



VIRTUAL VEHICLE VENDOR SCAMS

BBB Study Reveals a Growing Scam
Using Fake Cars and Escrow Companies
to Steal from Unwitting Consumers

ISSUED: SEPTEMBER 2020

BBB International Investigations Initiative

BBB Chicago bbbinfo@chicago.bbb.org
BBB Dallas info@nctx.bbb.org
BBB Omaha info@bbbinc.org
BBB San Francisco info@bbbemail.org
BBB St.Louis bbb@stlouisbbb.org

BBB International Investigations Specialist

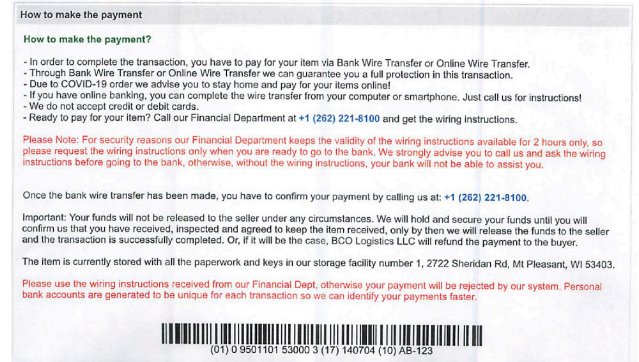
C. Steven Baker stbaker@bbbinc.org

MILLIONS OF DOLLARS LOST TO NONEXISTENT CARS AND OTHER VEHICLES SOLD ONLINE

Nearly every day, [Better Business Bureau \(BBB\)](#) hears from people across the U.S. and Canada who find a car or other vehicle online, agree to buy it, send thousands of dollars to someone they don't know and then wait. No vehicle ever arrives. The car doesn't exist or was advertised elsewhere months or years ago. Scammers simply post pictures and descriptions of cars used in other ads, and then ask interested buyers to wire money to supposed third-party escrow businesses operated by the scammers. It is nearly impossible to get money back.



Scams involving motorized vehicles have flourished during the COVID-19 pandemic, and there has been a reported surge in overall used car sales. Many buyers ask to inspect the car or to meet the seller in person, but scammers often use COVID-19 as an excuse to avoid meeting, which makes this type of fraud more successful.



Scammers use pandemic to encourage online vehicle purchase

Hallmarks of a vehicle escrow scam:

- The price of the vehicle for sale is almost always far below market value.
- To justify selling the car quickly at a low price, the bogus seller may claim to be deploying overseas, going through a divorce or suffering the loss of a husband or son who owned the car, which brings painful memories.
- Sellers never meet buyers in person nor allow the buyer to see the actual vehicle.
- Bogus sellers claim it is safe for interested buyers to send money. They assert that the transaction is protected by eBay Motors or an

independent third party shipping company that will hold the funds in escrow until the buyer receives and approves the vehicle. In reality, eBay's protections only apply to items where the transaction is all on its platform. Crooks regularly use eBay's name, even sending fake invoices with the company's letterhead or sending emails that appear to be from the company.

BBB has been active in identifying, investigating and warning consumers about fake shipping and escrow companies, which claim to be located in many towns across the U.S. and Canada.

Investigations suggest these scams are operated by Romanian organized crime gangs. Criminal authorities in both the U.S. and Europe have arrested dozens of the scammers, responsible for millions of dollars in losses, but this scam continues to operate.

This study explores the scope of this scam, who it affects, the elements of the fraud, the role BBB plays in combating it, and major law enforcement actions to fight it.

HOW COMMON ARE CAR BUYING SCAMS, AND WHO ARE THE VICTIMS?

Available data suggest fake online vehicle sale scams may be increasing. It is difficult to determine the precise size and scope of this type of fraud, but the criminal cases to date reflect millions of dollars in losses. Neither the Federal Trade Commission (FTC), the Internet Crime Complaint Center (IC3), nor BBB track this type of fraud as a separate complaint category, though the Canadian Antifraud Centre does. However, in May 2018, the FBI reported that between May 2014 and December 2017, the IC3 received 26,967 complaints with losses of \$57 million.

In Canada, the Canadian Antifraud Centre received 1,386 complaints from 2017 to July 2020 with reported losses of nearly \$3 million (\$2,926,034), reflecting an average loss of \$5,124.

While complaints to BBB about this scam may reach an all-time high in 2020, complaints may represent a fraction of the consumers who have encountered this scam. BBB receives thousands of inquiries each year about the bogus shipping and escrow companies from consumers who likely haven't filed complaints. Of the consumers filing Scam Tracker reports with BBB, 41% reported losing money.

The largest number of reports made to BBB Scam Tracker for this type of scam come from those 55-64 years of age.

This fraud not only operates in the U.S. and Canada, but also is very common in Europe and the United Kingdom. [A recent article](#) in the U.K. states that in July of 2020 alone the national fraud reporting service, Action Fraud, received 2,094 complaints about this type of fraud, with losses of £2,137,160.



Getty

Consumer Losses Reported to BBB

Year	BBB Scam Tracker reports, Consumer Complaints and Negative Reviews	Losses reported
2018	435	\$897,235
2019	315	\$829,867
2020 through 7/31	264	\$646,744
Projected 2020	452	\$1,108,704

Age Category	Count	Percent of reports
18-24	86	9%
25-34	85	9%
35-44	142	14%
45-54	180	18%
55-64	201	20%
65+	181	18%
No age info provided	121	12%
Total	996	

WHO ARE THE SCAMMERS?



