

Scams

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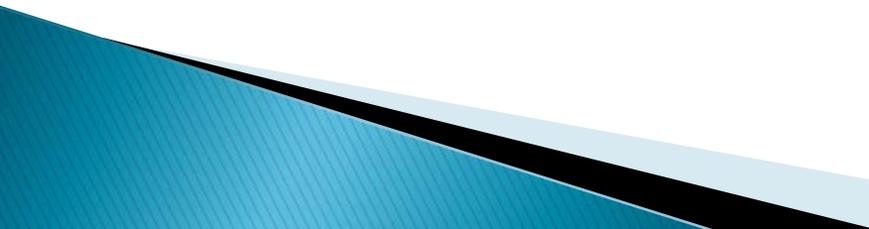
About SCDCA

- ▶ Licenses several types of businesses – such as pawn shops, mortgage brokers, consumer credit counselors, physical fitness facilities
 - ▶ Handles consumer complaints (7,000+ annually)
 - ▶ **Cannot** handle complaints against government, individual v. individual, business v. business
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Why are the elderly targeted?

- ▶ More likely to have nest eggs
 - ▶ Trusting
 - ▶ Less likely to report fraud: don't know who to report to, ashamed, worried that relatives will think they cannot handle own affairs
 - ▶ By the time they realize the scam, their memory may be fuzzy
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Fake Emergency

- ▶ In this con, someone phones you anonymously and asks, “Do you know who this is?” They hope you will think it is a friend or relative.
 - ▶ Then the caller claims to be in jail or in desperate need of cash. Many people have been tricked into wiring money to a “grandson” or “granddaughter.”
 - ▶ Or – Email from friend – travelling and needs help
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What To Do

- ▶ Never volunteer information to someone who calls you on the phone.
 - ▶ Hang up on people who will not identify themselves.
 - ▶ Before you wire money, check with other family members to make sure there is a legitimate emergency.
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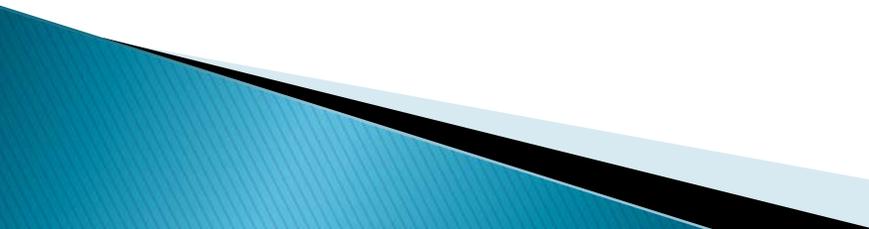
Home Improvement Scams

- ▶ Door-to-door con artists pressure and even intimidate homeowners by telling them that they need urgent home improvements such as driveway paving, painting, roofing or siding repair.
 - ▶ Then they perform shoddy work, fail to complete it, but still try to collect their money, even demanding more than the homeowner had agreed to pay. If the consumer protests, they threaten to foreclose on the home.
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What To Do

- ▶ Work only with licensed and insured contractors. Call your state contractors' licensing bureau to verify that the company is licensed, and ask the contractor to provide proof of insurance.
 - ▶ Check customer references.
 - ▶ Get other bids for the work. Always keep a copy of the contract in a place you will easily find it.
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Nigerian Scam

- ▶ This old scam used to arrive by letter but now it comes via e-mail.
 - ▶ The sender outlines a tale involving large amounts of money they can't access and asks you provide your bank account number so that you can help them obtain the money.
 - ▶ In return they promise you a cut. This is a total fraud.
 - ▶ Variations: you won a lottery; you inherited money
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What To Do

- ▶ Never respond to an unsolicited e-mail asking for your bank account number.
 - ▶ Never provide your financial information to someone you do not know.
 - ▶ Hit the delete button immediately.
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Phishing

- ▶ This term is used for e-mails—which often appear legitimate—that claim to be from your bank, a reputable business or a government agency.
 - ▶ The e-mails ask you to “confirm” your account number and online passwords, warning that your account is in danger of being closed or that you may be a fraud victim.
 - ▶ People who have responded to such e-mails have had their accounts wiped out.
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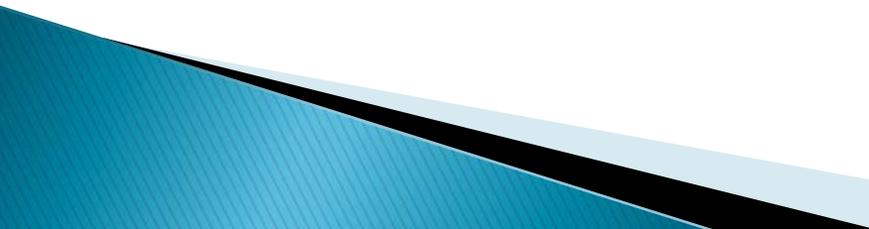
What To Do

