lab experts analyzed those pills, guess what? They found some vitamins alright, but the rest was just fillers to make you feel full. . . . And the scales ran up the same old bad news.”

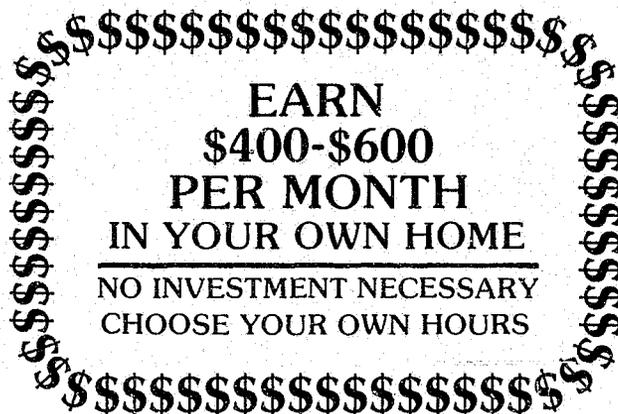
Work-At-Home Schemes

Have you ever seen an ad like this? Maybe even responded? Thousands of people have—helping unscrupulous promoters pocket millions of their hard-earned dollars.

Take envelope stuffing. This is the most common kind of work-at-home fraud. Typically, there is nothing to stuff . . . instead, you receive instructions to place ads like the one you responded to! Other schemes require you to make baby booties, Christmas wreaths, or other specialty products for which there is little or no market.

Beware: Work-at-home schemes will not guarantee regular salaried employment. They **will** require you to invest your money before explaining how a plan works or before you are sent instructions. The work you are asked to do often continues the fraud by getting other victims involved.

Always suspect any ad claiming you can earn unusually high income with little or no effort on your part.



Charity Fraud

Most mail solicitations for charitable contributions are legitimate appeals by reputable organizations. Some are phony. Charity fraud does a lot of harm. The swindler takes advantage of people's good will and takes their cash—money meant for people in need.

Reminders:

- ✓ Give to charities you know. Check out the ones you have never heard or whose names are similar to a well-known charity.
- ✓ Be suspicious of charities that only accept cash.
- ✓ Always make out your check or money order to the organization to which you want to donate—not to an individual.

“You know, it’s a great idea to help a guy in need. And one way to do it is to give to a charity. But you know what? Some people set up their own charity—one that helps only them.”

Land Fraud

People often respond to attractive land sales advertisements. A warmer climate, low down payment, and easy monthly installments are enticing. Then you discover the land is in the middle of nowhere and can't be resold for even a fraction of the price paid.

Tips to Wise Investing:

