

Consumer Reports WebWatch's 'Look Before You Click' Campaign What We Got After Spending More Than \$1,800

We logged on to some of the leading Internet auction sites and started bidding on items ranging from sunglasses to laptops. We rolled up a total tab of \$1,823.81 at eBay, Overstock.com, uBid, and WeBidz. What follows are details of some of our more interesting encounters, as well as the lessons we learned.

The China-Canada Connection

Item: Intel laptop

Auction Site: Webidz

Total Cost: \$975.00 (\$935.00 CAD)

We shopped for a variety of items on multiple auction sites, but nothing was stranger than our experience attempting to purchase a laptop computer from a seller in Asia. On WeBidz we found a listing for a "100% Brand New Laptop Computer Notebook." It was described as an Intel "Dual Duo" model and the seller was offering a "free gift" of a carrying case and night vision webcam. On May 9, we successfully purchased the item for \$875.00 and \$60.00 in shipping costs, for a total of \$935.00. On the auction page, the seller's location was listed as Beijing, China. The seller had opened the account less than 30 days before and had a rating of 0.00%, with no previous transactions.

Over time, this transaction grew more curious:

*On May 10th, not having heard from the seller, we forwarded a message through the WeBidz Message Board inquiring about paying by PayPal. The seller's location was identified as Montreal, Quebec, Canada, and not Beijing, China.

* On May 13th, we forwarded a second message inquiring about paying by PayPal.

* On May 20th, we forwarded a third message inquiring about paying by PayPal.

* On May 21st, we received a message from the seller. It stated [sic]: *sorry for the dealy I had an accident and I haven't been online for a while now but please contact me at [email address] and I will send you an invoice from pay pal*

* Also on May 21st, we received a message from WeBidz stating: "A new invoice has been generated by a seller for one or more items you have purchased from him. Please [click here] to view the invoice." This new invoice clearly stated the total amount including "postage" was "935.00 USD."

* Also on May 21st, the seller requested that we forward the PayPal payment to a second email address. The message stated [sic]: *you can send it to [second email address] for the amount of 935.00 please and again I am very sorry for this thx*

* Also on May 21st, a second seller using this second email address from an unknown location forwarded a "Money Request Details" for a PayPal payment. This time, the amount was stated as "\$935.00 CAD." The payment was made via PayPal on May 21st.

* On May 22nd, the first seller sent us a message stating [sic]: *hi it's really important that I have your phone number*

We inquired why this was necessary and the first seller responded [sic]: *it's just incase they need to reach you*

We declined to forward telephone contact information.

* On May 27th, the first seller sent a message with a tracking number (but no shipping company) and stated [sic]: *give it a couple of days to work*

* On June 3rd, we forwarded a message to the first seller inquiring about the package and the shipping method.

* On June 4th, we received the laptop, sent not from Canada, but from Shenzhen, China.

* Also on June 4th, we notified the first seller that the laptop arrived and inquired why the PayPal invoice had been charged for \$935.00 CAD (\$975.00 USD) when the auction listed the price as \$935.00 USD.

* On June 5th, the first seller responded with an unintelligible email, so we again inquired why the invoice had been charged for \$935.00 CAD (\$975.00 USD). As of press time, we have yet to hear back from either seller, so we'll probably never learn why we dealt with two sellers on two continents, and why the listed price changed from U.S. to Canadian dollars—which, given the weak U.S. dollar, certainly paid off for the sellers.

But what about the laptop itself? For starters, it was shipped in the original box—heavily taped over—and carefully packaged with plenty of styrofoam. The laptop appeared brand new (complete with protective plastic), and though we had never heard of “HEDY” computers before, it is a legitimate company, as you can see from their [Web site](#).



Happy Every Day!

And true to the seller's word, the free gift was inside—a fairly decent carrying case festooned with a small metal plaque that reads: “Happy Every Day.” (“HEDY” is an acronym for “Happy Every Day.”) The case contained an AC adapter, a mouse and a web cam, although we're not sure if it's actually a night-vision model.

