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Consumer Assistance, Support & Education

Penn CASE is a student organization at the University of Pennsylvania

Spotting Scams: Key Signs

- Cash-only transactions
- Secret Plans: Information is not available to the public or you may not be allowed to talk with family or friends about the “deal”
- Ability to “Get Rich Quick”
- Getting Something for Nothing
- Sense of Urgency
- Last chance to participate
- Left-Over Material: Usually stolen or damaged

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Computer Scams

- **Can you help a foreign prince in need?**
  - Asks for help transferring money from his country into your bank account and you'll get a cut of the cash
- **I've gotten robbed in a foreign country!**
  - Poses as a friend or relative who needs you to wire them money
- **Warning! Your account has been compromised!**
  - Warns you of fraudulent activity and asks you to send account information
- **Danger! Malware!**
  - A scary pop-up warns that your computer has a virus and urges you to buy antivirus software
- **You're the love of my life**
  - You meet someone on social media or a dating site who asks for money to get out of a jam

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How to Avoid Computer Scams

- Do **NOT** respond to emails from people you don't know or didn't expect
- **NEVER** give bank account or credit card information via email
- **NEVER** click a link or download an attachment if you're suspicious
- Find an independent contact number, **NOT** the one listed on the email or website to confirm if it's legitimate
- **BEWARE** of people you meet on the internet, especially if they make excuses why they can't talk on the phone or meet you in person
- **NEVER** send money to people you have not met in person

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Phone Scams

- **Pay up or else!**
  - Someone claims to be from the IRS, a credit card company, or other business and threatens to take you to court or arrest you if you don't pay
- **Help me, grandma!**
  - Claims to be your grandchild or other relative who is either hurt or in dire need of money – but don't tell anyone!
- **Your new card is ready**
  - Calls about your Medicare benefits or claims your new insurance card is ready but needs you to confirm your personal information
- **We're going to shut off your lights!**
  - Threatens that you owe money to the utility company
- **You're a winner!**
  - Claims you have won a prize but need to pay a prize fee
- **Your computer has a virus!**
  - Asks for access to your computer so they can steal your information

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How to Avoid Phone Scams

- **NEVER** send money to someone who claims to be from a government agency or utility company
  - A utility company will always send a shut-off letter first
- **NEVER** send money if someone tells you not to tell anyone you're sending it
  - If a family member is "in distress," create a family code word or verify their story
- Keep your credit card, checking account, and Social Security number to yourself!
- Join the National **Do Not Call Registry** by calling 1-888-382-1222 or by visiting www.donotcall.gov
- Sign up for a free Robocall blocking service like **Nomorobo**

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You Can't Outsmart a Scammer!

- **Do NOT** try to play along or out-smart a suspected scammer
- **Hang up** immediately!
- In playing along, you may accidentally reveal personal information which can be used to trick you or family members in future scams
- Scammers keep track of which phone numbers are live so if one scam doesn't work they may try to con you again with a different scam since they know you will answer
- If they know you will answer, they may also sell your number to other scammers

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Mail Scams

- **JACKPOT!**
  - Be wary of letters claiming you won the lottery or a free trip
- **Help the Needy Scam**
  - Literature soliciting donations for charity is often from fraudsters who want to pocket your money by posing as legitimate organizations, make sure to contact the sender and ask for more information to verify that the charity is real
- **Property Tax Relief Scam**
  - An official looking letter arrives purportedly from your local tax office with your property tax assessment information. It looks official but the information displayed has been copied from public tax records, so call the organization directly to make sure everything is on the up and up

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Door-to-Door Scams

- Home Security Scams: Someone claiming to be from a home security company tries to enter your home, but really they might be trying to steal your things or plan a future robbery
- Home Improvement Scams: An unsolicited contractor knocks on your door offering a free inspection or a discount deal, then they tell you there's damage that needs fixing and swindle you out of your money
- Charity Scams: An earnest-sounding scammer solicits donations for a legitimate (or bogus) charity, or victims of a recent disaster, and then pockets the cash
- To avoid door-to-door scams, make sure not to offer unknown visitors access to your home, request to see contractors' licenses, and when in doubt, keep strangers out!