Though other criminal gangs may be engaged in this fraud, almost all of those prosecuted in the U.S. and Europe are Romanians, though knowledgeable sources at AA419 and petscam.com tell BBB that there are other fraudsters in Cameroon engaged in similar scams.

Why Romania? An article in [Wired Magazine](#) examines how cyber fraud developed in that country following the end of communist rule. It seems to have developed early on in the town of Valcea. Soon people began making money by selling goods online that they did not really have. As the scams succeeded, the threat quickly grew with gang members located across Europe, the U.S. and Canada. Law enforcement has recognized that this is organized crime. Different groups or cells provide specialized roles to make the scams work. Some post fake advertisements while others create fake websites. Some handle telephone calls or other communications with victims. One group may forge fake passports and other legal documents used for opening bank accounts. Still others may recruit money mules to receive the funds from victims. And some launder the money, making it difficult to trace back to the fraudsters.

The [U.S. Embassy in Romania](#) posted a warning about fraud emanating from that country, stating:

“Economic crime is a growing problem in Romania. Due to the high level of computer skills in this country cybercrimes [including internet fraud, credit card fraud, auction site fraud, and hacking/extortion schemes] are occurring on an increasing basis. American companies and citizens are very often the victims of this type of crime... It is important that you save any emails or documents that were generated as a result of the fraud. You should also notify the relevant credit card companies forthwith, and make immediate efforts to retrieve your goods or funds if they have not yet been delivered.”

Another group that engages in offering nonexistent vehicles online are scammers centered in Cameroon, an African country that shares a border with Nigeria. These scammers are widely involved in selling fictitious puppies and other pets online, the subject of an [earlier BBB study](#). Both [petscams.com](#), which helps victims with that scam, and Artists Against 419 (AA419), a group of volunteers that track the activities of scammers, confirm that the same groups engage in car scams. A website called [scam.directory](#) collects examples of such frauds.



HOW *to* RECOGNIZE A CAR SCAM

Several elements come together to create a convincing, elaborate con with different scammer cells playing a variety of roles.

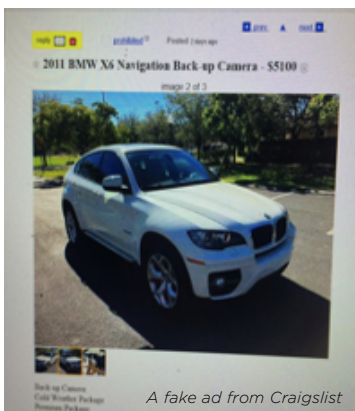
Online advertisements

Car scammers lure prospective buyers with ads in high-traffic, online classified ads. These include:

craigslist

[Craigslist](#) is one of the primary places where fake ads are placed. Craigslist is free and relatively easy to use. Those who want to post an ad simply go to the site for their area and open a free account. One simply has to enter a description of the vehicle, the price, upload a few photos and provide contact information. Craigslist is organized by city or region, allowing users to concentrate on a local area. But anyone can create an account, and they don't need to live in the city where the unit is advertised. It offers [safety tips](#) for those on its site. Though not widely known, it is possible to search all of Craigslist. Sites that allow this include [searchcraigslist.org](#). People can do a search for an interesting or unusual term used in the description of a vehicle or even search for the picture of the car. If the same car is advertised in many different locations, you can be sure it is a scam.

Examples of car scam ads can be found at [Craigslist.org](#).



[Kijiji](#) is a similar online classified marketplace operating in Canada. Kijiji told BBB that bogus car sales are one of the major types of frauds they see, and they constantly work to keep fraud off of its platform. As with Craigslist, those posting items have to have an online account, and Kijiji tries to keep scammers from opening accounts through the use of algorithms and filters. If ads are in a high risk category (like cars) they may delay posting them until they can look at them more closely. Of the 1.3 or 1.4 million new posts they see every week, they delay about 10,000 posts, but find that only 1% (100) of those are scams. In addition, they take down scam ads that they identify, though they recognize that some scam ads will evade their efforts. Kijiji has [warnings about car scams](#). The company strongly encourages the public to [let them know](#) about scam ads.



Facebook Marketplace

Facebook Marketplace also allows users to search for listings in particular areas. Facebook Marketplace told BBB that they proactively view listings for a wide range of scam behavior before they are listed, and when they get reports of scams, they investigate and take action. In addition, each car listing has a drop down box in the upper right hand corner allowing viewers to report it as a scam. Marketplace explains [how to report a problematic listing](#) and also offers tips on [how to stay safe](#) using its platform.

There may be dozens of other online places where people advertise cars and other vehicles. [Autotrader warns users of car scams](#), as does [CycleTrader.com](#). In addition, BBB has seen scam ads posted in local free shopping papers such as Pennysaver, which may not have the ability to do as much screening to remove ads from crooked entities. Despite screening efforts by eBay Motors, some scammers have managed to post some ads, tricking victims into moving off the eBay platform to pay and complete the transaction.

No matter what type of vehicle is posted for sale, the ads target buyers with too-good-to-be true prices and sad stories.

