

**AARP
FRAUD
PREVENTION
HANDBOOK**

**FRAUD
WATCH**
NETWORK
AARP Real Possibilities

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Fraud

[frawd]

noun.

Fraud involves using deception or misrepresentation to cheat a person out of money or property.



Approximately 15 million people are victims of identity theft every year—that's one person every 2 seconds.



KEEP YOURSELF SAFE WITH HELP FROM OUR EXPERTS

AARP and “Investigator of the Year” Audrey Moy teamed up to create this go-to companion on how to protect yourself from common types of fraud. It uncovers the strategies that scammers use and provides resources to help you defend yourself against their tricks.



Audrey Moy is a former investigator at the San Francisco District Attorney’s Office and the recipient of the State of California’s inaugural Investigator of the Year award in 1987—and a member of AARP. She remains active in making her community a safer place, applying her years of experience and expertise to help educate others. Audrey offers simple tips and guidance to this Fraud Prevention Handbook—to help people protect themselves against identity theft and fraud.

FIGHTING FRAUD STARTS WITH PREVENTION

Scams can be complicated and involve many people, which can make it difficult to catch and convict criminals. This is why personal prevention is your most crucial tool in combatting fraud.

AARP: A HISTORY OF SAFEGUARDING AMERICANS' FINANCIAL SECURITY

AARP began over 50 years ago when its founder, Dr. Ethel Percy Andrus, discovered a retired teacher had been living in a chicken coop. Appalled that someone who worked her whole life couldn't afford a place to live in, Dr. Andrus founded AARP to protect the financial security of older Americans. Fighting identity theft and fraud is part of that core mission.



SPOTLIGHT ON: HOW CON ARTISTS WORK

For con artists, schemes and scams are games they play on people—and winning is the acquisition of someone else's money or valuable possessions. Every con game has three moves:

1. An approach designed to determine the victim's willingness to stop and listen to the pitch or whether the victim possesses enough money to make the theft worthwhile.
2. An offer for something for nothing or an appeal based on superstition.
3. Getting the victim to physically exhibit the money. The victim will then be relieved of his or her money using various techniques, the most common of which is the swapping of envelopes, wallets, or other personal items.

"THREE Gs"

Con artists make money by deceiving and cheating people. They often do this by taking advantage of these human weaknesses:

Gullibility

It's often in our nature to want to believe what other people tell us. Scammers try to take advantage of people's trust in order to trick targets out of their money.

Goodness

Unfortunately, some scammers target the kindness of others by gaining their friendship and trust.

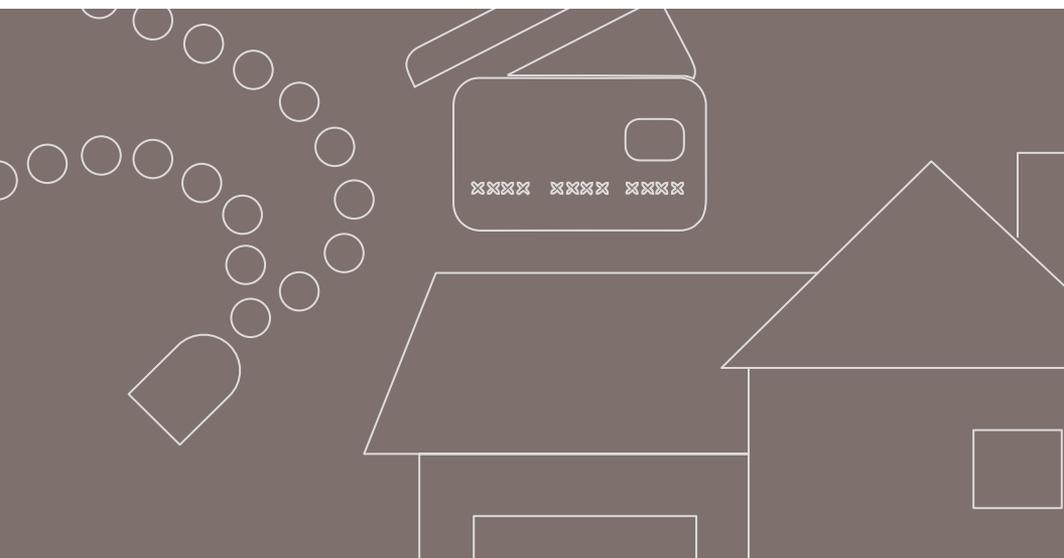
Greed

Scams like get-rich-quick schemes or fake investments attempt to trick targets with the promise of wealth.