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Investment Scams

- Because many seniors find themselves planning for retirement and managing their savings once they finish working, a number of investment schemes have been targeted at seniors
- The 5 D's of avoiding investment scams:
  - Don't expect to get rich quick
  - Don't freely give out your personal information
  - Don't be lured by claims of 'insider information'
  - Delete and block spam emails
  - Do your own research
- Before investing, contact the Pennsylvania Department of Banking and Securities at 1-800-PA-BANK-SECURITIES (800-722-2657) to get additional information

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Other Types of Scams

- Work-at-Home: Involves addressing/stuffing envelopes or assembly/craft work yet you might have to pay for all of the supplies
  - Find out exactly what you must do and ***the costs involved***!
- Foreign Lottery: Receive a notice in the mail that you won a prize and may even include a check which is usually fraudulent
  - May ask you to send money which is NEVER needed for a real sweepstakes
  - It is ILLEGAL to participate in a foreign lottery
- Mystery Shopper: Given a check to be a mystery shopper and evaluate a store's service
  - Told you have been overpaid and need to wire back a certain amount of money
  - After you wire the money, you find out the original check was fraudulent
- Travel Scams: May offer sensation deals but have many ***hidden fees*** or awful conditions

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Identity Theft

- Occurs when someone steals your personal information (e.g., credit card or social security number) and uses it fraudulently
- Thieves can hack your computer/email or physically steal information
- Seniors are particularly targeted because they have built up credit over their entire lifetime
- Can't perfectly protect yourself but there are steps to minimize risk
  - You might be a target but you *don't* have to be a victim!

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Protecting Yourself

- Deter:
  1. Keep information secure – don't carry your Social Security card with you!
  2. Don't use obvious passwords
  3. Shred financial documents and credit applications before discarding them
- Detect:
  1. Be on the watch for denials of credit and missing mail or bills
  2. Inspect your credit at www.annualcreditreport.com
  3. Inspect your financial statements for unauthorized charges
- Defend:
  1. Place a fraud alert on your credit (Equifax, Experian, Trans Union)
  2. Close affected accounts
  3. File a police report & contact the Federal Trade Commission (www.ftc.gov)

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Prescription Drugs

- Many consumers, especially seniors, turn to online pharmacies to address rising drug costs
- Under PA law, prescriptions can only be dispensed by a *licensed pharmacy*
- Some websites may promise a "consult" with a doctor but the person may have no medical training
- These websites may sell foreign drugs which are likely to be ***fake*** or ***harmful***
- These websites often feature extremely high ***hidden costs***
- Others ask consumers to ***sign a waiver***, giving up all their legal rights if they become sick – NEVER sign such a waiver

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Deceptive Sales Practices

- Bait and switch: Luring customer with inexpensive item, then trying to sell a more expensive one
- Going Out of Business Sale: Sales conducted under the belief that a store is going out of business when they actually are not
  - State law says once a going out of business sale begins the store *cannot bring in new items* and the sale can only last for *30 days*
  - **Remember:** Products sold at stores going out of business are usually *not returnable* and may not have valid warranties!
- Continuous Sale: Stores may claim goods are always on sale when the "reduced" price is just the actual selling price.
  - Be sure to shop around various stores to compare prices!

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Key Questions to Ask Yourself

- **Is the person really who they say they are?**
- **What's the hurry and why?**
- **If it's free or a prize, why are they asking me to pay?**
- **Why am I "confirming my account information" – or giving it out at all?**
- **Does this seem too good to be true?**

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References

- Information in this presentation was derived from the following sources:
  - *Consumer Protection Rights & Resources for Consumers of All Ages* produced by the Pennsylvania Office of the Attorney General
  - *Anti-Fraud Toolkit* produced by the New Jersey Division of Consumer Affairs
  - *Take Charge – Fighting Back Against Identity Theft* produced by the Federal Trade Commission