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Developed by:



Senior Wellness Series

Avoiding Consumer Fraud

FACT SHEET 10-04

University of Nevada
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Avoiding Consumer Fraud



“You’ve won a free trip! This opportunity won’t last so act now!” Sound familiar? These are typical ploys used on unsuspecting consumers in an effort to steal their money. **Each year Americans lose \$100 billion to consumer fraud and more than 30 percent involve victims over age 65.** Con artists are always developing new telephone and door-to-door scams. Fraudulent scams are also solicited through the mail, Internet, television, magazine or newspaper advertisements.

Why do con artists target older adults?

- ▶ **Loneliness.** Older adults who have lost friends or have out-of-town family may be more receptive to conversations with friendly salespeople.
- ▶ **Problems in vision and hearing** make it harder to read contracts and literature or harder to hear the salesperson.
- ▶ **Illness** may be a motivator in looking for miracle cures or low-cost health care.
- ▶ **Limited income** or a possibility of **large amounts of cash on hand** can make seniors vulnerable.
- ▶ **Retired people may be home more often** making them more available as targets than younger adults.
- ▶ **Some older adults may be more polite, trusting or eager to help strangers.**

What are some common methods of fraud?

- ▶ **Mail:** **Seniors account for 26 percent of all mail fraud victims with a 60 percent victim rate in the areas of prize offers and sweepstakes.** Most mail scams work because people don’t recognize them as fraudulent until it is too late.
- ▶ **Telemarketing:** Many products marketed over the telephone come from “boiler room” sellers who use high pressure sales techniques to scam callers. Common scams include 900 number or mystery phone charges, request for false charitable donations, unauthorized billing/automatic debit charges, impersonating a familiar organization to solicit, lotteries, business opportunities, travel or credit offers.
- ▶ **Door-to-Door:** These scams often use fraudulent sales practices and frequently include home repair, magazine subscriptions or “students” raising money for fake school projects. Aside from the scam, these solicitors may also want access to your home to commit other crimes like theft.
- ▶ Growing **Internet** abuses include: deceptive Internet sales/companies, fake Web sites, official looking e-mails (“phishing” for your personal data) and intrusion by hackers.
- ▶ Health fraud scams (health quackery) can involve dietary supplements, insurance, medical discount services, devices or treatments.
- ▶ Other methods include pyramid or work-at-home schemes, investment swindles and recovery scams.



Don't be scammed!

AARP research has shown that many older fraud victims are intelligent people who are lured by false promises of great deals or by ways to add to their "nest egg."

Scam artists target seniors relentlessly, sometimes with 20 telemarketing calls a day and a dozen sweepstakes mailings every week. They take advantage of the fact that it can be difficult for consumers to tell if a salesperson or scam is legitimate and that they want to believe it is true— who wouldn't want to win a million dollar lottery?



- ▶ If you never buy from, invest in, or donate money to any organization or person contacting you by phone, at the door or through the mail you will never lose any money to these types of scams.
- ▶ Learn to say "No!" and mean it.
- ▶ Don't listen to sales pitches. These con artists are good at their job— taking your money— so the longer you allow them to talk with you, the more chances they have to get you to say "yes."
- ▶ Recognize typical ploys used by con artists: "Act now...This opportunity won't last... Guaranteed winner...No obligation..." They are insistent, offer promises, make demands and often imply they are with a well-known company to trick you.
- ▶ *Never* give out credit card, Social Security or bank account numbers for verification or identification.
- ▶ Consider screening your phone calls and hang up immediately on telemarketers.
- ▶ Be careful with door-to-door contacts. It is your right not to answer the door.
- ▶ On the Internet, be cautious of e-mails asking for bank or credit card information, e-mail attachments from unknown sources and shop with secure, reputable Web sites, use an anti-virus software for added protection and immediately report any problems.
- ▶ Remember the saying: **"If it sounds too good to be true, it probably is."**

▶ If you decide to talk with a solicitor, have a game plan for avoiding fraud:

Set a rule giving yourself a minimum amount of time (such as 48 hours) to think over purchases, investments or donations before committing to them. Ask to receive more information in writing. Discuss offers and investment opportunities with a trusted advisor like a family member or your attorney. Research the organization with other sources before you make any financial commitments.

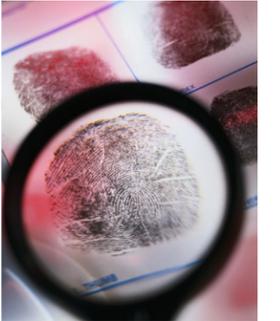


Identity Theft

The Federal Trade Commission estimates as many as 9 million Americans are victims of identity theft each year. The loss to business is estimated at \$50 billion/year. Consumers spend countless hours and money to rectify the damage done to their good name and credit.

Identity theft occurs when a thief obtains personal and/or financial information about you and then uses it without your knowledge to commit fraud or other crimes. This information can include your name, Social Security or credit card number and is stolen by skimming your credit card, online phishing or simply stealing your purse, wallet or mail. Unfortunately, **more than 50 percent of victims did not know their identity had been stolen** until the damage had already been done.

If you are a victim, file a police report, contact creditors, dispute charges, request a fraud alert from the credit agencies and file a complaint with the FTC.



For more information, see the Senior Wellness Series, *Identity Theft: Protect Yourself*.

Consumer Fraud Resources

- ▶ To reduce the number of telemarketing calls register for free with the *FTC's National Do Not Call Registry*. Contact: (888) 382-1222 or www.donotcall.gov.
- ▶ You are entitled under federal law to receive a *free credit report* from each of the three credit agencies. Contact: (877) 322-8228 or www.AnnualCreditReport.com.
- ▶ To receive less commercial advertising mail register for the *DMA's Mail Preference Service* (\$1 fee). Contact: (212) 768-7277 or www.dmachoice.org.
- ▶ To "opt-out" of pre-approved credit offers contact: (888) 567-8688 or www.optoutprescreen.com.
- ▶ Federal Trade Commission: (877) 382-4357 or www.ftc.gov.
- ▶ Credit reporting agencies: Equifax, (800) 525-6285; Experian, (888) 397-3742; and TransUnion (800) 680-7289.
- ▶ In Nevada: *Better Business Bureau of Southern Nevada*, 320-4500; *Nevada Attorney General*, 486-3420; <http://FightFraud.nv.gov>.