COMMON SCAMS AND HOW TO PROTECT YOURSELF

Con artists can be very adaptable and tailor the details of their scams, but many of their basic formulas and tricks do not change. Knowing how they work can help you avoid falling for their claims. If something sounds too good to be true, it probably is.



BLESSING SCAM



Blessing scams appeal to people's superstitious beliefs. They first appeared in China and have seen a rise in the United States in recent years. Posing as a fortune-teller, the scammer will say that he or she can sense a curse on the target or a member of the target's family. The scammer then offers to perform a ritual to drive evil spirits away. The target is told to bring a bag of money or jewelry to be blessed during the ritual, which then gets switched with another bag that's filled with useless objects like plastic bottles. As part of the scam, the target is instructed to wait for a certain period of time (days, weeks) before opening the bag, which allows the scammer to get away with the switch.

HOW TO PROTECT YOURSELF

- If someone tells you that a family member is in danger, make sure right away that your family is safe. Call them or contact them to ensure their safety.
- Be careful of what you discuss in public. The more crooks know about you, the easier it is for them to act as friends or experts.
- Know that some people posing as psychics or fortune-tellers may use superstitions to scare you when in fact they don't actually have higher powers.
- Always confer with people you trust. If someone you don't know wants you to bring them valuables, discuss it with your family before acting hastily.

GOLD SCAM



Like blessing scams, gold scams have become prevalent within the Chinese American community. Usually, a scammer approaches a target claiming that he has come upon valuable gold coins or antiques, intending to sell them for a cheap price. He may even send a piece of real gold to have it confirmed.

HOW TO PROTECT YOURSELF

- Take time to consider offers and deals and research online to see if they are listed on scam watch websites.
- Discuss with family or someone you trust before giving away any money or information.

IMMIGRATION SCAM



A scammer might place an advertisement in the newspaper or online offering to provide legal advice, help with paperwork, or other tasks involved in the immigration process. The scammer usually asks for an upfront fee, takes the money, and disappears immediately.

HOW TO PROTECT YOURSELF

- Work only with people who are authorized by the government to help you. Real government website URLs should have .gov domains.
- Always verify the person's credentials. You should call the appropriate government agency and confirm that whomever has contacted you is a legitimate representative.
- Don't let anyone keep your original documents, like your birth certificate or passport.
- Never pay for blank government forms or sign a form that either isn't filled out yet or that you don't understand.
- Keep a copy of every form you submit and every letter from the government for your own records.
- Avoid notary publics for legal advice. They are not licensed lawyers and cannot talk to government agencies on your behalf.



SPOTLIGHT ON: PICKPOCKETS

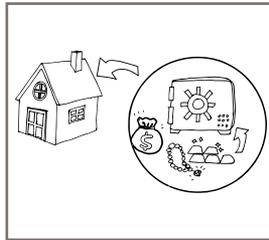
Pickpocketing is one of the oldest and most widespread crimes. It can be done anywhere, with little preparation. But do not fear—you can better secure your belongings.



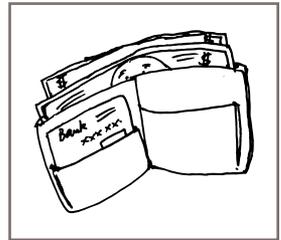
Put wallets in your front pocket



Close the zipper on your purse and hold it in front of your body



Keep valuables at home in a safe place



Only carry the amount of cash that you need for the day

THE "THREE Cs" OF PICKPOCKETS

C*rowds* are where pickpockets like to work—places like stores, restaurants, buses, and large events.

C*oncealment* is necessary for pickpockets to be successful. Pickpockets hide behind crowds or use a coat or newspaper to conceal items to be stolen.

C*ontact* with objects is necessary for theft. Pickpockets look down at purses and wallets instead of making eye contact with others.

PIGEON DROP SCAM



In this classic scam, a scammer claims that he has found money and wants to share it with a target. He may have other people in on the scam who all visit a fake attorney. The attorney tells them that the money must be held for a few months before they can claim it. To prove good faith, the target puts down some money, which is never seen again.

HOW TO PROTECT YOURSELF

- Do your research to make sure any legal advice that you may seek is from a certified professional.
- Consult with your bank, a lawyer, or someone you trust before you buy into an offer.

CHARITY SCAM



Some scammers might use a natural disaster or current event to appeal to their target's emotions. Setting up a fake charity, they solicit generous contributions using standard methods to collect "donations."

