



HONORING SENIORS BY PROTECTING THEM FROM SCAMS

by Texas Attorney General Greg Abbott

MAY IS OLDER AMERICANS MONTH, SO THIS IS a good time to reflect upon the greatest generation and redouble our efforts to protect senior Texans.

Con artists and criminals often target older Texans because seniors are more likely to have retirement savings, their own homes and great credit. Scam artists also know older Texans may be less likely to report fraud. In fact, some estimates indicate that only one in 25 cases of financial fraud against senior citizens is reported.

The Office of the Attorney General receives complaints from seniors about a wide array of scams. Here are a few examples:

“Grandparent” scam. The scam begins with a telephone caller who claims to be a grandchild in trouble and in urgent need of money. Often, the caller claims to be traveling in Canada. The “grandchild” also requests secrecy, hoping to increase the odds that the fraud will be successful. If all goes according to the con artist’s plan, the victim wires money to the “grandchild.” By the time the worried grandparent realizes the scam, the money is long gone and most likely not recoverable.

Home repair and door-to-door scams. In one ploy, a “repairman” approaches a home owner, often after a bad storm, and insists that the home needs repairs. Once the repairman gets a check, he disappears without making or finishing repairs. Other times, a “contractor” will approach a senior citizen, saying he has extra materials from

a job and will perform a service, like sealing a driveway, for less than the typical cost. The work, if done at all, is usually substandard. In a variation of these scams, the con artist uses the construction ruse to gain entry into the victim’s home where he steals valuables from the home while the owner is distracted.

Foreign lottery / sweepstakes scams. In this scam, which often originates in Canada, the operators claim that potential victims have won another country’s lottery. The scam artists often claim they need the victim’s bank account information in order to wire the lottery proceeds. Then, armed with the victim’s account number, the thief drains the bank account. In other cases, the scammer claims the victim must pay “taxes and processing fees” in advance to receive their winnings. Sometimes the criminals even send a convincing counterfeit check in an attempt to lend legitimacy to the scam. The counterfeit check is denied by the victim’s bank, but often after the victim has sent the “taxes and processing fees.” Another variation solicits its victims to buy entries into a foreign lottery. Of course, no lottery tickets are really purchased, and the con artists pocket the victim’s money. Anyone with friends or relatives who think they won a foreign lottery should keep this in mind – it is illegal to participate in another country’s lottery.

Investor “free lunch” scams. Senior citizens should also be wary of “free lunch” investment seminars. Potential

investors are often invited to free seminars that promise to educate them on money strategies or management. Promoters provide a fancy meal in hopes of receiving seniors’ retirement savings to invest. These luncheon investment seminars usually are more about recruiting new clients or selling investment products than investor education. Many legitimate investment advisors use this technique to meet and recruit new clients, which is perfectly ethical. However, scam artists and identity thieves also use these events to steal attendees’ personal information. Other salesmen, such as those selling timeshares or vacation packages, may also use these seminars to sell their products.

Seniors should always remember that a good show doesn’t always offer a good deal. Texans should never make an on-the-spot decision after attending a seminar. It is important to conduct independent research about the sales product before making a purchase.

Awareness and vigilance are the keys to avoiding scams. By working together to raise awareness, law enforcement agencies can help Texas seniors protect their finances, their identities and, most importantly, their dignity.

Texans who want more information about fraud or believe they have been targeted for these or other scams can contact the Office of the Attorney General at (800) 252-8011 or online at www.texasattorneygeneral.gov.

POINTS TO REMEMBER



OLDER AMERICANS MONTH

Five warning signs of a scam:

- Telephone, e-mail or door-to-door solicitations from strangers
- Attempts to collect personal information, such as Social Security and bank account numbers
- Promises of sweepstakes, lottery and other unexpected prizes
- Demands for up-front cash payments
- Requests to wire money overseas or to deposit a cashier’s check

PhoneBusters

Canadian Anti-Fraud Call Centre
(888) 495-8501
www.phonebusters.com

Federal Trade Commission

(877) FTC-HELP
www.ftc.gov

Office of the Attorney General

(800) 252-8011
www.texasattorneygeneral.gov



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