

## *Scams, Cons and Frauds*

*What are they up to now?*

Although many older adults are often more fearful of violent crime, rarely are they victims of random violence. However, they may fall victim to a less obvious threat that seldom makes the front page of the newspaper, or the lead story on network news. Because they tend to have significant retirement savings, they are more trusting and willing to help others, or they may have little or no contact with friends or family, many seniors find themselves the preferred targets of con artists, who attempt time and time again to trick them out of their hard-earned savings. Just as many of us go to work at our legitimate occupations or professions each day, so do the con artists. The only difference is that they disguise their deception with their smooth and persuasive talk while “pitching” their scam in order to convince their intended victim to willingly hand their money over without question or hesitation.

As the nation’s senior population increases, so does the available victims’ pool for scams, cons and frauds. It is particularly distressing in that many of these victims survived the Great Depression. They have lived honest, hard-working lives. They served in war-time or contributed to the war effort at home. They raised families and built the foundations of the community we all enjoy today. Yet, con artists are right now seeking out the people we most admire and respect, hoping to drain the assets from their well-deserved retirement or hard-earned life savings accounts.

Telephone scams are the most common, the most economical for the con artist, and the most successful scam method in operation today. Wireless technology now allows scammers to call victims, without fear of detection, from anywhere in the world. The lottery or sweepstakes scam, countless “phishing” scams and various credit card ploys lead the way and seem to focus on two things. First, never provide personal information such as your Social Security number, credit card account numbers, or banking information to anyone who has called you. You do not know who they are. Secondly, it is illegal to require prizewinners to pay up front in order to receive their winnings.

Numerous lottery and sweepstakes scams utilize the telephone, postal mail, the Internet and fax networks, and require “up front” payments from the victim for taxes and fees before “winnings” can be claimed. They require confidentiality during the transactions, and often tap the victim again and again for more money as they elevate the victim the next level in the winners’ pool. In a new twist to the lottery scam, con artists are now challenging those who suggest that taxes and fees be deducted from their winnings by enclosing a check to cover those fees. The victim is instructed to deposit the check, then immediately wire the “tax payment” to a third party. The victim discovers later that the check is counterfeit and that they are liable to the bank for the money they wired to a con artist. The victim has paid up front under the pretense of receiving their lottery “winnings” later. Do not be fooled...you did not win. In fact, if you play along, all you will do is pay, pay, pay.

Experts estimate that consumers lose \$40 billion per year to telemarketing fraud alone. More than half of that money comes from retirees living on limited income and finite savings. Furthermore, only 8% of all scams, cons and frauds are ever reported to law enforcement. That means many billions more are lost to con artists in “pigeon drops,” home repair scams, bank examiner scams and the like, that go unreported either because the victim was too embarrassed to tell anyone or they never realized they were scammed.

Street scams are those con games that usually begin in a public place, such as a parking lot. The potential victim is approached with some unfortunate tale involving found money, a large insurance settlement due to a tragic death, or a winning lottery ticket. The “pitch man” (or woman) may claim to be a foreigner or an illegal immigrant unfamiliar with American customs. These scams usually involve two or three suspects pretending to be interested in helping the “pitch man but are actually working in concert against you. YOU were always their intended victim. Their goal is to convince you to withdraw cash from your bank account and to “put it up as security” or as a demonstration of “good faith.” In the end, they will distract you and slip away with your cash. The Latin Lotto and Pigeon Drop are the most common street scams.

Home repair scams are most often perpetrated against senior residents, probably more often than we are aware. Many scammers drive neighborhoods looking for seniors working in the yard, taking out the trash, or chatting with a neighbor. Their targets of choice are elderly women living alone. Once identified, the scammer usually knocks at the door with some story about doing some previous work at the location, or that he is conducting a “warranty inspection.” The scammers will offer to spray the roof with a “special sealant,” or to resurface the driveway with some “leftover materials from a job down the street”...and at a specially discounted price. A verbal agreement is often reached at the start. However, when the job is finished, the scammers then demand much more money than was originally quoted. Many residents are intimidated into paying just to get the scammers out of their homes.

Distraction thefts are more common than one might know, and we sometimes categorize these offenses as a scam because fraud, or trickery, was used to commit the theft. Usually perpetrated against purse-toting women in grocery stores, a distraction team will approach a potential victim along one of the aisles. One will engage the victim in a conversation about a food item or a cleaning product, while the second thief will sneak up to the victim’s purse in the shopping cart and slip the wallet out unnoticed.

Distraction theft is also practiced in neighborhoods. By distracting a resident with friendly conversation on the front porch, an accomplice can slip into the home through a back door in order to steal cash and valuables. Thieves posing as service or utility workers to gain access to a victim’s home have used the Utility Inspector scam for decades. Sometimes they work alone... enlisting the victim’s help to tap on a pipe or to

retrieve a glass of water for them. Other times an accomplice will sneak into the house while the “inspector” keeps the victim occupied in the back yard. Awareness is the best protection against distraction thefts and “inspector” scams.

Advanced Fee scams have been around for years, too. Most people have had one experience or another with some form of this scam. Whether received by fax, e-mail, or postal mail, “advanced fee” letters seem to take the same approach—someone has died in a tragic accident or in a civil war in a foreign land, millions of dollars have been discovered in a “hidden” account, and the scammer wants you to help them move the money out of their country via your bank account. Although you are promised a percentage of the millions, you will end up with nothing as the scammer hits you time and time again for money to pay fees and expenses...in advance.