HOW TO PROTECT YOURSELF

- Ask questions about the charity and check to see if it's registered with the Better Business Bureau or respective state government unit.
- Never send cash, wire money, or let someone visit your home.
- Make sure the charity is legitimate. If a charity claims to be an affiliate, contact the main organization to confirm.

BANK EXAMINER SCAM



Always contacting targets by phone, a scammer will pose as a police officer or bank examiner asking for assistance in a crime investigation. This crime investigation specifically entails trying to catch a bank employee who is alleged to

be stealing from the bank, enticing the target with a potential reward for their help. The scammer asks the target to withdraw money and then turn it in to be inspected in exchange for a fake receipt. The scammer then disappears.

HOW TO PROTECT YOURSELF

- Know that bank examiners or officers or law enforcement officials never ask to use your money in an investigation, nor do they call you by phone or visit you at home to ask for your participation in this type of investigation.
- Always ask to see ID of anyone who claims to be a law enforcement representative and call the bank to verify and confirm whomever approaches you is exactly who they allege to be.
- Do not draw cash out at the suggestion of someone you do not know. Never share money or personal information before discussing it with someone you trust.

IRS SCAM



This scam often begins with a scammer posing as an IRS agent and calling a target on the phone. He will claim that the target owes back taxes and the only way to avoid large fines or jail time is to wire, send, or transfer money in a quick and untraceable way.

HOW TO PROTECT YOURSELF

- Do not provide any information to a caller claiming to be from the IRS. If you receive a call like this, hang up.
- Know that the IRS never calls people about back taxes. Direct notification from the IRS is typically done through mail, though new versions of this scam use fake contact via U.S. mail.
- Always double check with the IRS first to confirm that you do not have unpaid taxes. You can call the IRS at 1-800-829-1040.



SPOTLIGHT ON: IDENTITY THEFT

Identity theft involves the use of someone's information to open bank accounts, take out loans, or commit crimes without his or her knowledge. It can be done from anywhere. Identity theft can be hard to catch before it has already taken place.

Scammers may use a variety of methods to carry out the crime, but you can reduce your risk with these safety precautions.

AVOID IDENTITY THEFT WITH THE "FIVE Ss"

S*eal your lips.* Never give away personal information to someone over the phone or online and avoid discussing finances in public.

S*ecure your personal documents* in a safe place. Make sure your mailbox has a lock and keep an eye on your purse and belongings in public. When using PINs at pay machines, make sure no one else can see them.

S*hred account statements*, cancelled checks, bills, paycheck stubs, receipts, and other documents that contain personal information before throwing them away.

S*uspect other people's motives.* Scams come in many forms, and scammers can appear to be trustworthy professionals or friends. Never judge someone by his or her appearance. Avoid any request for personal information from an unknown source or contact unless verified.

S*crutinize receipts*, credit card statements, and your bank account for suspicious transactions regularly. Always keep a copy of documents for your records.

TELEMARKETING SCAM



Most telemarketing scams involve offering targets highly attractive deals like vacations, trial offers, loans, or subscriptions that end up having hidden fees. A scammer may pose as a charming salesperson, making small talk and claiming to work for a reputable company.

HOW TO PROTECT YOURSELF

- Never give someone your credit card number, bank account number, or Social Security number. If they pressure you, they could likely be a scammer.
 - Remove your phone number from telemarketer lists by calling the National Do Not Call Registry at 1-888-382-1222.
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AUTOMOBILE SCAM



A scammer may place a fake advertisement for a car with a resale price well below market value. He then tells prospective buyers that the car is outside of the country and will be shipped when they wire payment. Once this happens, the scammer disappears.

HOW TO PROTECT YOURSELF

- Never trust a seller or buyer who says the transaction is guaranteed by eBay, Craigslist, PayPal, or other online marketplaces. It does not mean the seller is legitimate. Only purchase a car that you have seen in real life and has been inspected by a professional.
- Never wire money or use a bank-to-bank transfer to purchase a car.

HOME INVASION SCAM

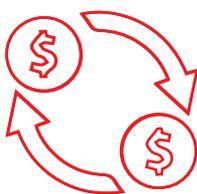


A scammer may show up unannounced, posing as a solicitor or claiming that the target needs car or home repairs. Once the scammer is inside the house, he may find an excuse to go to other rooms in order to steal valuables.