An explanation for the urgency to sell the vehicle may be given in the ad or later when the prospective buyer contacts the bogus seller. In reports to BBB, consumers cite three different reasons given by the seller who claims:

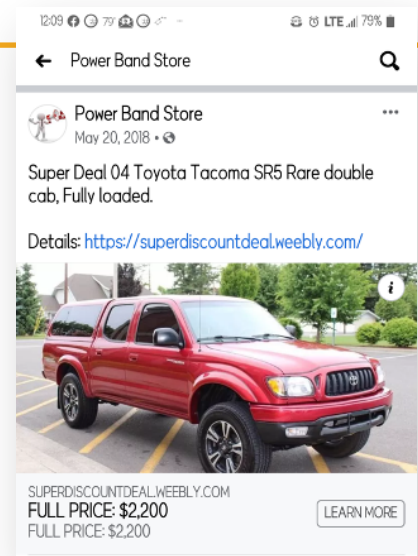
- To be in the military and is set to soon deploy overseas
- To have been recently divorced and now has a car they do not want
- The car belonged to a husband or child who recently died and it brings back painful memories.

The seller always has an excuse for why they cannot meet the buyer in person or allow them to inspect the car, such as safety concerns related to the pandemic or having the vehicle in sealed storage with the shipper.



Paul lives in West Chicago, Illinois. In May 2018, he saw a 2016 Toyota Tacoma Pickup truck with a topper on it advertised for \$2,200 on Facebook Marketplace. He was intrigued, and emailed the “seller,” who identified herself as Lacy Kennedy. She said the truck had belonged to her husband, who had died the previous month, and she wanted to get rid of it. She said the truck was being held at a Facebook secure storage site in Nebraska. Paul asked if he could go there and inspect it, but she said that was not possible. She told him that after he paid, it would be put on a flatbed truck and delivered to him in Illinois.

To pay for the truck, the seller told Paul to go to Walmart, buy a Greendot MoneyPak and email her the numbers on the card. Paul’s wife was concerned that this was a scam, so Paul just took a photo of the front of a Visa Gold card at the store and sent that to Lacy, asking when he could expect delivery. She told him that it didn’t go through. At this point, Paul and his wife had done some research online and found scams using the exact same story as that provided by the seller, so they realized this was a scam. Paul called the BBB and filed a complaint so that other people would not be ripped off. They recently found the exact same photo of the truck still advertised for sale online at Facebook Marketplace.



Text sent by scammers to victim

Not just a car scam: it’s a motorcycle-boat-farm equipment-ATV-RV scam

Although the fake ads most frequently offer cars for sale, there are also a large number of recreational vehicles (RVs) being advertised, likely in response to **a surge in demand for RVs during the pandemic**. BBB complaints also include motorcycles, golf carts, horse trailers, campers, boats, pontoon boats, jet skis, lawn tractors, skid steers, all-terrain vehicles (ATV’s), and even food trucks offered for sale by scammers. For the sake of simplicity in this study, the term “car” may refer to other types of vehicles as well.

Consumers often tell BBB the vehicle was in such good shape and the price was so low that they ignored red flags and acted quickly out of fear that someone else may beat them to the sale.

Ronald found a 1995 Winnebago Rialta advertised in a free weekly shopper newspaper in Branson, Missouri, in May 2018. He called the number in the ad and left a message. Two days later he got a text

message saying he had to contact the seller’s aunt, who could not talk by phone. Leisha Duggar, the “aunt,” sent a link with interior pictures of the Winnebago. She claimed that she got the vehicle in a divorce settlement and had relocated to the Ozarks.



She told Ronald that Missouri Auto Shippers in Springfield, Missouri was handling the transaction. She sent him an invoice by email to explain how the escrow transaction would work. She said he could not see the RV in person, but

the invoice described how Missouri Auto Shippers would hold the money in escrow so Ronald could have seven days to inspect the RV and return it if he wasn’t happy. Ronald was surprised that the payment instructions provided a phone number to call, and that the money had to be sent within two hours of getting the instructions.

Ronald went to his bank to send the money. His banker said the same routing and account numbers were listed and the money was going to California, not Springfield. His banker told him this looked like a scam. When Ronald called for wiring instructions, he pointed out that the wire was not going to Springfield as expected and that this was a scam. The “shipper” hung up on him, and Ronald filed a complaint with the BBB.