Unfortunately, we weren't able to boot the unit up, since the power cord is designed for Chinese three-blade outlets. But we did the next best thing, which was to send all the accompanying software off for expert evaluation by Jamz Yaneza, an Advanced Threat Research Manager with Trend Micro, one of the world's leading software and Internet security firms.

Here's what Jamz had to say about the software that came with our HEDY (which included 5 discs containing Red Flag Linux, MS Windows 2000, XP, and Vista drivers, and documentation):

“My initial tests show everything is clean. True enough there's been some concern in software coming out of China but it looks like Hedy's been doing a good job at least for this laptop package. The version of Linux provided is one of the top-rated distributions in Asia with easy update capability and quite a few good reviews as an alternative to the mainstream.”

So despite the Byzantine purchase process, the currency switch, and the inconvenience of a Chinese plug (nothing an adaptor can't fix), we actually ended up with a legitimate laptop.

Eye Spy

Item: Insignia 10.4-Inch Digital Picture Frame
Auction Site: eBay
Total Cost: \$107.24

Shortly after the holiday season ended, reports surfaced a popular gift may have been infected with a computer virus. The problem was traced back to a digital picture frame produced by Insignia, a subsidiary of the Best Buy retail chain; Insignia asserted only a "limited number" of products were infected.

In a statement posted on its site, Insignia apologized to its customers and noted the infected models were sold through Best Buy stores and Best Buy's site (www.bestbuy.com). In a report on this incident, MSNBC's Robert Sullivan quoted a security researcher who noted consumers who buy refurbished merchandise should be "especially wary." Clearly this advice also applies to consumers buying merchandise through online auctions as well.

We set out to buy an Insignia 10.4-inch digital picture frame via an online auction and found one on eBay with the same model number as those that were infected: Number NS-DPF-10A. We found one and bought it for \$91.89 and \$15.35 for shipping. The seller, based in the United States, had a 98.0% positive rating after 147 transactions. *[NOTE: The manufacturer stated consumers with concerns about this specific virus should contact Insignia at 877-467-4289.]*

Once it arrived, we sent it off for expert evaluation by Jamz Yaneza, an Advanced Threat Research Manager with Trend Micro, one of the world's leading software and Internet security firms.

Our suspicions were confirmed, since Jamz turned up no less than 3 separate pieces of malware, two of which, a trojan horse and a worm, possess "high damage potential." Since he's the expert, we'll let him describe exactly what he found—and just how dangerous it could have been to an unsuspecting consumer—by letting you [read his blog](#).

Memory Lapses

Items: Sony Memory Stick PRO Duo

Electronic items can be particularly dicey to purchase over the Internet from an unknown seller, in part because the market is flooded with fake and inferior products, particularly from Asia. The Sony Memory Stick PRO Duo is a case in point.

This product has been the focus of so much fraud and deception that it has generated its own [lengthy warning](#) in eBay's user-generated Reviews & Guides.

One user-generated posting states: "We have been informed that eBay will NOT act unless the trademark owner (SanDisk, Sony, Kingston) contacts them. All buyers report to eBay hoping that the sellers receive permanent suspension for supplying counterfeits are in vain. eBay will ONLY act if directed to do so by your local law enforcement agency or the rightful trademark owner under eBay's VeRO program."

This lengthy posting runs seven printed pages and warns of "notorious eBay PowerSellers who have high positive feedbacks (with also many negative feedbacks) who are selling nothing else but only FAKE [products]!...Our experience advises you to avoid buying from all eBay sellers registered in China and Hong Kong, especially avoid listings with 'Buyer: User ID kept private!'"

We ignored this advice and went shopping for memory sticks on three different auction sites—eBay, Overstock.com, and uBid—and met with mixed results.

1) Sony Memory Stick PRO Duo - 4GB

Auction Site: eBay

Total Cost: \$26.50

We successfully outbid other would-be buyers in the 18th round of this auction for a "New Sony Memory Stick Pro Duo MS Card 4GB" by placing a winning bid of \$16.50. The auction was initiated by an eBay "Power Seller" based in Hong Kong; after 1,139 auctions, the seller had earned a 99.5% positive rating.

