



NETWORK NEWS

NETWORK NEWS IS A PUBLICATION OF CONSUMER SENTINEL, LAW ENFORCEMENT'S SOURCE FOR CONSUMER COMPLAINTS

MORE COOL TOOLS FROM SENTINEL

UPDATE A COMPLAINT

Sentinel's new feature, *Update a Complaint*, helps police departments give identity theft victims a police report more quickly and efficiently. A detailed police report is critical for victims to invoke their rights under the law, to get rid of fraudulent debts and clear up their credit reports.

Here's how it works: An identity theft victim files a complaint with the FTC. All complaints are entered into Sentinel. If the victim files the complaint online, they can take a printed copy with them to supply additional detail for their police report. If the victim files a complaint by phone or mail, the FTC will mail them a blank affidavit to fill in before they go to the police.

As a security measure, the "Update a Complaint" feature requires the officer to have the victim's Social Security or FTC reference number and the victim's first or last name, date of birth or phone number. If the department already is a member with access to the new Sentinel, the officer can use "Update a Complaint" to check the complaint against the information and documentation the victim presents in person. If everything matches up, the officer can "update" the complaint by adding his contact information, the department name, state and police report number. With the addition of the report number, Sentinel automatically ticks a checkbox indicating the complaint has been verified. After submitting the updates from the victim into Sentinel, the officer can print the completed complaint or affidavit, and copy the information into his report, or simply attach the complaint to the report. The victim now has a police report and other law enforcers searching the database can see that local police have verified the complaint. ■■■

ODE TO CODES

Sentinel has three codes to boost search efficiency. While conducting an advanced search, users can check payment method boxes for three new wire transfer codes: MoneyGram, Western Union or Other. Alan Krause, an investigator with the FTC's Midwest Regional office, uses the new codes to narrow his searches, which is especially useful in cross-border cases.

"In 2008, wire transfers were used in 63 percent of cross-border fraud complaints, he said. "Tracking who's using these services is a big help to us and to Canadian investigators. If someone used a particular wire service, we can capture all those complaints."

Searching Sentinel complaints can lead investigators to the source of the fraud. "As you browse through complaints, particular wire service outlets stand out as the focus of crime," Krause said. "Wire transfer companies allow people to send their transfer to a particular wire transfer office, and to collect the money at a different one. Scam victims know where they sent their money but that may not be where the perpetrator is." Searching the payment codes can give you victim names and transaction numbers to recreate the trail of the scam and identify fraud hotspots."

Sentinel also has updated the product service code list so that users can conduct an advanced search about deceptive mortgage modification and foreclosure relief services. ■■■

STAT-O-SPHERE

In the past five years, FTC has brought more than 70 financial services law enforcement actions. In the past 10 years, FTC's financial cases gave back \$465 million in redress to American consumers.

Testimony of the FTC before the U.S. House Committee on Financial Services about foreclosure rescue and loan modification scams at

ftc.gov/os/2009/05/

[P064814foreclosurestestimony.pdf](http://ftc.gov/os/2009/05/P064814foreclosurestestimony.pdf). ■

COMMUNITY BEAT: A NOTE TO HOMEOWNERS

No doubt many people in your community are facing economic challenges these days, including facing foreclosure. Scammers are targeting people having trouble paying their mortgages: Some claim to be able to “rescue” homeowners from foreclosures while others promise loan modifications — for a fee. The FTC wants people to know how to avoid scams that could make their housing situation go from bad to worse. Share these tips with homeowners in your area:

- ✦ **Watch for a pitch like this:** “We can stop your foreclosure!” “Guaranteed to save your home.” These kinds of claims are the tell-tale signs of a foreclosure rip-off. Steer clear of anyone who offers an easy out.
- ✦ **Don’t pay for a promise.** Don’t pay any business, organization, or person who promises to prevent foreclosure or get you a new mortgage. These so-called “foreclosure rescue companies” claim they can help save your home, but they’re out to make a quick buck. Cut off all dealings if someone insists on a fee.
- ✦ **Send payments directly to your mortgage company.** Some scammers offer to handle financial arrangements for you, but then pocket your payment.
- ✦ **Don’t pay for a second opinion** if you’ve applied for a loan modification and been turned down.
- ✦ **Imitations = Frustrations.** Some con artists use names, phone numbers and websites to make it look like they’re part of the government. If you want to contact a government agency, type the web address directly into your browser and look up any address you aren’t sure about. Use phone numbers listed on agency websites or in other reliable sources, like the Blue Pages in your phone directory. Don’t click on links or open any attachments in unexpected emails.
- ✦ **Talk to a HUD-Certified Counseling Agency — For Free.** If you’re having trouble paying your mortgage or you’ve already gotten a delinquency notice, free help is a phone call away. Call 1-888-995-HOPE for free personalized advice from housing counseling agencies certified by the U.S. Department of Housing and Urban Development (HUD). This national hotline — open 24/7 — is operated by the Homeownership Preservation Foundation, a non-profit member of the HOPE NOW Alliance of mortgage industry members and HUD-certified counseling agencies. For free guidance online, visit www.hopenow.com. For free information on the President’s plan to help homeowners, visit www.makinghomeaffordable.gov.

Order free bookmarks with tips for homeowners at ftc.gov/bulkorder. ■■■

HOPE-LESS

At the FTC’s request, a U.S. district court has ordered two companies to stop claiming to be part of a government-endorsed mortgage assistance network. According to the FTC, New Hope Modifications and Hope Now Modifications said they could successfully modify mortgages for almost all their clients or give refunds. The FTC alleged that both companies often diverted one month’s mortgage payment as a fee from distressed homeowners, failed to help them modify their mortgages, and then denied them refunds. Neither company is affiliated with the legitimate HOPE NOW Alliance, a mortgage assistance network that offers free help to homeowners who need it while working with their mortgage company. Read more: ftc.gov/opa/2009/03/newhope.shtm. ■■

MOD SQUAD

The FTC has sued five operations that deceptively marketed their mortgage modification and home foreclosure relief services, including several that gave the false impression they were affiliated with the federal government. This brings to 11 the number of such cases the FTC has brought in the last year. The FTC also sent warning letters to 71 companies that may be deceptively marketing these services. Read more: ftc.gov/opa/2009/04/hud.shtm. ■■■

JOINING FORCES

The FTC, with the U.S. Departments of the Treasury, Justice, and Housing and Urban Development, and the Attorney General of Illinois announced new initiatives regarding loan modifications and foreclosure rescue scams to coordinate their resources to alert financial institutions to emerging schemes, step up enforcement actions, and educate consumers to help those in financial trouble avoid becoming victims. Read more: ftc.gov/opa/2009/04/loanfraud.shtm. ■■■

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