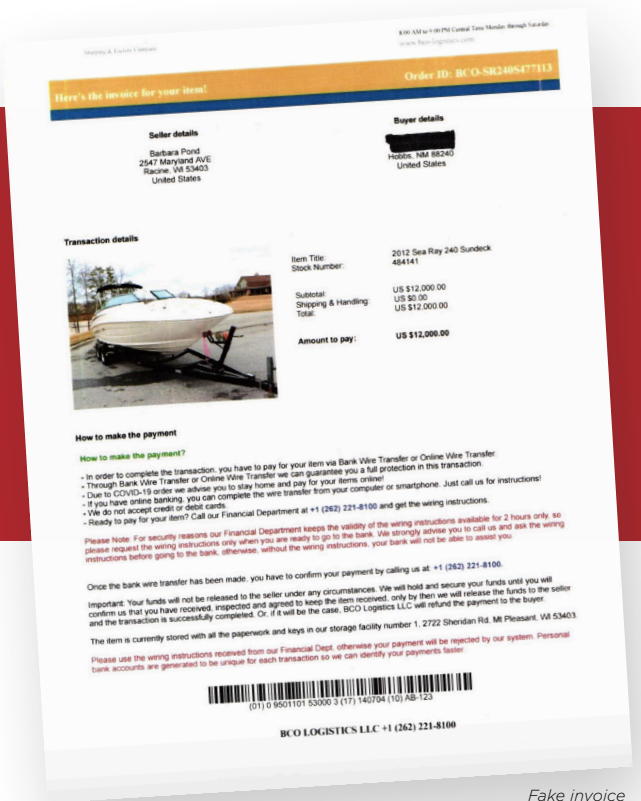
Payment through third parties

Cars and other vehicles offered by scammers tend to cost several thousand dollars, so credit cards usually are not an available form of payment. The scammers usually send people an invoice directing them to a supposed third-party escrow and shipping service. The invoice usually specifies the payment method. Several years ago, [at least one prosecution](#) of this scam noted the widespread use of money transfer companies - Western Union and MoneyGram - to pay, but those methods do not appear to be common today.

Scammers may simply invent escrow and shipping companies. Scammers provide buyers with an invoice that has a link to the web site of a fake company that will supposedly handle these services. Victims believe that these are honest third parties and do not realize that their money is not being handled by a neutral intermediary, but is instead going directly to scammers. [Escrow.com](#) provides information about how [fraudulent escrow sites operate](#).

Scammers posing as shipping/escrow company employees frequently ask victims to make a bank-to-bank wire transfer. Law enforcement actions detail how scammers recruit “money mules” or “arrows,” as some scammers call them, to open accounts using forged passports or stolen identity information in the account applications. As soon as money is wired into one of those accounts, it is promptly withdrawn and generally cannot be recovered.

Some scammers tell victims to buy eBay gift cards, available at many major retailers, but eBay does not recommend their use for vehicle purchases. [According to the FBI](#): “Any time the seller would want you to purchase gift cards to pay for a vehicle, it is a scam – a hundred percent of the time.”



Fake invoice

BBB's role in fighting car scams

BBB plays an important role in preventing fraud. Those who want to ensure that they are dealing with an honest business should consult [BBB.org](#) to check out these companies in advance. In addition, BBB regularly investigates scam complaints, issues [news releases](#), and works with news media to warn about scams.

The escrow and shipping “businesses” described in this study mostly do not exist, though at times scammers impersonate real car dealerships or use the name of one that has gone out of business. When BBB learns of a purported escrow/shipping business supposedly in their area, they investigate. If they find the business does not exist, BBB often creates a Business Profile for these bogus businesses so consumers searching the internet can find out what has been reported to BBB about these scam businesses and may avoid becoming victims of them.

In March 2018, dozens of consumers from across the country began contacting BBB St. Louis about vehicle shippers with websites that listed addresses primarily in nearby Springfield, Missouri. BBB found the addresses were for locations that did not exist or belonged to other businesses. In June 2018, [BBB St. Louis issued a warning](#) to consumers and news media about the scam.

BBB investigators followed the vehicle scam activity by sharing reports from consumers and enlisting AA419.

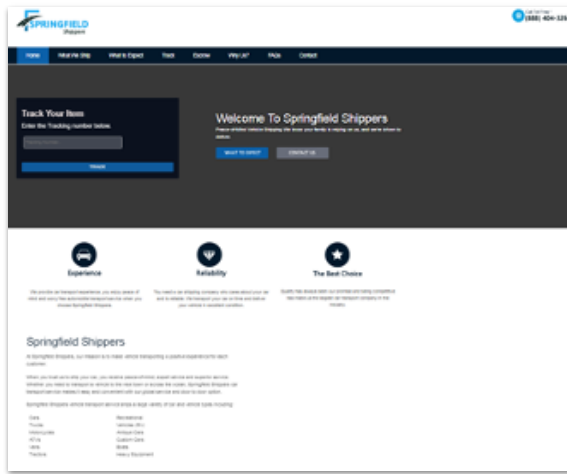
Consumers described nearly identical stories, no matter which vehicle shipping company was involved. Consumers told BBB they found cars, trucks, recreational vehicles, boats, jet skis, semi-trucks and farm equipment at too-good-to-be-true prices ranging from \$3,200 to \$9,500, primarily on local Craigslist sites, Autotrader and local free print publications.

Potential buyers from across the country said they thought they were dealing with a local seller. But when they reached the seller, usually a woman, by phone, text or email, she told the buyer that the vehicle and paperwork were being stored at a shipping location in Springfield, Missouri, where she said she recently moved to be with family. She usually claimed her husband recently died, and she was selling the vehicle because it brought back painful memories. A few times, she said she was being deployed or going through divorce. She identified herself to consumers with at least 22 names, sometimes borrowing the names of actresses such as Michelle Williams, Glenda Jackson, Shirley Booth and Natalie Wood. The same residential address in Springfield was listed on invoices sent to consumers by the scammer.

Interested buyers were sent an invoice containing a link to the shipper's website



A fake invoice from Springfield Shippers



Fake vehicle shipping website

and were instructed to wire money to the shipper's bank. The bogus shippers told buyers their money would be held safely in escrow while the shipper transported the vehicle to the potential buyer, who would have five days to evaluate the vehicle. If the buyer wasn't satisfied, the vehicle could be returned to the shipper, with all shipping fees paid by the seller. Potential buyers were given the name of a financial representative and asked to complete a bank-to-bank wire transfer.

Some consumers did not learn that the stories and websites were fake until the vehicles didn't show up.



