

# Attorney General James Releases Top 10 Consumer Frauds of 2019

*Top New York Frauds Reported to AG's Office Included Internet, Automobile, Consumer Services, and Housing Issues*

*AG James Provides Tips to Avoid Scams, Urges New Yorkers to Immediately Report Fraud to Her Office*

NEW YORK – New York Attorney General Letitia James kicked off National Consumer Protection Week by releasing the list of top 10 consumer fraud complaints received by her office in 2019, in addition to a variety of tips on how New Yorkers can avoid future scams.

“This top 10 list not only reflects the numerous ways in which consumers were unfortunately defrauded, cheated, and conned in 2019, but should serve as a warning sign for all consumers as we forge ahead into 2020,” said **Attorney General James**. “Consumers who have helped identify and report issues to our office have been invaluable partners in our efforts to stop deceptive scams and will be vital in our efforts to stop fraudsters dead in their tracks going forward. My office will continue to use every tool at its disposal to protect New York consumers and enforce our laws.”

After analyzing consumer complaints received statewide throughout 2019, the Office of the New York Attorney General found that internet-related complaints topped the list of complaints for the 14<sup>th</sup> year in a row, with 4,436 complaints last year. This category covered a range of issues, including internet services and service providers, data privacy and security, digital media, data breaches, and frauds through internet manipulation. Consumer-related service complaints were second on the list with 2,659 complaints, in areas such as banking, immigration services, security systems, technical repairs, and schools. Automobile sales, service, financing, and repairs ranked third with 2,510 complaints, followed by 1,910 landlord/tenant complaints, which included complaints about rent security deposits and tenant harassment. Rounding out the top five were 1,811 utility-related complaints, which included complaints about cable and satellite companies, energy services and suppliers, and wireless phone carriers.

The following are the top 10 consumer complaints by category in 2019:

<b>RANKING</b>	<b>CATEGORY</b>	<b>NUMBER OF COMPLAINTS</b>
<b>1</b>	<b>Internet-Related</b> (internet services and	<b>4,436</b>

	service providers, data privacy and security, digital media, data breaches, frauds through internet manipulation)	
<b>2</b>	<b>Consumer-Related</b> (security systems, tech repairs, immigration services, consignment shops)	<b>2,659</b>
<b>3</b>	<b>Automobile</b> (buying, leasing, repair, service contracts, rentals)	<b>2,510</b>
<b>4</b>	<b>Landlord/Tenant Disputes</b> (security deposit releases, tenant-harassment)	<b>1,910</b>
<b>5</b>	<b>Utilities</b> (wireless and residential phones, energy servicers and suppliers, cable and satellite)	<b>1,811</b>
<b>6</b>	<b>Credit</b> (debt collection, credit card billing, debt settlement and debt relief, payday loans, credit repair, credit reporting agencies, identity theft)	<b>1,206</b>
<b>7</b>	<b>Retail Sales</b> (any sale of goods: food, clothing, rent-to-own, online orders)	<b>1,091</b>
<b>8</b>	<b>Home Repair/Construction</b> (home improvement services not delivered or done poorly)	<b>901</b>
<b>9</b>	<b>Mail Order and Online Catalogs</b> (purchases made via mail order or online catalog)	<b>593</b>
<b>10</b>	<b>Mortgage</b> (mortgage modifications, mortgage	<b>493</b>

	and loan broker fraud, foreclosures)	
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Attorney General James also offered consumers the following list of tips they should use to protect themselves and their families going into 2020:

- 1. Internet:** If you receive a telephone call or a pop-up message from your internet browser indicating that your computer is infected by a virus and that you must call a number immediately, you are likely being targeted by scammers. Microsoft, Dell, Apple, and other companies almost never call or send unsolicited email messages indicating a problem with a computer. Be especially vigilant if someone asks you to pay in Bitcoin or gift cards. If you have given scammers access to your computer, uninstall any applications the scammer had you install, run antivirus software, and consider reformatting your device. While reformatting a device may be time-consuming and may involve the loss of data, it offers consumers more protection. Apply all security updates as soon as they are available and change your passwords often.
- 2. Debt Relief Services:** Debt relief service scams target consumers by falsely promising to eliminate or otherwise reduce their debt. In some student loan debt relief schemes, the companies impersonate the federal government and promise to help students enroll in government programs that would reduce or forgive their debt. These companies may charge an up-front fee, which is illegal. Rather than paying for these expensive services, student loan borrowers can obtain these services through their student loan servicer at no charge. Consumers can find more information on how to protect themselves against these scammers on the Attorney General's [website](#).
- 3. Automobiles:** Beware of deceptive sales tactics when purchasing or leasing a car. Do not sign a blank document that does not have numbers or terms filled in. Make sure that what you are signing is consistent with what the salesperson told you and that you are not being charged for any extra accessories or products that you did not ask for, such as warranties, tire and wheel protection, and vin etching. Never sign documents or leave the dealership with a car until you have reviewed all of your paperwork carefully. Also, ask the salesperson or finance manager about any fees or charges you do not understand and whether they are required by law. Ask for an exact copy of every document you sign to take with you.
- 4. Landlord/Tenant Disputes:** Tenants in New York State have new rights and protections, ending the need to pay high fees or risk eviction. For example, before signing a lease, a landlord can charge \$20, at most, for a credit and background check, and they can only charge up to one month of rent for a security deposit or "advance payment." This applies to all

