

Protect Yourself from Cons, Scams and Frauds Are You an EASY Target?



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Protect Yourself from Cons, Scams and Frauds

Are You an EASY Target?

Leaders: Begin with the following questions as you distribute the quiz and have the participants start the quiz. **Participant Handout #1-2 pages (included in this presentation)**

ASK: Raise your hand if:

- Have you ever gotten a phone call telling you your warranty is about to expire? Or more calls than you can count on both hands, feet and hair on your head!

- Or a phone call stating they are from Apple or Microsoft and that your computer is having issues? They then ask you to go to a website and give them control of your computer- **DO NOT DO IT**

- Have you ever received a phone call for an offer of something that sounded too good to be true? It usually is.

- Have you or someone you know been a victim of a scam or been defrauded of money? More and more people are being scammed.

Falling prey to a scam or fraud is a very serious problem with seniors today. It is sometimes hard to spot a scam. Scammers know that senior citizens are easy prey, especially when it comes to family members or making money.

DISCUSSION: Go over the “Are You an Easy Target for Scammers” Quiz— talk about the answers on the back

*****If you use the video from the Federal Trade Commission, show it now-**
The video is located at: ftc.gov/idtheft

Let’s talk about the 5 Points brought out in the video:

- 1. Read your credit card and bank statements carefully and often**
Check the statements against your receipts and the checks you wrote
- 2. Know your payment due dates**
If bills/statements do not show up, it may mean that your address has been changed
- 3. Read the statements from your health insurance plan**
Make sure the payments made reflect the service you received
- 4. Shred any documents with personal information**
Financial and personal information are all ID Thieves need to steal your ID and money
- 5. Review your credit reports at least once a year**
Make sure there are no accounts open in your name that you did not open

Awareness is the most effective way to attack this problem. The information in this presentation will inform you about the common scams aimed at seniors and the steps you can take to thwart those trying to take your money and or ID.

DISCUSS the following points:

Fast Facts on Fraud

- Telemarketing fraud alone is a \$40 billion a year business.
- Although people in their twenties report being defrauded more often than people over seventy, they tend to lose less money to the fraudsters than senior citizens.
- Scams and frauds conducted by mail, telephone, and computer are increasingly coming to you from other countries.

How to Avoid Scams

- Do not send money orders, prepaid cards, or gift cards to people you do not know. Legitimate companies and the government do not usually ask for payment this way.
- If a company tells you over the phone that your computer has a virus or needs protection, take your computer to a trusted computer repair shop.
- If you get a call or email claiming that a loved one needs emergency money, call the loved one before sending money in case the request is a scam, it usually is.
- Do not give your personal information—including social security, credit card, or bank account numbers—to people you do not know who contact you, even if they claim to be with a company you know, like your bank. **If your bank or credit card company calls you and** asks you to confirm or provide personal information, like account numbers, social security numbers, or your date of birth, hang up and call the company back at a phone number you have obtained from a reputable source, such as on your bank statement.
 - Ask for written materials before you commit yourself to any sales offer.
 - Before you send any money, check out the company and its offer with the Attorney General's Office and the Better Business Bureau.
 - Walk away from a "deal" if you are being pressured to make an immediate decision.

Seniors are Targeted for Fraud

It is hard to spot fraud when it is happening. The Federal Trade Commission estimates that consumers lose more than \$40 billion a year to telemarketing fraud alone. And, if you are an older consumer, you are a special target for those offering bogus prizes or selling bogus products and services.

Most seniors grew up in an era when business was done on a handshake; unfortunately, crooks are playing on that trust. Imposters who pretend to be family members in need rely on senior citizens having family members that they love and want to protect.

The economic consequences older people face when defrauded are often devastating. Most seniors in live on a fixed income and more than half of Social Security beneficiaries receive 50% or more of their

income from Social Security. With fixed monthly pension or Social Security checks, it is impossible to replenish bank accounts or money saved for retirement when it is taken by scams.

Con artists use several methods to contact potential victims: phone, mail, door-to-door sales, and increasingly commonly by cell phone and computers. Some scams involve a combination of methods. For example, swindlers may generate leads by mailing or conducting a survey online to gauge interest in a product or service. Consumers who indicate interest are then contacted by telephone or email for a high-pressure sales pitch.

Other scammers already have some of your personal information and pretend to be with a company you do business with to get more information from you. Once they get more information, they can then open an account in your name and make unauthorized purchases.