Over 12 months, BBB St. Louis identified 30 bogus websites using the same or similar website templates, photos and descriptions. The newly formed websites were primarily registered through internet domain registrar Namecheap in Panama as well as by Cnubin Information Technology Limited. Since 2018, BBB St. Louis received 6779 inquiries about the bogus shipping companies and 78 complaints or negative reviews.

Around the same time consumers began contacting BBB in St. Louis, BBB in Omaha alerted consumers about reports of vehicle scams which used the same stories and website templates as those in Missouri. In the following months, dozens of similar bogus websites

popped up online claiming to be located in areas served by BBBs in Minnesota and North Dakota; Nebraska, South Dakota; The Kansas Plains & SW Iowa; Denver/Boulder, Kansas City; San Jose & LA; Detroit & Eastern Michigan; New York; Central & Western MA and Northeastern CT; Northern Colorado and Wyoming; Greater Iowa, Quad Cities, and Siouxland Region;

Northwest - Pacific; Chicago &

Northern Illinois; Eastern MA, ME, RI & VT; Central Florida; New Hampshire; and Greater Maryland.

Throughout 2020, BBB noted a resurgence in vehicle scam reports and has issued news warnings in [Wisconsin](#), [Western Michigan](#), [upstate New York](#), [New York metro](#), [Minnesota](#) and elsewhere. BBB in SE Florida has tracked at least 39 fraudulent companies with 69 victims and losses of \$866,000.

In June 2020, [BBB Omaha warned consumers](#) about three different car scam operations supposedly located in their area. One was not actually located at either of two addresses listed on its website; a second used the name of a real local car dealer that does not sell cars online; and a third did not exist at the listed address and was not licensed to do business.

Recently, some car scammers have illegally used the BBB Accredited Business Seal on their bogus websites, implying that they were BBB Accredited Businesses. Clicking on the forged seal takes a consumer to a fake BBB Business Profile with fabricated information to make the business look good. BBB actively works to prevent this type of fraud by quickly identifying and shutting down such websites.

Clifton lives and works in San Francisco. In May 2020, he found a 2004 Ford Mustang SVT Cobra for \$1,200. This was in his price range, so he sent an email to the seller.

She replied, saying:

“My name is Sylvia, I’m emailing you about 2004 Ford Mustang 2dr Conv SVT Cobra with an gas engine, manual transmission and only 60k miles. Never had or need any paint/body work done, garaged keep always, without any mechanical problems, tires and wheels are in great shape as well, electric is working perfectly. The engine on gas, runs very good and the manual transmission shifts perfectly. Has a clean and clear title in my name and there are no liens or loans on it. This car has been used by my husband who died 4 month ago. The price was reduced to \$1,200 because I’m in a hurry to find a buyer. I need to sell it before the end of the month, when I will be leaving on military duty with my medical team

out of the country for a year and do not want to store it. Hate to sell it but its not worth keeping insurance and paying storage fees for a year. Also, my daughter have another car so there’s no use on keeping it. If you are interested reply to email. Some details of the car:

Some details of the car:
Vehicle title - Clean
Transmission - Manual
Fuel type - Gasoline
I look forward to hearing from you,
Sgt. Sylvia Schumacher”

After he agreed to buy the car, he received an emailed invoice from support@vehicleprotection-plan.com that claimed to be from eBay and directed him to buy \$1200 in eBay gift cards. He bought cards in amounts of \$200-\$500 each, took a photo of the numbers on the back and sent them by email as directed. They told him to expect the car in five days on a Sunday.

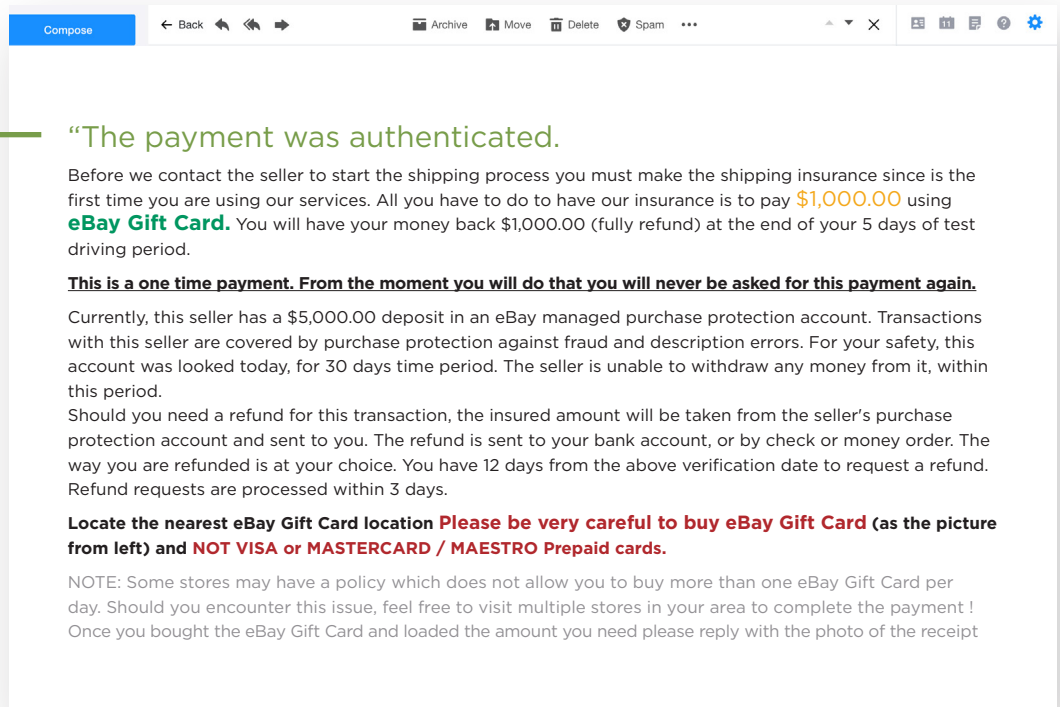


Gift card photo sent to scammers

Clifton then got another email from “eBay” the day before the car was to arrive, saying:

He complied. They then asked him for more money for “customs fees” to get the car out of the State. Clifton realized something was wrong, and he did not comply.