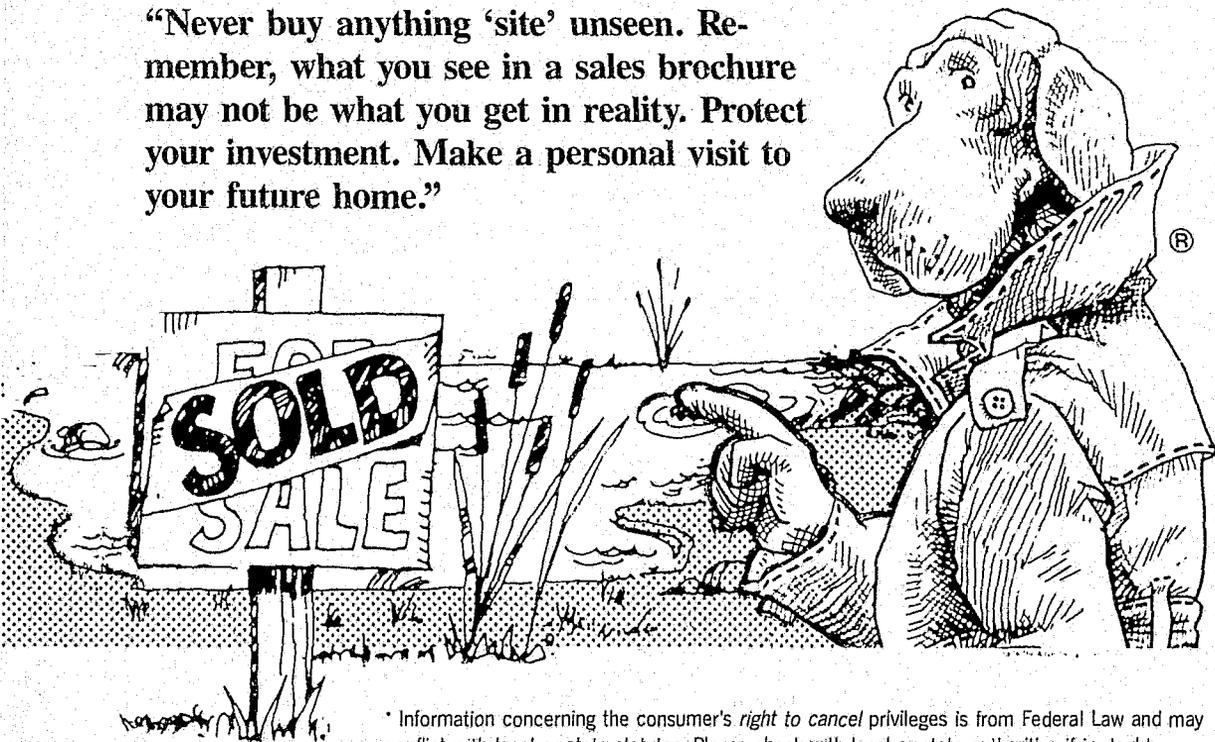
- ✓ Never buy land by mail without first visiting the property.
- ✓ Get verbal promises and guarantees in writing.
- ✓ Obtain a property report from the salesperson or developer.
- ✓ Contact the Better Business Bureau where the land is being sold.
- ✓ Locate a local real estate broker and compare land prices.
- ✓ To register a complaint or to determine whether there are any complaints on file against the firm, contact:

Department of Housing and Urban Development
Office of Interstate Land Registration
451 7th Street, S.W.
Washington, DC 20410-8000

- ✓ Remember . . . you have the right to cancel your sales agreement within 7 days if you have already seen the property report. You also have the right to cancel the agreement within 2 years if you have not seen the property report before signing the agreement.*
- ✓ If you discover the land developer or promoter has materially misrepresented what he is selling, you may take legal action to get your investment back.

Investigate before buying!

“Never buy anything ‘site’ unseen. Remember, what you see in a sales brochure may not be what you get in reality. Protect your investment. Make a personal visit to your future home.”



* Information concerning the consumer's *right to cancel* privileges is from Federal Law and may conflict with local or state statutes. Please check with local or state authorities if in doubt.

Insurance Fraud

There are some slick operators who run insurance policy schemes and try to sell you anything in the insurance line, regardless of your existing coverage or need. The premiums far exceed those charged by reputable insurance firms. These schemes have certain recognizable traits that can help you spot them.

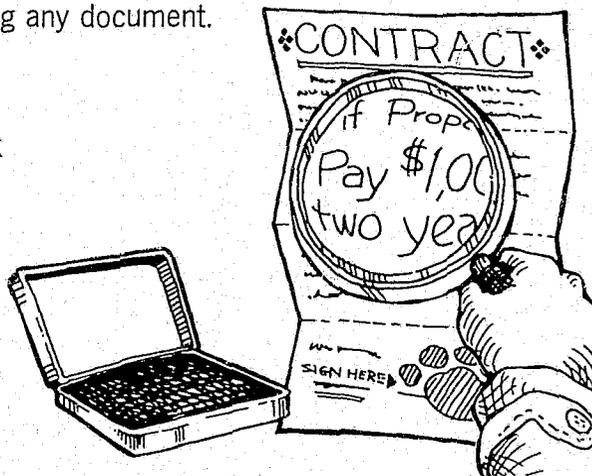
Watch For These:

- ✓ A request for cash payments.
- ✓ A request for lump sum payments as far as a year in advance.
- ✓ An offer of last chance insurance bargains.
- ✓ A request that you sign a blank insurance form.

When purchasing insurance, be sure to read all the fine print on documents and purchase only the insurance coverage you need.

Discuss the offer with a knowledgeable friend or relative or an attorney before signing any document.