We received the package promptly but immediately discovered this Sony Memory Stick PRO Duo package carried model number MSX-M4GST/X, the same counterfeit part number identified in the [eBay user-generated warning](#) (Clue # 1). It also lacked an instruction booklet, and the SONY hologram sticker on the package was consistent with the false packaging described in the same warning (Clue # 3).



Looks Genuine, But it's Not

We then inserted the memory stick into a Sony PlayStation Portable to see if it passed the "MagicGate test." MagicGate is an encryption program found on all Sony memory sticks. Genuine Sony memory sticks generate the following message on a PSP: "MagicGate Supported." Counterfeit sticks generate either "MagicGate Unknown" or "MagicGate Unsupported." (Clue # 2) Sure enough, despite the "MagicGate" brand on the packaging and the memory stick itself, the PSP display read: "MagicGate Unknown."

Over the course of four weeks, we sent three messages notifying the seller in Hong Kong that although we received the package as promised, it appears to be counterfeit. We requested any information the seller could provide, but never received an answer.

2) Sony Memory Stick PRO Duo - 4GB

Auction Site: eBay

Total Cost: \$25.58

We used eBay's "Buy It Now" function to end this auction early and purchased this product for \$9.59. The seller, also based in Hong Kong, had earned a 100% positive rating. However, a closer examination revealed this rating was 98.6%, with 9 neutral and 3 negative comments filed within the previous six months. (Note: the positive feedback percentage is calculated based on the total number of positive and negative feedback ratings received in the last 12 months, excluding repeat feedback from the same member in the same week)

The item was described as "Brand New 4GB Sony Memory Stick Pro Duo Card" and under Condition it was listed as "New, Never Opened." The description also included the words: "What you see is that you get!" The shipping cost was listed as \$15.99, expensive for such a small item. The stick arrived a short time later. However, it was inserted into a manila envelope without any packaging. We wrote to the seller and expressed appreciation for the quick shipment but noted the memory stick was described as "Brand New" on eBay yet arrived without any packaging or instructions from Sony. We received a very prompt reply with this message: *Dear buyer, We took the package out to save on shipping as described in the listing. The item is 100% brand new for sure. Thanks for understanding.*



A Counterfeit Sony Memory Stick

In fact, this was not described in the listing and it remains doubtful this product is new "for sure", since there's a finger smudge on the gold contact strips. Further, according to the warnings [posted on eBay](#) (clue # 5), this memory stick is a counterfeit for the following reasons: the lettering on the back of the stick appears to be printed rather than etched; the letters and numbers are faint and hard to read, rather than metallic and legible; the number "4" is closed on top, rather than open; and finally, the letter "s" is not rendered in italics, as it is on genuine Sony memory sticks.

When we removed the first memory stick from the counterfeit packaging, we found all the same tell-tale clues. Finally we ran the "MagicGate test" by inserting the memory stick into a Sony PlayStation Portable (clue # 2). And like the first one, despite the "MagicGate" logo on the stick, it produced the "MagicGate Unknown" message—another counterfeit.

3) Sony Memory Stick PRO Duo

Auction Site: uBid

Total Cost: \$44.00

This transaction differed from the other auctions we participated in because the site itself was doing the selling. uBid not only facilitated the sale, but was in fact the seller. We found a memory stick that we purchased for \$44.00 and paid for using Google Checkout. Although uBid advertised "free shipping," the base cost of \$44.00 was higher than any of the other three memory sticks we purchased.

The product's condition was listed as "Refurbished." The auction notice included very small print that read: "This product is being sold by uBid.com and delivered to you directly from uBid.com's warehouse or one of uBid.com's suppliers. This product is covered under uBid.com's return policy, may include a manufacturer warranty, and may also be eligible for an Extended Protection Plan. For questions, please contact uBid.com Customer Care."