When the car did not arrive, he called the “ebay customer support” number provided on the invoice. He told them that he recognized that this was a scam, threatening to report them for wire fraud, and they hung up on him. The number is now disconnected.



Email sent to Clifton by scammers

Efforts by Online Advertisers and Others to Curb Car Fraud

Most of us recognize the risk of sending money to someone we've never met for items we've never seen in person - but of course that is exactly what we do regularly when shopping online. There have to be systems in place to protect buyers for people to feel safe engaging in online transactions. **Amazon has protections against fraud**, and by using a credit card in everyday transactions, you can get a refund if problems arise.

Sites such as eBay recognize that safeguards need to be in place to prevent fraud and to make their platforms viable and trustworthy. Thus, **eBay has been actively battling online fraud in Romania for some time**, and has even sent employees to that country to assist law enforcement in combating it.

eBay has even more protection available for those buying vehicles at eBay Motors. The company has developed a [Vehicle Buyer Protection Plan \(VPP\)](#) to ensure safe transactions. They report that over 5 million vehicles have been sold safely through their system.

eBay's VPP provides up to \$100,000 in coverage for situations where the vehicle is never delivered or there are other significant concerns, such as title problems or undisclosed damage. eBay partners with [escrow.com](#), which holds the money for vehicle transactions and releases it to the seller only when the vehicle has been delivered and approved by the buyer. Many buyers pick up the car in person, but [eBay partners with and recommends uShip for shipping cars](#). In addition, they partner with a service called [Wegolook](#) that will have someone examine the vehicle on your behalf, in person, before purchase.

Scammers recognize that people value this type of protection and often take advantage of the good reputation eBay has developed over the years. They often claim that purchases are covered by eBay's VPP even when they are not. To further this, they frequently send an email that impersonates eBay. [eBay provides examples of scam invoices and other documents](#).

In addition, some scammers have even sent victims links to fake eBay sites where they can click "buy it now" to make a purchase. It is important to

carefully check the URL for any site that will redirect the victim to eBay to make sure it is real.

eBay notes that their VPP only applies when the entire transaction takes place on its site. Moreover, they note that any emails they send will appear in the buyer's "My eBay" box at their eBay account. The company has assisted law enforcement agencies investigating car scams, and if victims believe that eBay's name was used in scams, they are encouraged to let the company know at car@ebay.com.

Scammers may simply invent escrow and shipping companies. Scammers communicating with buyers provide them with an invoice that has a link to the web site of a fake company that will supposedly handle these services.

Victims believe that these are honest third parties and do not realize that their money

is not being handled by a neutral intermediary, but instead is going directly to scammers. [Escrow.com](#) provides information about how [fraudulent escrow sites operate](#).

In the U.K., a volunteer group called [Buster Jack spends time identifying scammers](#) selling recreational vehicles. They try to identify the bank accounts being used and provide those to law enforcement.

Started the transaction through eBay Buyer Protection Program!
By the membership of this specific member and confirming his overall good standing, we have approved the development of this based on Seller's purchase protection account on file with eBay Safety Department.

Buyer steps to complete your eBay transactions:
1. Seller Agrees to Terms: Both parties agree to terms of the transaction, which includes a description of the Vehicle, sale price for the Buyer's inspection. Any invoices that are not paid within 12 hours will expire and your Vehicle will no longer be reserved.
2. Buy eBay: If a Buyer has a very low feedback/reputation score or is new to eBay, Credit/Debit card or PayPal is allowed if not greater than \$500. In case that your purchase amount exceeds \$500 the Buyer submits payment by "Western Union". The Buyer must submit payment to our eBay Agent in charge of this transaction.
3. Ship the Vehicle: Upon payment verification, the Seller is authorized to ship the vehicle and submit tracking information. eBay verifies that the Buyer receives the vehicle. The inspection period begins once the Vehicle is delivered.
4. Receive the Vehicle: The Buyer has 7 days to verify the item and the option to accept or reject. Return shipping will be at the Buyer's expense.
5. Buyer is Paid by eBay: The transaction is complete. If the buyer is not satisfied, he must notify our agency with the item issues, inspection period, a solution to most problems can usually be negotiated between the Buyer and Seller. If this is not possible, the agency will return the funds to the Buyer.

Item: 1998 Land Rover Range Rover HSE [DMV Vehicle Inspected / Clear Title]	
Sale Price	: \$1,800.00
Quantity	: 1
Shipping	: \$0.00
EBPP Fees	: Paid By Seller
Total	: \$1,800.00

Buyer Information:
Name: [Redacted]
Address: [Redacted]
City: [Redacted]
State: [Redacted]
Country: United States

Payment Instructions, please send your payment as indicated.