“Some of these schemes are downright vicious. One crook told a 93-year old woman, who lived alone, that she was purchasing the best health insurance money could buy. You know what she got? Maternity insurance!”



Investment Fraud

Thousands of Americans invest in business deals. While many find financial success from legitimate investments, some lose their life savings.

There are dozens of different investment frauds. Clever swindlers promote investments in coal, oil, silver, gold, and precious gems by promising attractive dividend income and stock appreciation.

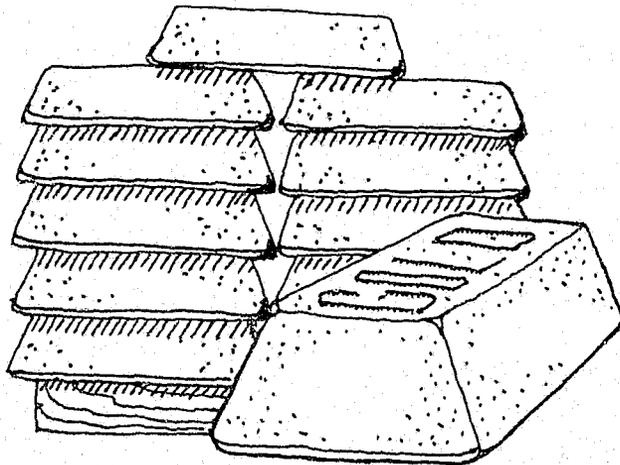
Early investors in these schemes are often lulled into a false sense of security by the receipt of dividends. However, these dividends are not paid from the profits of the operation but from funds invested by the most recent victims.

Investigate Before You Invest

Be suspicious of offers that:

- ✓ Promise huge profits
- ✓ Guarantee low risks
- ✓ Claim you must act NOW

Check with your Consumer Affairs Office or Better Business Bureau to find out the reputation of a particular company before investing.



Home Improvement Fraud

Home repairs and improvements can be costly—so watch out if somebody mails you a brochure offering to do an expensive job for an unusually low price—or to make a free inspection of your home.

These are the favorite tricks of a dishonest home repair firm. Some offer a price you just can't resist. Once you sign the contract you learn why—they never deliver the service!

Free inspections usually turn up plenty of expensive repairs you don't need. Some shady companies will offer to do the work on the spot. When they leave, you may be left with a large bill and faulty repair job.

Use These Precautions:

- ✓ Always get several estimates for every repair job and compare prices and terms. Check to see if there is a charge for estimates.
- ✓ Ask your friends for recommendations—or ask the firm for references—and check them.
- ✓ Contact your local Consumer Affairs Office or Better Business Bureau to check out the company's reputation before you authorize any work.
- ✓ Pay with a check or money order—never with cash. Arrange to make payments in installments—one-third at the beginning of a job, one-third when the work is nearly completed and one-third after the job is done.

Lotteries

Federal law makes it a crime to mail letters or circulars containing lottery material . . . including tickets or forms claiming to represent tickets, chances, shares, or interests in lotteries. Exception: State owned and operated lotteries may mail to addresses within their own states when authorized by state law.

The three elements making a lottery illegal are:

1. A *payment* is required (cash or money order).
2. A *prize* is offered (money or something of value).
3. A return on investment depends on *chance* (all recipients will participate).

Be Wary:

- ✓ If you receive what appears to be lottery material from a foreign country, from another state, or from your own state that does not have an authorized lottery, turn it over to your post office or Postal Inspector.
- ✓ The lottery, or anyone participating in it, may be violating federal law.



Chain Letters

Have you ever been asked to participate in a chain letter guaranteed to earn you big \$\$\$ with one small investment? Don't waste your money . . . chain letters are a form of lottery and may violate federal mail fraud laws. The same three elements that apply to lotteries (payment, prize, and chance) also make these schemes illegal.

Why They Don't Work

People lose hundreds of dollars every year through these schemes. The promise that all participants in a chain letter will be winners is mathematically impossible. The first investor in the chain may receive some money, but later participants rarely even get their original investments back.

A typical scheme may require you to mail the chain letter, along with a specified amount of money to six people, each of whom must then mail letters to six more people, and so on. But look at the chart . . . You can see that more participants are required than there are people in the entire world!