- ▶ Legitimate companies never send e-mails asking for account information.
 - ▶ If you receive such an e-mail, bearing the name of your bank, call your bank to report it. Or – call the named business.
 - ▶ Never, ever hit “reply.” Delete the message immediately.
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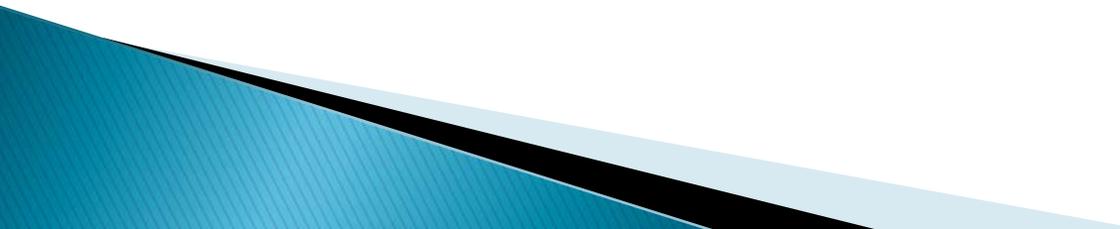
Fake Check Scams

- ▶ Crooks often scan want ads looking for victims. A crook might answer the ad and offer to pay you using a “cashier’s check” for an amount greater than the sales price.
- ▶ Then you are asked to wire the remainder of the money back to them or to give the extra money and the merchandise to a “shipper.” The check turns out to be a fake and you lose the merchandise and the money.
- ▶ They provide an advance on your lottery winnings – you cash the check and send money for taxes and fees

What To Do

- ▶ Be suspicious if someone wants to give you a check for more than you are actually owed if they are purchasing something from you.
 - ▶ Inspect all cashier's checks carefully and call or visit the bank it's drawn on to verify that the check is valid.
 - ▶ Look up the bank online or in the phone book because contact information printed on the check might be bogus.
 - ▶ If you cash the check, the bank will come after you!
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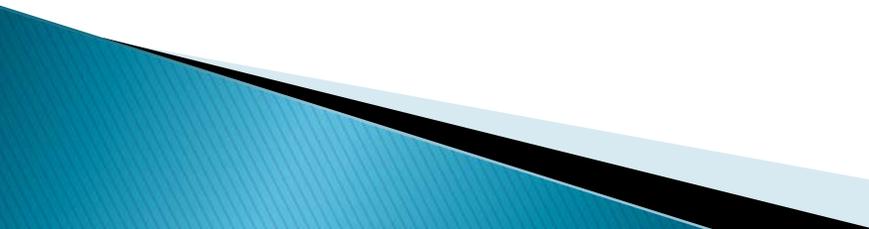
Fraudulent Billing

- ▶ Seniors are often targeted by unscrupulous service people or contractors who seek more money than they are owed by using double billing and other tricks.
 - ▶ They may lie and say that you forgot to pay them when you know that you paid them in full, or they may charge you for work that you never authorized.
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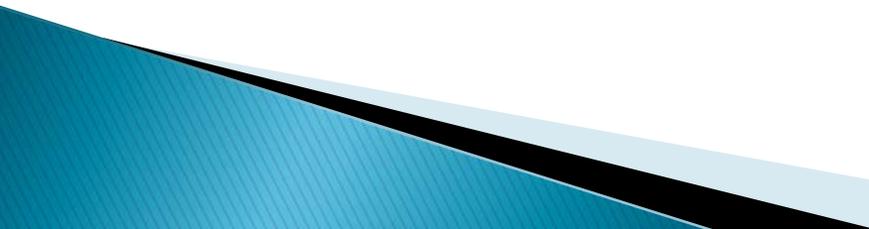
What To Do

- ▶ Get written estimates of repair costs, make notes of what you've paid and ask for and keep receipts.
 - ▶ Pay by check or credit card so you have a record of your payment.
 - ▶ Check the reputation of repair people with the Better Business Bureau and LLR before you enter into an agreement.
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Travel Scams