Bogus eBay invoice

Melvin is retired from the Army and lives in Wichita Falls, Texas. In November 2019, he found a pickup truck on Facebook Marketplace that caught his eye. Advertised for only \$1,000, Melvin estimated it could be worth \$5,000 or \$6,000. He sent an email to the "seller," Melissa Dobson, who said she was a nurse about to deploy overseas the following week. Since there was an Air Force base nearby, the story sounded plausible to Melvin. When he asked why the price was so cheap, "Melissa" said the car had belonged to her deceased husband, so

she wanted to get rid of it. She told Melvin to buy five \$200 eBay gift cards and she would tell him who to provide those to.

Melvin went to the local CVS pharmacy and tried to buy the gift cards. The manager of the store refused to sell him the gift cards, telling him it sounded like a scam they had seen before. Melvin went to another retailer, who told him the same thing. He realized that this must be a scam, and reported it to the BBB. He has since bought a different truck locally.

Criminal law enforcement of car scams

Despite the difficulties of investigating and prosecuting frauds that operate from different countries, there have been significant efforts to battle this scam involving Romanian crime operations in the U.S. and Europe over the last 10 years.



In July 2011, the [Justice Department announced a major effort](#) against this fraud. Over 100 people were arrested for selling nonexistent cars, motorcycles and boats online. Victim losses were more than \$10 million, much of it sent through Western Union and MoneyGram. Prosecutions occurred in the Eastern District of Pennsylvania, the Eastern District of Missouri, and the Southern District of Florida.

In 2012, [federal prosecutors undertook a similar effort](#), headed up by the U.S. Attorney's office in Brooklyn, New York. Cars, motorcycles and boats were "sold" for prices ranging from \$10,000 to \$45,000. They were offered on eBay, Autotrader.com and CycleTrader.com. There were at least \$3 million in losses. Thirteen people were indicted, including one from the U.K., one from Canada and another from the Czech Republic. Three people were extradited from Romania. Some members of the group designed and produced counterfeit passports that were then used to open the bank accounts which received money wired by victims.

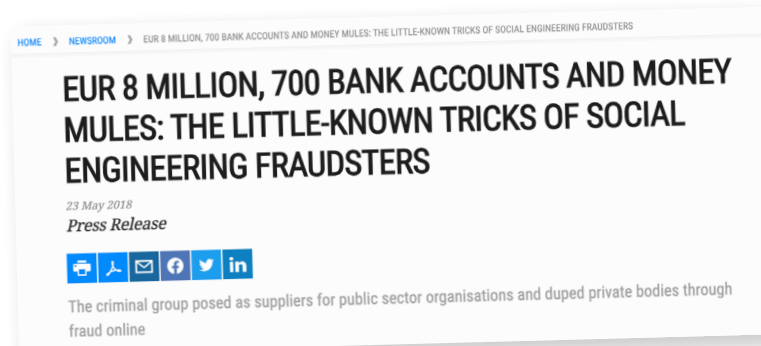
In September 2013, federal authorities in the Eastern District of Pennsylvania (Philadelphia) [announced criminal charges against a Romanian man](#) for his role in selling nonexistent vehicles.

In 2014, police in [London arrested two men](#) and did a search of an identity theft factory involving a Romanian car fraud operation. Victims' money was wired to U.K. bank accounts and then transferred out of the country.

In 2016, Scotland Yard in [London arrested three men](#) who were not only selling nonexistent cars online but also operating a rental fraud, collecting money for vacation homes that were

not actually available. They also operated a business email compromise fraud. Losses were more than £1 million.

In May 2017, [Polish Police and Europol announced nine arrests](#) of a gang advertising and taking payments for cars, construction and agricultural machinery but never delivering them. The group reportedly bought small businesses with a good reputation and used those to add credibility to their scheme.



In May 2018, [Europol announced 33 arrests of a Romanian crime ring](#) operating from Spain. Europol reports that the major operation was online car fraud, but the group was also engaged in business email compromise fraud and vacation rental fraud. The group was organized in cells across Europe, and scammed victims out of at least €8 million. Police discovered 700 bank accounts in Spain used in this fraud. They also discovered and busted a location that was counterfeiting documents.

Another major prosecution against organized crime gangs, this one employing the RICO statute, was [announced in Kentucky](#) in February 2019, and is ongoing. It was led by the Secret Service and the Kentucky State Police. Twenty people were charged, including 15 Romanians, a Bulgarian, and four Americans. Twelve people were extradited to the U.S.

The group took in multiple millions of dollars. Victim funds were converted to bitcoin, and at least \$1.8 million was transferred to Romania and converted to local currency. [Fifteen defendants have pleaded guilty](#), three are fugitives, and two others are scheduled to go to trial in fall 2020. Romanian law enforcement provided key support in the case.

In August 2020 police in Ireland announced [Operation Omena](#). Police say that they have identified 130 people, all from Valcea, Romania, operating in five cells in Ireland. They were offering caravans (campers), tractors, farm machinery, vintage cars and designer watches across Europe – though not in Ireland. Other victims were in Colombia, South Korea, Lebanon, and the U.S.