residential rentals, with a few exceptions, whether you have a lease or not. There are additional protections for late fees and eviction, including a landlord's obligation to send you a written notice by certified mail every time you are more than five days late with your rent, and the inability to charge more than \$50 or five-percent of your monthly rent, whichever is lower, as a late fee. Additionally, if you leave your apartment or other rental home before your lease term ends, your landlord has to make a good-faith effort to fill the vacancy. If the landlord finds a new tenant, and the new tenant's rent is equal or higher to your rent, your lease is considered terminated and you are no longer liable for the rent. More information on NYS rental laws can be found on the Attorney General's [website](#). If you are protected by rent regulation laws or suspect that you should be protected, you can visit NYS's Homes and Community Renewal [website](#). Consumers can also go [online](#) for help finding an attorney.

5. **Utilities:** Many consumers are confused about energy service companies (ESCO) that offer to sell them electricity or gas. Consumers do not need to purchase these services through an ESCO, and instead can purchase their energy directly from their local utilities. Oftentimes, ESCOs engage in deceptive practices to induce consumers to switch to their services, such as promising savings or 100-percent green energy, or switching consumers without their consent. Before accepting ESCO service, consumers should ask how their rates compare to the rates provided directly from utility companies, and whether their purchase of an ESCO's green product will actually support the environment. Finally, all consumers should remember that if they sign up with any ESCO, they have three days to change their minds without incurring any obligations.
6. **Credit:** Given the prevalence of data breaches by major corporations, consumers should consider a credit freeze with the three major credit bureaus — Equifax, Experian, and TransUnion. A credit freeze lets you restrict access to your credit report, which offers the highest level of protection against someone opening a new account in your name. Credit freezes and unfreezes are now free under law. Fraud alerts, which are also free, can now be obtained for a year and require businesses to take reasonable steps to ensure that the person who is applying for credit in a particular name is indeed that person and not someone else.
7. **Retail Sales:** Rent-to-own transactions may provide quick access to household goods for low weekly or monthly payments, but consumers often end up paying far more than the retail price of the item. If you suddenly can't afford the payments, you will lose the product and the money you've already paid. Before entering into a rental purchase agreement, be sure to read and understand all terms and ask questions, including: How much are the monthly payments? What other monthly fees apply? What is the total dollar cost to own the item? Who pays for repairs?

Is there a penalty for paying off the item early? More information about rent-to-own transactions can be found on the Attorney General's [website](#).

- 8. Home Improvement:** Many consumers are turning to solar energy for their homes. However, it's important that homeowners thoroughly research the companies and the different products available before making a decision. Some companies offer "Power Purchase Agreements" or "PPAs," where the company owns the panels and you pay for the power produced by the panels, while others allow you to pay for the panels themselves and own the solar energy produced. You will still pay your energy company certain set fees, as well as pay for any additional energy you need beyond what the panels produce. Be mindful that PPAs are long-term contracts, generally for 20 years, and cannot be cancelled without severe penalties. For more information about solar panels, visit the Attorney General's [website](#).
- 9. Online Sales:** Negative option marketing is a popular form of sales online, where online merchants treat a consumer's failure to reject an offer or cancel an agreement as their approval to be charged for goods and services on a recurring basis, often monthly. An online merchant may offer you a "FREE" or "TRIAL" offer for heavily discounted goods or services and, after the trial period ends, automatically begin charging a recurring fee to your credit card unless you cancel. Make sure to read all terms and conditions before you make a purchase, know when your "trial" offer period ends, monitor your credit card and bank statements for any unauthorized or recurring charges, and, if you discover such charges, demand a refund and contact your bank to stop all future payments.
- 10. Mortgage:** Homeowners should be watchful of deed theft scams that prey on those who are having difficulty making their monthly mortgage payments and who may already be in foreclosure. Individuals and companies often claim that they will make homeowner's monthly mortgage payments in exchange for temporarily holding the deed to the home — thereby allowing the homeowner to remain in the home as a renter until the homeowner can afford to resume making monthly mortgage payments. In reality, these scammers steal the deed to the home and attempt to evict the homeowner. Consumers who have been a victim of a scam to transfer their home ownership can file a complaint on the Attorney General's [website](#).

Attorney General James reminds consumers that in addition to being vigilant, they should report instances of fraud to her office. Consumers are encouraged to file complaints by completing and submitting a [Consumer Frauds Bureau Online Complaint Form](#) or by calling (800) 771-7755.

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