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**NEWS RELEASE**



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**ATTORNEYS GENERAL AND FEDERAL TRADE COMMISSION  
TARGET INTERNET AUCTION FRAUD**  
*Thousands of Consumers Fleeced by Auction Scams*

JUNEAU - Alaska Attorney General Gregg Renkes along with 28 other state attorneys general and the Federal Trade Commission have launched a law enforcement crackdown targeting Internet auction scams that bilked thousands of consumers out of their money and their merchandise. The crackdown, Operation Bidder Beware, coordinated by the FTC in conjunction with the National Association of Attorneys General, resulted in over 55 criminal and civil cases. Auction fraud is the single largest category of Internet related complaints in the FTC's Consumer Sentinel database, which logged more than 51,000 auction complaints in 2002.

"Operation Bidder Beware serves as a reminder to Alaskans about the hazards of online auctions," said Renkes. "While internet auctions sites are extremely popular, consumers who place bids on line should be aware that there are cyber scammers out there who take advantage of buyers by accepting payment but failing to send the product, or pocketing funds placed by the buyer in a phony escrow accounts."

"The most effective way to fight Internet auction fraud involves a team approach among law enforcers," said Howard Beales, Director of the FTC's Bureau of Consumer Protection. "We're working with partners virtually coast to coast to stop scammers in the virtual world."

Many of the cases involve straightforward scams where consumers "won" the bid, sent in their money, but never got the product for which they paid. But defendants in one FTC case combined auction fraud with serial identity theft in order to conceal their identities and lay the blame on innocent bystanders.

In Alaska, the Attorney General's Office warns consumers about a new auction scam where the seller is the victimized party. The "buyer" sends a cashier's check for more than the amount of the winning bid. The buyer then asks the seller to refund the difference by wiring money back to the buyer. An unwary seller could be left holding a bad cashier's check and be out the "refund" amount.

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The FTC shut down 4 auction scams and U.S. District courts froze their assets, pending trial. In addition, 29 state and local law enforcers have announced 56 law enforcement actions including lawsuits, cease and desist orders, consent agreements, assurances of voluntary compliance, warning letters, and criminal prosecutions.

To avoid Internet auction scams, the attorneys general and the FTC provide the following tips to consumers:

- Become familiar with the auction site. Find out what protections the auction site offers buyers. Don't assume one site's rules are the same as another's.
- Before bidding, find out all you can about the seller. Avoid doing business with sellers you can't identify, especially those who try to lure you off the auction site with promises of a better deal.
- If the seller insists on using a particular escrow or online payment service you've never heard of, check it out. Visit its Web site and call its customer service line. If there isn't one, or you call and can't reach someone, don't use that service.
- Protect your privacy. Never provide your Social Security number, driver's license number, credit card number, or bank account information until you have checked out the seller and the online payment or escrow service, if you're using one, to ensure legitimacy.
- Save all transaction information.
- If you have problems during a transaction, try to work them out with the seller, buyer or site operator. If that doesn't work, file a complaint with your state attorney general's office and the FTC at [www.ftc.gov](http://www.ftc.gov) or call toll-free 1-877-FTC-HELP (1-877-382-4357).
- Check out the Alaska Attorney General's Consumer Protection Web site at [www.law.state.ak.us/consumer/](http://www.law.state.ak.us/consumer/) for more information and links to FTC materials on Internet auction fraud.

Participants in Operation Bidder Beware include the attorneys general of Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Washington, West Virginia and Wisconsin and members of California's Computer and Technology Crime High Tech Response team, including the San Diego District Attorney, San Diego City Attorney, Orange County District Attorney and Orange Police Department.

**For more information**, contact Cynthia Drinkwater, Alaska Department of Law, Consumer Protection Unit, at 907-269-5100.

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