We received the memory stick and it arrived in a manila envelope with a return address from uBid in Nashville, Tenn. However, the product was loose and did not contain any packaging or instructions. We used uBid's internal email function and sent the following message: "I assumed since this was shipped from uBid's warehouse that the product would be brand new and still in the original Sony packaging, complete with instructions. It arrived unpackaged and loose, without any instructions. I'd like to confirm if in fact this product is new."

Approximately 24 hours later, we received a message from the uBid Customer Care "Seller Solutions Center" which noted: "This item was not advertised as new it was advertised as refurbished." Although refurbished items are typically re-sold in original packaging, the lack of instructions was even more troubling.



A Genuine Sony Memory Stick

Unlike the first two memory sticks, when we examined the back of this one for [counterfeit clues](#) (Clue # 5), it appeared to be the genuine article, because: the lettering on the back of the stick appears to be etched; the letters and numbers are metallic and legible; the number “4” is open on top; and the letter “s” is rendered in italics.

And when we inserted it into our Sony PlayStation Portable (clue # 2), it passed the test (“MagicGate Supported”). We had bought our first genuine memory stick.

4) Sony Memory Stick PRO Duo

Auction Site: Overstock.com

Total Cost: \$22.99

Although the starting bid for this product was \$14.99, we used the "Make It Mine" function and purchased it outright for \$22.99. This seller was based in the United States and posted a 99% positive rating on Overstock.com.

This was the lowest total amount we paid for a memory stick, in large measure because this seller offered free shipping, so \$22.99 was our total cost. The package arrived promptly, and the memory stick, which carried the correct identification number for the U.S. market, was sealed in Sony packaging, although the package had been opened and resealed with a bar-coded sticker, so it may have been a returned item.



Another Genuine Sony

When we opened the package and looked for the [counterfeit clues](#) (Clue # 5) on the back of this stick, it too appeared genuine. When we inserted it into our Sony PlayStation Portable (clue # 2), it also passed the test (“MagicGate Supported”).

Taken For a Ride?

Item: Bugaboo Stroller
Auction Site: eBay
Total Cost: \$405.00

The 2007 Consumer Reports National Research Center [survey](#) provides insight into problems concerning products for babies and children bought on eBay. The survey found 8% of 4,176 respondents included baby or child products among their three most recent purchases on eBay. Of these, 16% reported at least one problem with their purchase and the most common problem—as reported by 4%—was excessively worn products.

While Consumers Union noted the overall rate of problems was "fairly low," the majority of the baby or child products were purchased in new condition. In fact, 59% of those who made such purchases bought only new products. The problem rate was twice as high among those who purchased at least one used product (22% vs. 11%). So clearly the decision to buy used goods is much riskier.

As noted in the [case studies](#) and [auction fraud](#) sections, Donna from Brooklyn encountered fraud when she bid for a Bugaboo stroller on eBay and was notified by the seller that apparently a third party had corrupted the seller's account to post a phony sale. That said, we did not encounter fraud while bidding for a Bugaboo stroller.

But Donna offered other advice as well: "There may be knock-offs but the real issue with Bugaboos is that sometimes they may not be selling the entire thing. There are so many pieces to a Bugaboo that you practically need an engineering degree for these things. If you just purchased a seemingly new Bugaboo for close to what it costs in the store you probably won't encounter any problems. It's when they are selling for \$300 less and are 'brand new' that it gets fishy. It's a too-good-to-be-true thing."

We bid for a "gently used" "no stains" Bugaboo Bee stroller in khaki on eBay and won the auction for the price of \$360, plus \$45 shipping and handling. According to Bugaboo's site, a new model retails for \$529.99. However, our auction posting included warnings such as: "ask all questions as all sale is final[sic]" and "no returns."

It arrived well packed in a large but sturdy cardboard box. Although it was clearly a used stroller, with slight scratches and scuff marks, overall it was in good condition. For many consumers, these minor blemishes would be more than offset by the savings of more than \$100.