<i>No. of Mailings</i>	<i>No. of Participants</i>
1	6
2	36
3	216
4	1,296
5	7,776
6	46,656
7	279,936
8	1,679,616
9	10,077,696
10	60,466,176
11	362,797,056
12	2,176,782,336
13	13,060,694,016

*U.S. Population:
Almost 300 million*

*World Population:
Over 4 Billion*

Some chain letters masquerade as *multilevel marketing plans*. These require an original promoter to sell a product and enlist several other people to become sellers, who in turn recruit others. The fact that selling a product is involved, instead of winning money, does not ensure legality.

So Remember:

- ✓ Watch for the three illegal elements of payment, prize, and chance.
- ✓ Be alert to chain letters disguised as multilevel marketing plans.
- ✓ Question quotes saying the letter violates no law.
- ✓ Turn the letter into your post office or Postal Inspector.

and Know the Difference

Do not confuse *regular* or *multilevel* with *prayer* chain letters that promise good fortune, but require no investment. These are not illegal—just a nuisance. And don't be intimidated by implied threats of bad luck, personal injury, or disaster to anyone who breaks the chain. **THROW THEM AWAY.**

Distributorship Fraud

Distributorships and franchises can be legitimate and often profitable forms of business enterprise. Fast food franchises and new car distributorships are examples of opportunities offered by national organizations to individuals willing to invest a substantial amount of money for the right to operate such a business.

Unfortunately, there are some devious promoters who use the cover of legitimate businesses to advertise fraudulent opportunities. They take their investors' money and quietly go out of business.

Watch For These Warning Signs:

- ✓ Promises of unrealistic profits.
- ✓ Promoters who seem more interested in selling their distributorship or franchise than they are in the product or service being offered.
- ✓ Potential investors are not encouraged (or allowed) to contact other investors.

Check the firm's reputation with your local Consumer Affairs Office or Better Business Bureau.

AFFILIATE TAX SHELTER

**DISTRIBUTORSHIP
PART OR FULL TIME**

We are now appointing [REDACTED] distributors to maintain independent & chain accounts. Our product line features World Famous [REDACTED] PRODUCTS, including [REDACTED]

You may keep your present job, start part time, expand to full time later if you desire. Get in on the ground floor of this multi-million \$\$ industry. We furnish all retail outlets. To qualify you must have auto, a few hours spare time & cash investment of:

Plan I — \$4,648.00	Plan III — \$12,525.00
Plan II — \$8,575.00	Plan IV — \$21,055.00

**CALL NOW TOLL FREE NUMBER
CALIFORNIA HEADQUARTERS**

[REDACTED]

Phony Job Opportunities

Phony employers place or mail advertisements offering nonexistent employment or false employment information. A fee is always required. These offers misrepresent the number of jobs actually available and their salaries.

Beware of Job Opportunities That:

- ✔ Guarantee placement in a job.
- ✔ Claim no experience or skills are needed to qualify.
- ✔ Offer a too-good-to-be-true salary.
- ✔ Offer overseas employment.

Contact your local Consumer Affairs Office or Better Business Bureau to check the reputation of the company.

ADVERTISEMENT

How To Get A \$1,615 A Week Job In Alaska

Even If Totally Unskilled
Start At \$1,020 Weekly

Anchorage, Alaska (Special)—
Jobs in Alaska are now among the
most highly paid in the world. And
by high paying we mean big money
—\$1,020 to over \$1,600 a week, plus
room and board, either free or at
nominal cost. The key to all this is
overtime—plenty of it. If you don't
mind working about 70 hours a

What To Do If You've Been Conned

Consumers who believe they are victims of mail fraud should write the nearest office of the Postal Inspection Service or refer the information through their local postmaster. Include the following:

- ✓ Full name and address of individual seller or firm.
- ✓ Copies of advertisements relating to the order.
- ✓ Copies of correspondence to and from the firm, including copies of envelopes, if possible.
- ✓ Method of payment, including a copy of the receipt, canceled check, or money order.
- ✓ Whether money was required before receiving the merchandise.

