

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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SCDCA Media Contact: Maria Audas, 803.734.4296
1.800.922.1594 (toll free in SC)
Email: scdca@dca.state.sc.us

FOR IMMEDIATE RELEASE

Consumer Agency Warns about Class Action Lawsuit Scam

[Columbia, SC] The South Carolina Department of Consumer Affairs is warning consumers not to fall for a class action lawsuit scam. The current scams involve an unknown person or persons contacting consumers and advising them that they were involved in a class action lawsuit.

The caller tells the resident that the lawsuit was successful and they are due several checks amounting to thousands of dollars. The caller then advises the resident that all they have to do is pay their part of the associated legal fees or some type of tax on the money. Although this part of the scam seems to vary, the fees due never amount to more than a few hundred dollars. Once this money is received, the caller states that the consumer's portion of the settlement will be delivered to his or her home by a Brink's armored carrier, or worse still – deposited straight into the consumer's bank account.

This scam is dangerous because consumers often receive *legitimate* mailings about class action lawsuits, or even see news of them in print in popular magazines. **The key here is that no legitimate class action suit will have persons attempting to call members of the class online.** "The class action suits may involve credit card companies that charged excessive interest in the past or had the interest collection period in dispute, merchandise that was overcharged, or even a consumer loan that was overpaid," said Brandolyn Thomas Pinkston, SCDCA Administrator. These class action suits usually amount to just pennies on the dollar and the settlements are normally credited directly to the person's account or the consumer is sent a refund check by mail. "Most importantly, **consumers should know that they would never have to pay money upfront to get money,**" Pinkston said. "If you're being asked to send a fee by wire transfer or otherwise provide account information, you can be sure it's a scam!"

Consumers receiving calls of this nature should be aware of the following red flags:

- The caller states that the "fees" have to be mailed to a postal box in Canada or sent by wire transfer.

About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit www.sccoconsumer.gov.

- The scam artists use official sounding or authentic language, and attempt to lure victims by making mention of actual businesses (Brink's armored car service) that are legitimate and well known.
- High pressure pitches: unless consumers respond today, the settlement will be forfeited.
- Suspicious caller ID number is displayed.

This time of year people are vulnerable when they may need extra money to pay heating bills, the rising cost of food, or to purchase Christmas gifts. Scam artists will be more prolific than ever. "With the current concerns about the economy, consumers need to be more suspicious than ever and report these scams to the Department, their local law enforcement, and take advantage of Web resources such as the Internet Crime Complaint Center, U.S. Postal Inspectors Service and the Federal Trade Commission," said Pinkston.

The Internet Crime Complaint Center is online at www.ic3.gov, the Federal Trade Commission can be found at www.ftc.gov. The Web address for the U.S. Postal Inspectors Service is www.postalinspectors.uspis.gov. Two other sources of up-to-date information about scams and the most recent warnings can be found at www.fakechecks.org and www.lookstoogoodtobetrue.com.

For more information on holiday scams or other consumer issues, contact the Public Information Division at 803.734.4190, toll free in SC at 1.800.922.1594, or online at www.sccoconsumer.gov.

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