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[INFO] Information Only Alert –GIOC Reference #19-003-I

Online Auction Fraud - Tips to Avoid Becoming a Victim

U.S. Secret Service field offices and the Global Investigative Operations Center (GIOC) dedicate resources to investigate sophisticated fraud rings in order to assist victims of online auction/marketplace fraud. A recent Secret Service investigation uncovered a transnational organized fraud ring that stole over \$30 million dollars from unsuspecting victims from across the country. The increasing popularity of e-commerce auctions and marketplaces will only enhance a fraudster's ability to defraud Americans. Making users of these sites aware of the risks is a priority of law enforcement.

Below are some tips you can provide in an effort to further educate the public and our partners on this continued problem area for consumers.

- Thoroughly investigate the seller. Examine the feedback and the seller's history. Google the seller's name, email address, and phone number looking for discrepancies in information they provided.
- Be suspicious of a seller using multiple email accounts or phone numbers to communicate.
- Fraudsters will commonly impersonate U.S. service members overseas as a strategy to avoid regular communication with buyers- and to provide a reasoning why an item is substantially cheaper than market value.
- If the price seems too good to be true, it's probably a scam.
- If possible, purchases items online using your credit card versus debit card because charges can be disputed if fraud occurs.
- Never complete a purchase outside of the auction site methodology. Fraudsters will encourage the buyer to complete the transaction "offline" to avoid fees and will attempt to persuade the buyer to purchase the item via wire transfer- a method that offers none of the fraud protections of a credit card.
- If an escrow service is used, ensure that it is legitimate.
- Be suspicious of any seller who insists on the buyer using pre-paid gift cards for payment. Never photograph a gift card and send to the seller "as proof" of payment.
- Ask the seller about when delivery can be expected and obtain tracking numbers for shipments.
- Never provide your social security number or any other personally identifiable information (PII) to the seller.
- Victims should be encouraged to file a complaint with their local police department, the FTC at ftc.gov/complaint, or the Internet Crimes Complaint Center at ic3.gov/complaint.

Any questions relating to this alert can be directed to the GIOC at gioc@uss.s.dhs.gov or 202-406-6009.