This presentation identifies common scams that target seniors, identifies the common warning signs of each scam, and provides information to help you thwart the con artists and protect your assets.

DISCUSSION: (Depending on time select the number of scams you talk about)

BEWARE: Common Scams

Scams can be large or small, sophisticated or simple, or come from next door or across the world. But the crooks behind them have two things in common. They want to steal your money and avoid being caught. Below is a list of common scams. Turn the tables on con artists behind them—do not fall for their tricks. Report these scams and their perpetrators to the State Attorney General’s Office.

- **Grandparent Scam**

In a typical grandparent scam, a con artist calls or emails you posing as a relative in distress or as someone claiming to represent the relative (such as a doctor, lawyer, or law enforcement agent). The scammer may frantically tell you a variation of “Grandma, it’s me,” followed by a description of the problem in which they have found themselves (arrested, in an auto accident, in need of a lawyer, etc.). You are then instructed to wire money to the scam artist who claims that the funds will be used for bail money, lawyer’s fees, hospital bills, or other expenses. You are also urged not to tell anyone, such as the parent of the “grandchild.” Many scams rely on money being wired or sent through prepaid cards like MoneyPak or iTunes, and consumers should be wary of any request for these types of payment, instead of using a credit card, which protects consumers in the event of a scam.

- **Fake Check Scams**

Fake check scams—in which fraudsters ask their victims to cash realistic-looking checks and wire a portion of the proceeds back to the scammer before the check bounces—continues to be one of the most frequently-reported scams. There are many variations of the fake check scam, but whatever the pitch, they all have one thing in common: there is *no* legitimate reason for someone to give you money and then ask you to send money back.

- **Medicare Scams**

Navigating the Medicare system is not easy, and some scammers will look for any opportunity to take advantage of the confusion. Commonly, a scammer will claim to be with Medicare and ask for personal information such as Medicare, Medicaid, social security, credit card, or bank account numbers. The victim might be given any number of excuses to provide this information including that an error needs to be fixed, that he or she is part of a survey or eligible to receive free products or can sign up for a new

prescription drug plan. Always keep in mind that Medicare will never call to ask for sensitive personal financial information.

- **Tech-Support Scams**

Tech-support scammers make unsolicited phone calls or use pop-up Internet or cell phone text messages designed to look like warnings to frighten unsuspecting people into thinking their computer or cell phone has been hacked or has a virus. The scammer often pretends to be from a well-known computer or software company and offers to remotely fix your computer for a fee. At best, the “fix” is unnecessary and expensive software. But sometimes, scammers remotely install viruses or programs on your computer that let them steal information stored there, which allows them to commit identify theft. Unsuspecting people who give scam artists their bank account information or access to their computer sometimes find that the fraudster has drained their bank account.

Remember that technology companies do not reach out to consumers directly to sell computer support. If you are unsure whether your computer has a virus or has been hacked, contact a trusted local computer repair store.

- **Investment and Work-at-Home Scams**

Promises of easy money often target older adults because seniors may be looking to supplement their income. The pitch might come in the form of an investment opportunity that promises big returns, or a way to make money at home for an upfront cost. In either scenario, “up front” money is required to make the promised income. Sometimes the consumers receive nothing for the money they send. Other times they receive instructions on how to start an Internet business that is not realistic. Always research any work-at-home opportunity and beware of investment or money-making offers that seem too good to be true or use high pressure sales tactics to get you to sign up immediately. Do not make investments with anyone over the phone. Consult with a trusted financial planner or banker for investment advice. Most importantly, never invest money before thoroughly checking into the offer. Check out any phone or mail investment offers by calling the state Department of Commerce to see if the entity is licensed to do business in your state.

- **Lotteries**

You receive a letter, email, or text message stating that you have won a lottery, sweepstakes, or grant. This good news might quicken your pulse, but do not let it override your good judgment. Sometimes the message instructs you to deposit a check and then wire a portion back to the company to cover “taxes” or “administrative fees.” While the funds will initially show up in your bank account, and everything may seem valid, once the bank discovers that the check is a fake, the money will be removed from your account, and you will find yourself out the money you sent to the company. Other times the message instructs you to send prepaid card information or gift cards in order to obtain your winnings.