The Grant Scam and IRS Scam have been reported in our area as a caller or e-mail proclaims you are entitled to free grant money, or that the IRS found a refund you are due. All you need do is provide personal information to “complete the paperwork” or to verify your identity.

Yet another Internet scam is the “Vacation Scam.” A scammer sends out e-mails containing malware to unsuspecting recipients. Once activated, the malware starts sending “urgent” e-mails to every contact listed in your address book telling your friends that YOU were robbed while on vacation overseas. The hotel bill is due and assistance is needed to pay the bill. You are instructed to wire money to an overseas destination.

The Grandparent Scam continues to plague seniors across the nation as scammers call potential victims and pose as a grandchild in trouble and in need of quick cash. The most common variation is the “arrest” or “traffic crash” in Canada or Mexico, and a plea to wire money to bond out of jail and to purchase a plane ticket. “Please don’t tell mom and dad. I’ll tell them when I get home.” Of course, if you *were* to call mom and dad, you would more than likely learn that grandchild is home safe and sound, and was never in another country. In a new twist to this scam, con artists are calling grandparents of those in military service, claiming their grandchild has been arrested, injured, or robbed overseas, and money should be wired immediately to assist. The scammers have done enough Internet research to provide names and the correct military service branch.

The Sweetheart Swindle targets lonely seniors who are looking for companionship. The younger swindler suggests a “romantic interest” while draining a victim’s bank account for expensive purchases or to pay overdue personal bills, rent, or mortgage payments. The “romance” continues as long as the money flows.

People using Internet auction sites are often contacted by scammers who feign interest in a purchase. A check will be sent for much more than the posted price so that the seller

is obligated to wire the overage to a “shipping agent.” The seller ends up with a bogus cashier’s check after already sending thousands of dollars to a scammer.

Looking for a work-at-home job via the Internet? The “Money Transfer Scheme” will require you to deposit checks or money orders as a “financial agent” for an overseas company or as a “mystery shopper.” You are instructed to deduct 10% as your “salary” and wire several thousand dollars to another party. Days later, you are notified that the money orders or checks are all counterfeit and that your account has been debited.

Scammers posing as “the bank” will call or e-mail victims to inform them of an attempted act of fraud against their account. As a result, the account has been “frozen” to protect the senior. They require the victim to provide personal information for verification before they can release the hold on their account.

What can you do to protect yourself or someone you care about?

- Never provide personal, banking, or credit card information over the phone unless YOU initiate the call. Just hang up the phone.
- Always verify anyone who calls or comes to your home unsolicited to offer a service. Check the phone book or call Information for the business number and call the company yourself.
- Never contract with or allow unsolicited door-to-door sales or repair people inside your home without independent verification of whom they are and for whom they work. Always get a written contract. Check references, or ask neighbors who they use for a service.
- Shred all personal and financial information before discarding, and mail important correspondence at your local post office.
- You don’t have to pay up front to claim a prize. If you do, you have not won anything.
- Always be wary of “you must decide now,” or “I’ll send a courier to pick up your check right now,” or “I need you to wire the money.”
- Check on your senior neighbors, particularly those living alone. Keep them informed and warn them frequently about scams.
- Call the police if you suspect you are being scammed.
- Make a police report if you have been scammed, no matter how embarrassed you may be now. You might save a friend or neighbor from making the same mistake.

There are dozens of scams, and many more variations and combinations...too many to address here individually. But, the Attorney General’s Office has some suggestions on how one can best identify and protect themselves from many of today’s more common scams, cons and frauds. Any one of these warning signs should make you think twice before you provide personal information or send money---

- Unsolicited mail, e-mail or telephone call
- A promise that you will receive a large sum of money
- Any effort to obtain personal financial information
- You have to PAY money first before you GET money
- You are told to WIRE money instead of using the U.S. Mail

“Whether it’s mail fraud or telephone fraud, chances are it will begin with an unsolicited contact from an individual or organization you never heard of. You do not know who the caller really is. Real lotteries don’t call you to say you’ve won. You don’t get grants without applying for them. Real money is hard to get. It just doesn’t come to you. There is NO GOOD REASON to give any caller your bank account, credit card, PIN or Social Security number. And, you don’t have to pay money up front for any reason before you collect lottery winnings or a loan. The use of wire transfer is to avoid stiff federal mail fraud penalties.” *(Source- Attorney General’s Senior Alert Newsletter 2/9/05)*

If you or someone you know becomes the unfortunate victim of a scam, report it to your local police department or your state’s Attorney General’s office. You may not get your money back, but you might save someone else from making the same mistake. Scams have been around since the beginning of time, but it is the con artist’s creativity that acts to disguise the scam as a believable circumstance or that once-in-a-lifetime opportunity.

The Richardson Police Department reminds citizens that if it sounds too good to be true, it probably is. Furthermore, if you are ever approached by a stranger who offers to share a large sum of money with you, in exchange for a demonstration of trust on your part, you may be in the middle of a scam. For more information on scams, cons and frauds, contact the Richardson Police Department’s Crime Prevention Unit at (972) 744- 4955.

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