



DEPARTMENT OF
CONSUMER
& BUSINESS
SERVICES

NEWS **RELEASE**

Director's Office, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

For immediate release:
Friday, Oct. 25, 2002

For more information:
Dian Cox, 503-947-7897 or
call DFCS, 866-814-9710.

PHONE SCAMMERS STEP UP EFFORTS IN OREGON WITH REFINANCE DEALS

(SALEM) A new twist on telephone scams may be preying on homeowners in Oregon: Callers identifying themselves as working for a financial institution offer to refinance homes at low interest rates. "To begin the loan process" the caller directs the property owner to fax copies of personal-identification documents and to send six months' prepayment of the loan.

Successful scammers reap not only valuable personal information from victims but also cash.

This scam, as reported to Oregon's Division of Finance and Corporate Securities, involves New Life Financial Credit Union of Canada, which requires property owners to send \$1,800 in prepayments. DFCS warns that other names and "prepayment" amounts may be used in the scam.

In mid-October, state-government officials in Iowa followed up on a consumer call with Credit Union Central of Canada, which told them that New Life Financial Credit Union of Canada is not a real credit union and that it had been the subject of inquiries from Oregonians and other U.S. citizens.

Jan Margosian, consumer information coordinator at the Department of Justice, said that telemarketing scams based in Canada have been increasing for the past five years. Canadian scam artists, she said, watch trends and news headlines and take advantage wherever possible. Canadian-based boiler rooms have been placing calls about sweepstakes, mortgage opportunities, high-stakes lotteries, advance-fee loans, investment opportunities, and prize promotions.

She warned consumers to insist on written offers that they can take to trusted advisers or compare to offers from local companies, not to wire money or give it to runners sent by companies, and to be wary of any sales calls coming from outside this country.

Consumers may call state consumer-assistance agencies to check out possible scams or to ensure that companies offering deals are properly licensed or registered. Mortgage-refinance and investment-related questions may be referred to the Division of Finance and Corporate Securities, (866) 814-9710. Other questions may be referred to the Attorney General's Consumer Hotline, toll-free, (877) 877-9392.

###