HOW TO PROTECT YOURSELF

- Ask to see ID and the business license of anyone who claims to be a professional and verify legitimacy with the Better Business Bureau. Professional contractors are required by law to be licensed—call the company to confirm the individual is an employee.
- Always get a written estimate for repairs. Never pay cash.
- Do not allow or invite anyone you do not know into your home. If you are suspicious about someone, call 911.

MONEY TRANSFER SCAMS



One of the most common features of scams is money transfer. By mail notice, email, or phone call, a con artist will coax you into sending money to them. And once you do, it's nearly impossible to track it or get it back. Some scams using money transfers include:

- **Prizes.** You won a prize! But in order to claim it, you have to pay “taxes” on it.
- **Help!** A family member is in trouble and needs your help in the form of monetary aid.
- **Inheritance.** A distant relative has passed away and, as the closest surviving family member, you have inherited a large sum of money.
- **Too much money.** You have received a check for too much money, and you need to send back the overage.

Con artists continue to add new twists to old schemes and can pressure you into sending money for a variety of reasons. Be wary of different approaches that involve money transfers.

HOW TO PROTECT YOURSELF

- Investigate all requests for money. If someone you do not know asks you to send a money order, it is a red flag that you are being conned.
- Know that you never have to pay for a prize. Any prize that requires payment in order to be claimed is a red flag that you are being conned.
- Confirm with your family regarding any relative who allegedly has passed money on to you in the form of inheritance. Does this distant relative exist?
- Always make sure that your family is safe. If someone claims that a family member is in danger or need of help, immediately contact them to confirm they are all right.
- Verify any claim that you have received a check for an amount that is too much. Bring the check into your bank to have it confirmed.

THE AFTERMATH OF FRAUD

If you believe that you're a victim, the first step is accepting your situation. There's no need to blame yourself—scammers are experts at tricking and deceiving people, and it can happen to anyone. There are many ways to get back on track and maybe even bring the criminal to justice.

Notify the police or your local district attorney fraud unit. Contact your bank, Medicare, and Social Security if those areas are at risk. Unfortunately, if you lost money, it's most likely gone. But you should still file a report. It's the only way to catch the criminals and prevent others from being victims.

Report fraud and get personal support or referral services by calling the AARP Fraud Fighter Call Center at 1-877-908-3360.

**FRAUD PREVENTION
RESOURCES**

AARP ElderWatch

1-800-222-4444, option 2
www.aarpelderwatch.org

Better Business Bureau

www.bbb.org/scam-stopper

Consumer Financial Protection Bureau

1-855-411-2372
www.consumerfinance.gov

District Attorney

Find your local District Attorney's office at:
en.wikipedia.org/wiki/List_of_district_attorneys_by_county

Eldercare Locator

1-800-677-1116
www.eldercare.gov

Federal Trade Commission (FTC)

1-877-438-4338
www.consumer.gov

Financial Industry Regulatory Authority (FINRA)

1-800-289-9999
www.finra.org/complaint
www.finra.org/fileatip

Internet Crime Complaint Center

www.ic3.gov

Major Credit Bureaus

- **Equifax**
1-888-766-0008
www.equifax.com
- **Experian**
1-888-397-3742
www.experian.com

- **TransUnion**

1-800-680-7289

www.transunion.com

「 To get your free annual credit report,
call 1-877-322-8228 or visit
」 www.annualcreditreport.com.

National Association of Insurance Commissioners

1-866-470-6242

www.naic.org

National Do Not Call Registry

1-888-382-1222

www.donotcall.gov

National Fraud Information Center

1-800-876-7060

www.fraud.org

State Attorney General

National Association of Attorneys General

202-326-6000

www.naag.org

State Securities Regulator

North American Securities Administrators Association

202-737-0900

www.nasaa.org

Social Security Administration

1-800-269-0271

www.ssa.gov

U.S. Postal Service Office of Inspector General

1-888-877-7644

www.uspsoig.gov

U.S. Securities and Exchange Commission

1-800-732-0330

www.sec.gov

www.investor.gov

The AARP Fraud Watch Network provides tips and information about how to protect yourself and your family. Stay fraud smart with AARP's Watchdog Alerts, learn about con artists' latest tricks, and find out what to do if you've been victimized. Learn more at aarp.org/fraudwatchnetwork.

AARP Fraud Fighter Call Center

Talk to AARP volunteer Fraud Fighters for personal support, to report fraud, and to get referral services. Call toll free at 1-877-908-3360.



Real Possibilities