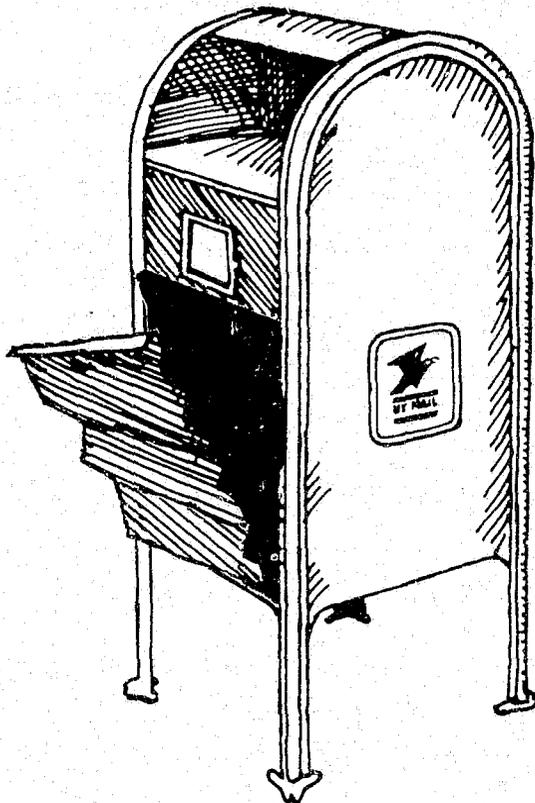
Not every unsatisfactory mail transaction is fraudulent. Many complaints received from dissatisfied customers show the seller has not violated postal laws. Legitimate complaints are normally resolved to the satisfaction of both parties by the Inspection Service contacting the sellers directly and asking them to resolve the complaint.



Mail Theft

The Postal Service delivers millions of checks, money orders, savings bonds, credit cards, and other valuable items every day. Unfortunately, thieves know this and are ready and waiting to steal your mail when the time is right. They break into residential and apartment mailboxes, collection boxes, and postal vehicles.

The Postal Service works hard to make sure your daily mail gets to you safe and sound. But we need your help. By following a few tips, you can make life a little harder for mail thieves.



Protect Your Mail

1. **Never** send cash or coins through the mail. Always send a check or money order.
2. **Make Sure** your mailbox is in good condition. Mailboxes in poor condition often expose mail to theft and bad weather. Your local postmaster can advise you on current postal regulations and steps you can take to improve the condition of your mailbox.
3. **Collect Mail** from your mailbox promptly, especially checks and food coupons. Become familiar with the time of day your letter carrier delivers mail. If you cannot be home when checks or food coupons are expected, ask a trusted friend or neighbor to pick up your mail. Also, contact your post office about holding your mail for you during vacations or other long absences from home.
4. **Contact** the issuing agency if you do not receive an expected check, food coupons, or other valuable mail.
5. **Notify** your post office and mailers immediately if you change your address. Your local post office has Change of Address cards for this purpose.

-
6. **Deposit** your mail in an authorized mail collection box or give it to your letter carrier. Never place mail for your carrier to pick up in an unprotected area where it can be easily stolen.
 7. **Address** your mail properly. Always include your complete return address, street/apartment number and ZIP Code. If you do not know the correct ZIP Code, call your local post office.
 8. **Advise** your local postmaster or Postal Inspector immediately if your mail is stolen.

Neighborhood Watch

The next time you get together with your neighbors or local group, talk to them about preventing crime in your neighborhood, because when it comes to fighting crime, you're all in it together.

The police may be able to help you start a prevention program or alert you to programs where you live. All that's needed for most of these programs are your eyes, your ears, and a little of your time. There's plenty you can do.

For Example:

Exchange work and vacation schedules with your neighbors so you can keep an eye on each other's homes. That way, if they are at work but the back door is wide open, you will know something is wrong and you can call the police. Ask the police about **Neighborhood Watch**.

What Your Neighborhood Watch Program Can Do To Prevent Mail Theft

1. Have members of your patrol take turns waiting at mailbox areas when valuable mail is scheduled to be delivered.
2. Watch for and immediately contact your local police if you observe any of the following:
 - Anyone following letter carriers or tampering with their vehicles.
 - Anyone looking into mailboxes after the delivery of mail.
 - Anyone tampering with Postal Service collection boxes where mail is deposited and stored.