When solicitations offer you the chance to win a lottery, they are offering you nothing but the chance to be taken. Watch out for lottery scams by recognizing these sure signs of a losing proposition:

- Telemarketers and/or direct mail solicitations sometimes offer the opportunity to win the Canadian, Australian, or other foreign lotteries.
- You may be told the odds of winning increase when “group purchases” of lottery tickets are made.

- Credit card numbers, checking account numbers, prepaid card numbers, or gift cards are requested.

Foreign lotteries are illegal in most states and violate state and federal laws.

- **Personal and Medical Safety Product Scams**

Aggressive door-to-door salespeople and telemarketers often target senior citizens with the sale of costly and deceptively marketed products by exploiting their fears about their personal or medical safety. Do not be swayed by unknown callers that try to scare you into buying a product, such as selling you an alarm by talking about a rash of burglaries in your city or a medical safety product by talking about medical errors in hospitals. While many people have legitimate medical and personal safety concerns as they age, the best way to deal with these concerns is to seek out reputable companies that offer meaningful products at a fair price.

- **“You Have Won” Calls and Mail**

An excited salesperson on the other end of the phone or an official looking prize notice in the mail claims you have won a prize. Watch out. Often these prize awards have long, and expensive strings attached. You can spot this scam right away if you look for these messages:

- The caller or the mail piece tells you, “You have won a prize.”
- You must purchase a product (like magazines), pay a processing fee, or pay taxes.
- Request a credit card number, checking account number, or a social security number.
- Often your money must be sent by overnight delivery to a company in another state or country.

No matter how appealing, hang up the phone or throw away the mail. Never give out your credit card number, checking account number, or social security number. Make sure you report the call or mail to the Attorney General’s Office.

- **Bogus Charities**

Many charities depend on the generosity and donations of individuals. Unfortunately, some crooks take advantage of that generosity. Charity scams are often well disguised, but may be detected by a few common red flags:

- Exorbitant prices are charged for everyday items (for example: a dozen light bulbs for \$84.99).
- Appeals for contributions are designed to look like bills or invoices.
- Little detail is provided about how the charity operates or where the money goes.
- Heart-wrenching appeals are used with high pressure tactics to force individuals to make quick decisions.
- Elaborate gifts are included with the donation request to guilt you into donating.

Before you part with any money, research the charity. Ask for written information and read it carefully before you give. Find out how your contribution will be used and ask if your donation is tax deductible. Contributions by cash are impossible to trace, so pay by check. If you have doubts about a charity,

contact the Attorney General's Office. Most state laws require that charities be registered with the Attorney General's Office, unless exempt.

Living Trusts

Senior citizens are often targeted by unscrupulous salespeople who prey on seniors' financial fears in order to sell unwanted, unnecessary, and/or unsuitable living trusts, legal plans, and other financial products. Seniors should use extreme caution when approached by individuals trying to sell these types of products.

Living trusts organize your financial affairs and living wills spell out your health care wishes. The two are often confused. Scam artists play on the fact that seniors are not familiar with living trusts, so they advertise presentations at hotels or restaurants or come to your door with information to teach you about financial options, including trusts. Protect yourself. Watch for the following clues:

- A salesperson requests highly personal financial information.
- A salesperson, untrained in the law, says you need a trust or makes misleading statements about trusts such as: "A trust will protect your estate from inheritance taxes."
- Thousands of dollars are charged for boilerplate forms.
- The sales pitch grossly emphasizes the need to avoid probate and grossly exaggerates the costs of probate.

Do not put your financial future into the hands of a door-to-door salesperson. Consult an attorney or financial planner who specializes in estate planning or contact the local senior citizen legal referral program. Do not forget that sales of products sold to you at your home can be cancelled within three business days under most state three-day cooling-off laws.

CLOSING: Falling prey to scammers is not anything to be ashamed of. **BUT** it is certainly something we all can take precautions against. This presentation is full of information to use to protect yourself and others. As a final thought, if you find you have been scammed, immediately call your bank, and financial institutions, and credit card companies and give them the information that you think you are the victim of fraud. Put a stop on your accounts that will limit the amount of money the scammers can get from your account. If your bank account has been accessed or your credit card has been used to fraudulently, call the credit reporting companies and put a freeze or fraud alert on your accounts that will stop anyone from opening a new credit card or taking a loan with your information. REMEMBER, it is not something to be ashamed of or to hide. Be proactive in stopping anymore damage done to your credit. **(Handout included with this presentation—Participant Handout #2)**

*******The other typed handouts are included in the packets the County Council will receive.**

*******The pre-printed handouts used with the presentation can be ordered free of charge from the website address listed on the individual handout.**

Participant Handout #1

Are You an Easy Target for Scammers?

