New York State Attorney General
Eric T. Schneiderman

Dear Friends:

Our nation owes a great debt to military servicemembers, veterans, and their families, and most Americans take care to show that appreciation. Unfortunately, there are scammers who prey on both the particular needs of military families and on the sympathies of the rest of us. It's despicable that anyone would seek to take advantage of those who sacrifice to ensure our safety and preserve our rights.

My office is committed to protecting the rights of the brave men and women who have fought for our country by aggressively pursuing the scam artists that target them. If you believe you have been the victim of a scam or predatory business, please call my office. We are here to help.

Sincerely,

Eric T. Schneiderman

New York State
Attorney General
The State Capitol
Albany, New York 12224
1-800-771-7755
www.ag.ny.gov

RESOURCES

Office of the New York State Attorney General
Consumer Frauds Bureau
800-771-7755
www.ag.ny.gov

N.Y.S. Department of Financial Services
800-342-3736
www.dfs.ny.gov

Better Business Bureau
716-881-5222
212-533-6200
www.bbb.org

U.S. Consumer Financial Protection Bureau
855-411-2372
www.consumerfinance.gov

U.S. Federal Trade Commission
877-382-4357
www.ftc.gov

Servicemember Civil Relief Act
https://scra.dmdc.osd.mil/

DMDC
Attn: SCRA/Active Duty Status
400 Gigling Road
Seaside, CA 93955-6771

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SCAMS TARGETING THE MILITARY

Consumer Tips
For Servicemembers
And Their Families

COMMON SCAMS

Military Loans

Fraudulent loans and financing targeting servicemembers take advantage of impulsive decisions. Loans that promise "up to 40% of your monthly take-home pay" seem like a solid option, however, interest rates and fees soon become a crushing burden, often forcing more loans to be taken out to help pay off old ones. Remember: payday loans are illegal in New York.

Pensions are also a target for unscrupulous lenders. They may call them an advance or a buyout, but they require retired military personnel to sign away their future benefits for cash today. The interest rates can be many times the legal limit in New York.

Housing Scams

Scammers target regions where they know servicemembers will need housing. They either create fake Craigslist pages or hijack existing ones, offering rental properties and discounted housing for military members. They usually ask for a security deposit to be wired in advance, and are always unavailable to show the property. Unfortunately, upon arrival, the servicemember finds that the house is already occupied, or doesn't even exist.

Craigslist Cars & Merchandise

In some cases, a scammer will claim to be a servicemember being deployed who needs to sell a vehicle or other valuable merchandise quickly. In other cases, they offer "incredible deals" to those who have served their country, sometimes claiming to be the family of a servicemember who died in combat. In both situations, the scammer is using servicemember affinity to discourage you from looking too closely at the deal, or negotiating in good faith.

Online Dating

By lifting servicemembers' identities off of social media sites, scammers create fake profiles on dating sites, portraying themselves as deployed military personnel. After developing an online relationship, the victim is asked to send money to pay for medical bills, transportation or other needs.

KEEP YOURSELF—AND YOUR FINANCES—SAFE

Secure social media. Sites like Facebook can provide scammers with a lot of information: where you live, deployment plans, family members, photos…the list goes on. You can safeguard that information.

- Use privacy settings so that only friends can see your information.
- Never friend someone you don't personally know and trust.
- Don't respond to messages that request money or personal information until you verify that it is actually from your friend, not someone who hacked their account.
- Don't send money to anyone you haven't met in person.

Know who you are dealing with. Whether it's in person, over the phone or on the internet, scam artists will sometimes portray themselves as something or someone they are not in order to get your business or trick you into giving them money.

- Never provide personal or financial information to someone you don't know, especially if they approach you over the phone, at the door or on the internet. These are often attempts to steal your identity and gain access to your accounts.
- Don't provide access to your command. Unscrupulous debt collectors will often insist they are entitled to this information to harass you. Don't give permission for this abuse.
- Be wary if you are asked to pay in an unusual manner, such as a wire transfer or by using a reloadable card. There's a reason they don't want to be traced.

Beware of "affinity" deals. Just because someone tells you they are a veteran or a family member of someone on active duty, doesn't mean they are or that they are giving you a better deal as a result. If you want to give another veteran your business, make sure it's a legitimate veteran and a legitimate business.

"Easy" Installment Payments

Companies sometimes offer "special deals" on high priced items like computers and other technology, with "easy installment payments." A company's profit is sometimes in the payment plan, not the product. Too often, the "special deal" is inflated prices and high interest rates.

BE A SMART CONSUMER

Do some homework. Before buying big ticket items, shop around to learn the typical price range for what you are interested in. Check consumer rating groups for the best buys and read user reviews. Then shop around for the best deal.

Make sure it's in writing. Some scammers may promise changes to the terms of a loan or other contract down the road. Before signing any contract or making any payments, make sure that all the details and promises are in writing.

Read contracts carefully, especially the fine print. Make sure you understand your rights and responsibilities before you sign.

Shop for loan rates. If you are considering financing or paying over time, don't assume you have to take their deal. Check to see if you can get better rates through a bank or credit union.

Avoid upfront fees. Don't pay for any goods or services ahead of delivery. While a deposit is required in some circumstances, reserve most of the amount until the deal is completed.

Don't be bullied into a sale. You always have the right to walk away.

Servicemember Civil Relief Act

Talk to a Finance Counselor or JAG about your rights of financial protection for active duty members that are guaranteed under the Servicemember Civil Relief Act (SCRA). For example, the SCRA provides for caps on mortgage and credit card rates, foreclosure protections, and rights with respect to terminating residential and automobile leases.