

FRAUDS, SCAMS, and SENIORS

Winston Salem Police Department
Crime Prevention Unit

What is a Fraud/Scam?

- A deliberate misrepresentation which causes another person to suffer damages, usually monetary
- Intentional deception
- False misrepresentation of fact

Why are seniors more susceptible?

- Money
 - Good credit
 - Equity in home
 - Lifetime of savings
- Polite and Trusting
- Products offer continued independence
 - Can get things done for self
 - Do not need to rely on family/friends
- Age related conditions
 - Memory loss
 - Depression

Types of Frauds/Scams

- Telephone Frauds
- Home Repair Frauds
- Contest/Sweepstakes Scams
- Identity Theft
- Other Frauds/Scams

Telephone Frauds

- **Grandma/Grandpa, It's Me**

- A young caller will call and talk like they are your grandchild. When you ask who it is, they will say, "Grandma/Grandpa, it's me, do you not know who it is?" If you volunteer a name, they will use the name given and say they are in trouble and need assistance. They will ask you not to tell their parent, because of embarrassment and ask for money. Typical loss is \$200-2000.

Telephone Frauds cont.

- **Medicare Discount Drug Cards**

- A caller will offer Medicare drug discount cards with tremendous benefits, then ask for a banking account number so the money for the card can be debited. A card is never received and the caller uses the bank account number to withdraw money for their own benefit.

Telephone Frauds cont.

- **Your Service will be Disconnected**
 - A caller will represent him/herself as a representative of a utility company (phone, power, gas) and claim that your payments are past due and that service will be disconnected if you do not pay in full immediately. They will try to obtain your banking account information or credit card number to make the payment.

Home Repair Scams

- A person representing him/herself as a contractor will offer to repair a part of your home (chimney, driveway, roof), that does not need repairing. They will use devices and items to make you think something is wrong, such as dead wood or worms they got from trees, saying your roof or floors are falling apart or you have bug in your wood. They will use cheap supplies or fake “spray” to make the repairs. Since there is no repair needed, you will not notice a problem with the work. The typical loss is \$1000-\$8000.

Contest/Sweepstakes Scams

- **Oversees Money Transfers**

- Either by fax, email, or regular mail, you will receive a plea from someone in a foreign country. They claim to be high government official and will be wanting to transfer millions of dollars to the U.S. They will offer you 25% of the money if you allow the use of your bank account to receive the money. They will try to obtain you bank account number and use it for their own benefit.

Oversees Money Transfer cont.

- Another version of the above is to say a distant relative of yours in a foreign country has died and left an estate worth millions of dollars. They claim you are the sole heir and the estate needs to be handled quickly. They ask for money to be wired to help pay the estate administration costs, taxes, insurance, etc.

Contest/Sweepstakes Scams cont.

- **Sweepstakes Claim**

- Either by email or regular mail you will receive a notice of winning a sweepstakes. You will be asked to send money to cover the taxes prior to receiving the winning money. You will send the money they requested and never receive any money back.
- Another version is you will receive a check for an amount of money, say \$2500. The letter accompanying the check will ask that you send money back to cover taxes, say \$300. The check sent to you is worthless and you may not find out until a few days later from the bank you try to cash it at.

Identity Theft

- Identity theft is when someone uses another person's personal data in a fraudulent or deceptive way, usually for monetary gain.
- Personal data includes:
 - Name
 - Address
 - Date of Birth
 - Social Security Number
 - Bank Account Number
 - Credit Card Number

Identity Theft cont.

- What can be done with this data:
 - Obtain credit cards
 - Obtain mortgages
 - Obtain car loans
 - Obtain personal loans
- Why people steal other's identities:
 - Can run up debt and not be responsible for it
 - Can get items in other's name that they could not get in their own, such as a handgun
 - Free money and items

Identity Theft cont.

- To help find out if you have become a victim of identity theft and keep a watchful eye to make sure you do not become a victim, get a free credit report from these 3 credit bureaus:

Identity Theft cont.

- Equifax

- Equifax Credit Info Services, Inc
P.O. Box 740241
Atlanta, GA 30374
- www.equifax.com
- 1-800-685-1111

- Experian

- P.O. Box 2104
Allen, TX 75013-2104
- www.experian.com
- (1-888-397-3742)

- TransUnion

- Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281
- www.transunion.com
- 1-877-322-8228

Other Frauds/Scams

- **Woman in Distress**

- Females will approach a house claiming one is about to have a baby or otherwise needs assistance. One will ask to use the phone while the other will ask to use the restroom. While the one is pretending to call someone, the other, instead of using the restroom, is stealing items from the house.

Other Frauds/Scams cont.

- **Phony Police Detectives**

- Individuals will approach a house pretending to be detectives looking for someone. They will say the suspect mentioned that particular house and they will ask to look around. While one distracts you, the other will steal items from the house.

(Police Officers are required to wear a badge AND identification. Do not be afraid to ask to see it or call the local police station to see if detectives are in your area.)

Other Frauds/Scams cont.

- **“Phishing” Scams**

- Emails received looking like they come from a bank. It warns that there has been a problem with the bank security system and they need important account information right away so checks and transactions can be processed. The email may contain a link to another web page where this information can be entered. The email and web page belong to the theft, not a bank
- By phone, an individual will call saying they are a representative of the bank and need your help in catching a teller stealing money. They ask you to withdraw money out of your account to give them to record serial numbers so if the teller steals your money they can catch him/her. Whatever money is withdrawn will go to the theft, not the bank.

(A bank will never ask their clients for help in a security matter.)

Consumer Tips

- **Read the fine print.** Some mailings make you think you are a winner, but do not let words like “congratulations” fool you, there may be conditions on the winnings.
- **Protect your personal information.** Never give away your credit card, bank account number or social security number on an entry form or a telephone solicitor.
- **Be cautious.**
- **NEVER send money to individuals who say you have won a prize.** Any prize that makes you first sent money to cover taxes or other cost is a scam.

REMEMBER

- If you won something, it's FREE...you should never pay for something that you won.
- Taxes on winnings are paid at the end of the year along with everything else, not prior to you receiving the money.
- NEVER give your bank account information or credit card information over the phone if you did not make the phone call.

Source: NC Attorney General

- US Department of Justice
- 9001 Mail Service Center
Raleigh, NC 27699-9001
- 1-919-716-6000
- <http://www.ncdoj.com/>