Some of these online behaviors may put you at risk.

By AARP, March 3, 2014

1. Clicking on pop-up ads

- A. Is a safe way to explore new websites.
- B. Can lead you to a potentially unsafe website and possibly ask for personal or payment identification you do not need to give.

2. Opening an email from an unknown sender

- A. Is a good way to meet new people
- B. Could be a scam
- C. Could expose your computer to viruses or malware.
- D. Band C

3. What is a potential danger of selling merchandise through an online auction site?

- A. You might not get paid
- B. You might not be able to sell your item
- C. You might have to pay for shipping

4. If you use an online payment transfer site for paying bills or making purchase, it is better to

- A. Use multiple online payment sites for different purposes
- B. Use only one site for your transactions

5. Responding to an online job posting that seems to be too good to be true can make you a fraudsters target.

- True
- False

6. When a website has a privacy policy or terms of service agreement, it means the site will not share my information with other websites or companies

True

False

7. Banks sometimes send emails asking their customers to click on a link to verify personal information

True

False

Answers: 1. B, 2. D and C, 3. A, 4. B, 5. True, 6. False, 7. False

Participant Handout #2

(From the Federal Trade Commission website)

Credit freezes and fraud alerts can protect you from identity theft or prevent further misuse of your personal information if it was stolen. Learn what they do and how to place them.

Credit Freezes

Who can place one: Anyone can freeze their credit report, even if their identity has not been stolen.

What it does: A credit freeze restricts access to your credit report, which means you — or others — will not be able to open a **new credit account** while the freeze is in place. You can temporarily lift the credit freeze if you need to apply for new credit. When the freeze is in place, you will still be able to do things like apply for a job, rent an apartment, or buy insurance without lifting or removing it.

Duration: A credit freeze lasts until you remove it.

Cost: Free

How to place: Contact **each** of the three credit bureaus — Equifax, Experian, and TransUnion.

Fraud Alert

Fraud alerts are available in different situations and have different benefits.

Who can place one: Anyone who suspects fraud can place a fraud alert on their credit report.

What it does: A fraud alert will make it harder for someone to open a new credit account in your name. A business must verify your identity before it issues new credit in your name.

When you place a fraud alert on your credit report, you can get a free copy of your credit report from each of the three credit bureaus.

Duration: A fraud alert lasts one year. After a year, you can renew it.

Cost: Free

How to place: Contact any one of the three credit bureaus — Equifax, Experian, and TransUnion. You do not have to contact all three. The credit bureau you contact must tell the other two to place a fraud alert on your credit report.

Extended fraud alert

Who can place one: An extended fraud alert is only available to people who have had their identity stolen and completed an FTC identity theft report at IdentityTheft.gov or filed a police report.

What it does: Like a fraud alert, an extended fraud alert will make it harder for someone to open a new credit account in your name. A business must contact you before it issues new credit in your name.

When you place an extended fraud alert on your credit report, you can get a free copy of your credit report from each of the three credit bureaus **twice** within one year from when you place the alert, which means you could review your credit report six times in a year.

In addition, the credit bureaus will take you off their marketing lists for unsolicited credit and insurance offers for five years, unless you ask them not to.

Duration: An extended fraud alert lasts seven years.

Cost: Free

How to place: Contact any one of the three credit bureaus — Equifax, Experian, and TransUnion. You do not have to contact all three. The credit bureau you contact must tell the other two to place an extended fraud alert on your credit report.

Resources

Oregon Dept. Of Justice-Attorney General:

<https://www.doj.state.or.us>

[More Scams & Fraud Resources - Oregon Department of Justice: Consumer Protection \(state.or.us\)](#)

Do-Not-Call List Registration:

(888)382-1222 TTY: (866)290-4236

www.donotcall.gov

Federal Trade Commission:

Consumer Response Center

600 Pennsylvania Avenue NW,

Washington, DC 20580

(877) 382-4357 TTY: (866) 563-4261

www.consumer.ftc.gov

Places to report fraud and or ID Theft:

[Consumer Information | Federal Trade Commission \(ftc.gov\)](#)

Video discussed in the presentation can be found at: ftc.gov/idtheft

Thank you to the Minnesota Dept of Justice and Attorney General Offices for a portion of this material