“Don’t let anyone tell you that Neighborhood Watch is an excuse to be nosy. In Seattle, Washington, people formed Neighborhood Watches, marked their valuables for Operation Identification, and had security surveys done in their homes. And they cut their burglaries in half.”

OTHER PROBLEMS

Unsolicited Merchandise

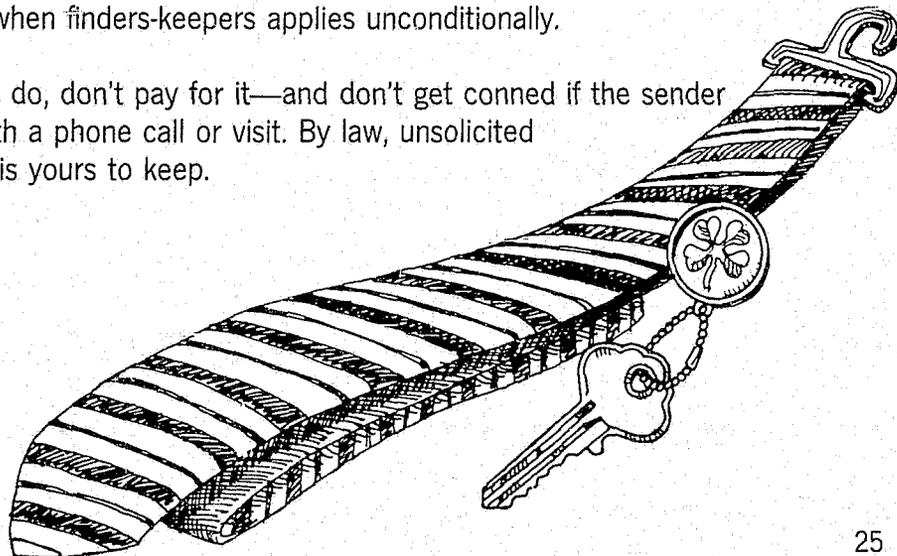
A cagey company sends you a *gift* in the mail—a tie, a good luck charm, a key chain. You didn't order it. What do you do?

If you're the kind of person they are looking for, you will feel guilty and pay for it. But you don't have to.

Do One of These Instead:

- ✓ If you have not opened the package, mark it "Return to Sender." The Postal Service will send it back at no charge to you.
- ✓ If you open the package and don't like what you find, throw it away.
- ✓ If you open the package and like what you find, keep it—FREE. This is a rare instance when finders-keepers applies unconditionally.

Whatever you do, don't pay for it—and don't get conned if the sender follows up with a phone call or visit. By law, unsolicited merchandise is yours to keep.



Sexually Oriented Advertisements

Are you tired of having your mailbox used by smut peddlers?

Well, there are two postal forms you can use to stop delivery of unsolicited sexually oriented advertisements to your home. They enforce federal laws aimed at safeguarding you and your family from undesirable mail.

- ✓ The first form authorizes the Postal Service to issue an order prohibiting a specific mailer from sending you ads that you think are *erotically arousing or sexually provocative*.
- ✓ The second form authorizes the Postal Service to add your name to a list of people who do not want to receive *sexually explicit* ads from any mailer.

So—take action to stop unwanted advertising. To get the forms, ask a window clerk at your post office for the SOA Consumer Protection Packet.





© 1979 The Advertising Council, Inc.

REMEMBER . . .

If you have information about—or if you have been a victim of—mail theft or mail fraud, contact the nearest office of the Postal Inspection Service.

Postal Inspector locations are provided on the following pages.

You'll be helping us to . . .