HOW TO AVOID CAR SCAMS



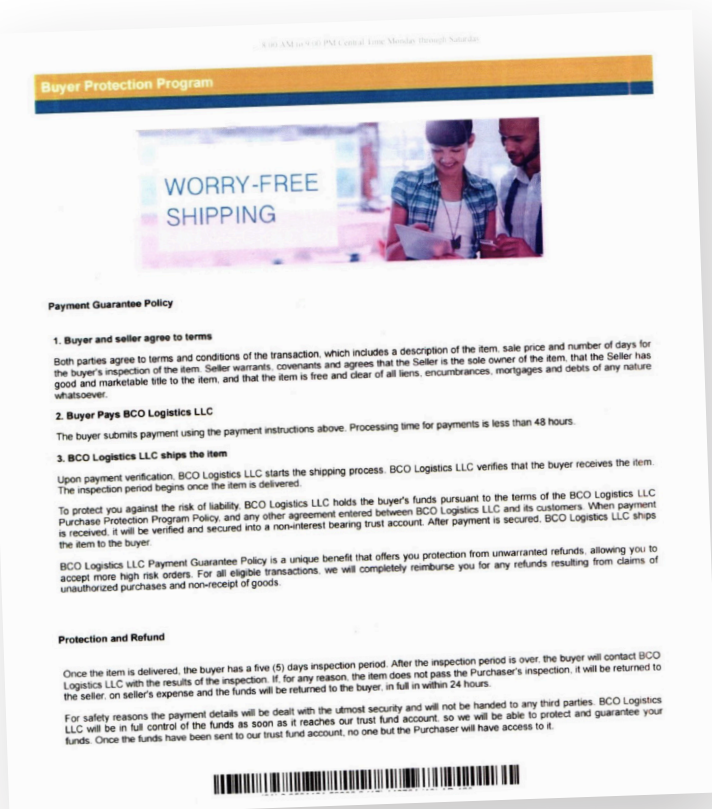
Maria lives in South Dakota. Her car had broken down, and she needed transportation to doctor appointments. A post popped up on Facebook of a nice-looking GMC pickup truck offered for \$800. She emailed the “owner,” Diana Blake, who said she lived on the East Coast. She claimed that the truck was in great shape, ran well and had always been kept in a garage. Diana said her husband had died, so she had to move in with her parents and needed to sell the truck.

Diana told Maria that she chose to sell with eBay because it protects people from being scammed. Maria got a fake invoice from “eBay” saying that if she did not like the truck after

delivery, eBay would pay for return shipping. The invoice required that Maria buy four \$200 eBay gift cards to complete the purchase. She thought that requesting gift cards was suspicious, but did buy two \$200 gift cards.

Then Maria decided to do some research and quickly realized she was involved in a scam. She called eBay, and they confirmed it was a scam and asked her to file a report at spoof@ebay.com.

Maria returned the gift cards and is glad she didn’t lose her money. She says anyone asked to buy gift cards as a form of payment should realize it’s a scam and should stay away from it.



Bogus document sent to victim by scammers

- **Watch for red flags.**
 - The price is significantly below market for the car.
 - You cannot meet the seller or inspect the car in person.
 - Money must be sent to a supposed third party recommended by the seller.
 - Payment is by gift card or bank to bank wire transfer.
- Do an internet search of the photo of the car, an interesting sentence in the text, the phone number or the email address, to see if there are online complaints tied to those elements.
- Use [Whois](#) to tell how long the website for an escrow or shipping company has been active and compare it to how long it claims to have been in operation elsewhere on the website.
- Examine emails or links “from” eBay carefully. There is no eBay protection unless the whole transaction takes place on eBay.
- Never pay for a vehicle through Western Union, MoneyGram, with a gift card or a reloadable card.
- Check a blue book for the real market value of the vehicle.
- Get a vehicle history report, such as [Carfax](#) or [AutoCheck](#), on the car.

Resources for victims

It is important for those who have lost money to these scams to report it. Data from complaints is used by law enforcement to look for patterns, identify scammers and take action.

Reports to BBB do not display your personal information, but are visible to other consumers and may help someone else avoid the scam. If you suspect that an online ad or post may be connected to a scam, report it to the platform so they can improve security for all users. File reports with:

Better Business Bureau - file a complaint with your [local BBB](#) if you lost money or report a scam online at to [BBB Scam Tracker](#).

Federal Trade Commission (FTC) - file a complaint online at [ftccomplaintassistant.gov](#) or call 877-FTC-Help.

FBI Internet Crime Complaint Center (IC3) - file a complaint online at [ic3.gov/complaint](#).

Canadian Anti Fraud Centre - file a report online at [antifraudcentre-centreantifraude.ca](#) or call 1-888-495-8501.

The platform where you saw a suspected bad ad such as:

- Craigslist - [sfbay.craigslist.org/contact](#)
- Kijiji - [help.kijiji.ca/helpdesk/safety/how-do-i-report-an-ad](#)
- Facebook Marketplace - [facebook.com/help](#)
- eBay - Forward suspicious emails to [spoof@ebay.com](#)



RECOMMENDATIONS

- BBB recommends that law enforcement efforts to battle this fraud continue or increase. Coordination and training in this fraud throughout the law enforcement community could prove useful.

- International cooperation between law enforcement agencies should be a priority.

- BBB should continue to share information with law enforcement and educate the public about red flags for this fraud.

- The platforms that scammers use should consider ways they can improve efforts to screen out deceptive ads and educate users on how to avoid them.

No corporate sponsors supported this research and all companies are named for informational purposes only.