**TAKE A BITE OUT OF
CRIME®**

Postal Inspector Locations

Postal Inspector in Charge

P.O. Box 16489

Atlanta, GA 3031-8001

Postal Inspector in Charge

P.O. Box 1856

Baltimore, MD 21203-1856

Postal Inspector in Charge

P.O. Box 2767

Birmingham, AL 35202-2767

Postal Inspector in Charge

P.O. Box 2217

Boston, MA 02205-2217

Postal Inspector in Charge

685 Ellicott Square Building

Buffalo, NY 14203-2545

Postal Inspector in Charge

General Mail Facility

2901 I-85 South

Charlotte, NC 28228-3000

Postal Inspector in Charge

U.S. Post Office Building

Chicago, IL 60669-2201

Postal Inspector in Charge

P.O. Box 2057

Cincinnati, OH 45201-5001

Postal Inspector in Charge

P.O. Box 5726

Cleveland, OH 44101-0726

Postal Inspector in Charge

P.O. Box 329

Denver, CO 80201-0329

Postal Inspector in Charge

P.O. Box 566

Des Moines, IA 50302-0566

Postal Inspector in Charge

GMF P.O. Box 119

Detroit, MI 48232-3201

Postal Inspector in Charge

P.O. Box 1230

Fort Worth, TX 76101-1230

Postal Inspector in Charge

P.O. Box 3535

Harrisburg, PA 17105-9000

Postal Inspector in Charge

P.O. Box 2169

Hartford, CT 06145-2169

Postal Inspector in Charge

P.O. Box 1276

Houston, TX 77251-1276

Postal Inspector in Charge

Suite 303

3737 North Meridian

Indianapolis, IN 46208-4395

Postal Inspector in Charge

P.O. Box 1606, GPO

Kansas City, MO 64141-1606

Postal Inspector in Charge

P.O. Box 30456

Pasadena, CA 91102-2000

Postal Inspector in Charge

P.O. Box 3180

Memphis, TN 38173 0180

Postal Inspector in Charge
P.O. Box 52077
Miami, FL 33152-0772

Postal Inspector in Charge
P.O. Box 788
Milwaukee, WI 53201-0788

Postal Inspector in Charge
P.O. Box 509
Newark, NJ 07101-5901

Postal Inspector in Charge
P.O. Box 51690
New Orleans, LA 70151-1690

Postal Inspector in Charge
P.O. Box 555
New York, NY 10116-0555

Postal Inspector in Charge
P.O. Box 24005
Oakland, CA 94623-1005

Postal Inspector in Charge
P.O. Box 7500
Philadelphia, PA 19101-9000

Postal Inspector in Charge
P.O. Box 20666
Phoenix, AZ 85036-0666

Postal Inspector in Charge
1001 California Avenue
Pittsburgh, PA 15290-9000

Postal Inspector in Charge
P.O. Box 4487
Portland, OR 97208-4487

Postal Inspector in Charge
P.O. Box 25009
Richmond, VA 23260-5009

Postal Inspector in Charge
200 S. Hanley Road, 10th Floor
St. Louis, MO 63199-2201

Postal Inspector in Charge
P.O. Box 64558
St. Paul, MN 55164-2201

Postal Inspector in Charge
P.O. Box 2110
San Diego, CA 92112-2110

Postal Inspector in Charge
P.O. Box 882000
San Francisco, CA 94188-2000

Postal Inspector in Charge
P.O. Box 3667
San Juan, PR 00936-9614

Postal Inspector in Charge
P.O. Box 400
Seattle, WA 98111-4000

Postal Inspector in Charge
P.O. Box 22526
Tampa, FL 33622-2526

Postal Inspector in Charge
P.O. Box 1820
Washington, DC 20066-9000

Postal Inspector in Charge
Special Investigations Division
Washington, DC 20260-2112

Want More Information?

If you would like additional material about crime prevention, fill out this form and mail to:

Crime Prevention Coalition
P.O. Box 6600
Rockville, MD 20850-0635

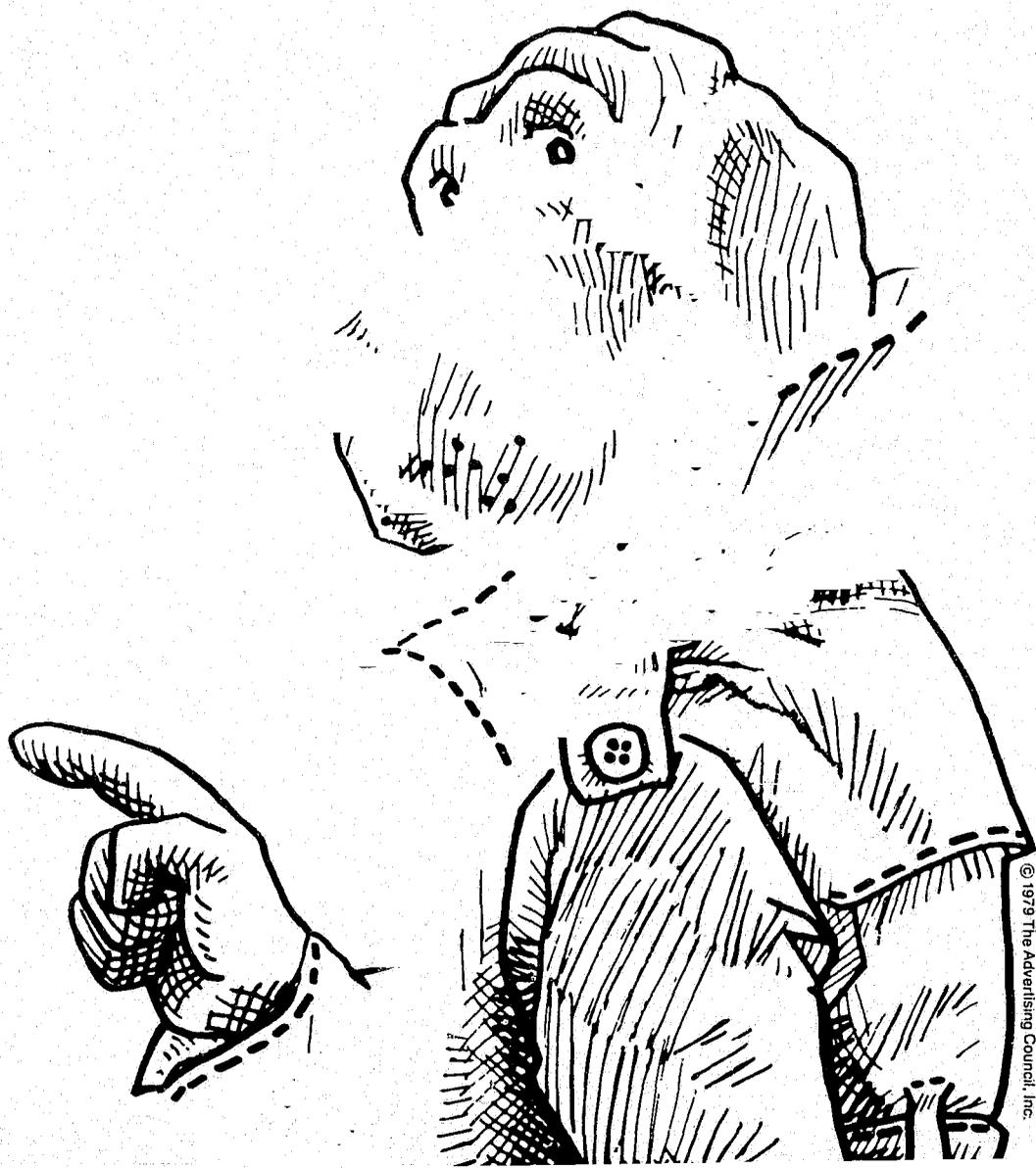
CUT ON DOTTED LINE

- | | |
|--|--|
| <input type="checkbox"/> How to Crimeproof Your Home | <input type="checkbox"/> How Not to Get Conned |
| <input type="checkbox"/> How to Be "Streetwise"—and Safe | <input type="checkbox"/> Arson—How Not to Get Burned |
| <input type="checkbox"/> How to Protect Yourself Against Sexual Assault | <input type="checkbox"/> How to Crimeproof Your Business |
| <input type="checkbox"/> Senior Citizens Against Crime | <input type="checkbox"/> How to Protect Your Neighborhood |
| <input type="checkbox"/> How to Prevent Rural Crime | <input type="checkbox"/> How Your Organization Can Take Action Against Crime |
| <input type="checkbox"/> Youth and Crime Prevention:
YOUth Can Make a Difference | <input type="checkbox"/> How to Protect Children |

Name _____

Address _____

City _____ State _____ ZIP _____



United States Postal Service
Postal Inspection Service
Washington, DC 20260-2186

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USPS
PERMIT NO. G-10

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE \$300