- ▶ Fraudulent travel offers come by mail, phone, fax and e-mail. Some advertise cheap trips but pad the deal with hefty fees.
 - ▶ You might be offered a three-star hotel but find yourself in a dump.
 - ▶ Many travel freebies come with the obligation to sit through high-pressure time-share pitches. Some promoters are crooks who take your money and run.
 - ▶ Very few of the trips are refundable, despite the claims of the promoters.
 - ▶ Travel clubs and time shares: beware
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What To Do

- ▶ You can spot a fraudulent travel offer by its rock-bottom prices and high-pressure sales tactics. Before buying travel packages, get the offer in writing and check out the company with the BBB and SCDCA.
 - ▶ Always use a credit card to purchase travel—that way if something goes wrong you can dispute the charge with your card company. (Never give your credit card number to someone who calls you on the phone.)
 - ▶ NEVER be pressured into buying anything
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Utility Worker Scam

- ▶ Worker claims to be from electric or gas company
 - ▶ Uses excuse to get inside the house
 - ▶ Takes property while homeowner is distracted
 - ▶ Or – “recommends” work that doesn’t need to be done
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What To Do

- ▶ Never let someone you don't know inside your house
 - ▶ Lock your front door if they take you to the back yard
 - ▶ Call the company (use phone book to get the number) to see if the person is who they say they are
 - ▶ Get a second opinion before paying money for repairs and before signing any contract
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Dating Issues

- ▶ Some businesses charge fees to “find someone” for you
- ▶ Hefty price tags – smooth sales pitch
- ▶ Online scams – your “soul mate” emails and convinces you to cash checks for them

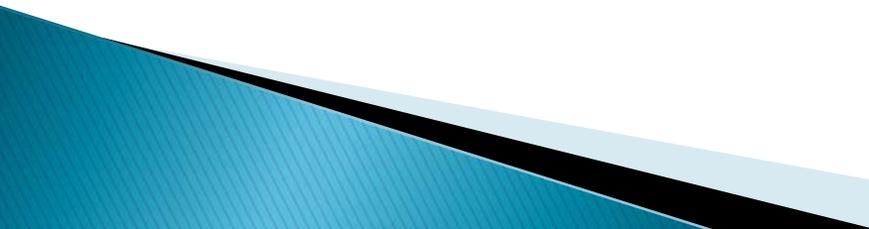
What To Do

- ▶ Most contracts are binding – so be sure BEFORE you sign that you can “afford” it
 - ▶ DO NOT cash checks for anyone you do not know!
 - ▶ DO NOT wire money to anyone!
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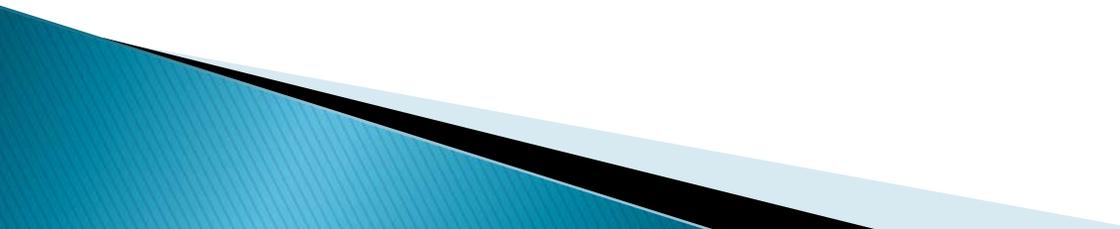
Final thoughts (part 1)

- ▶ **NO** three day right to rescind contracts. You are obligated under the contract the minute that you sign it.
 - ▶ **READ** the contract before you sign it – and make sure that all blanks are completed. Get a copy of all papers that you signed.
 - ▶ Make sure any oral promise is in writing.
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Final thoughts (part 2)

- ▶ Don't be afraid to say no.
 - ▶ You don't have to talk to telemarketers — hang up if you are uncomfortable or you don't trust the caller.
 - ▶ Don't give in to high-pressure sales tactics.
 - ▶ Call the police if you feel threatened.
 - ▶ Don't reveal your credit card, bank account or Social Security numbers to unfamiliar companies or people.
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Final thoughts – really!

- ▶ Get the details of all deals in writing.
 - ▶ Take time to think!
 - ▶ Research the company and ask questions BEFORE you give money to anyone!
 - ▶ If it sounds too good to be true, it probably is.
 - ▶ If someone wants an answer right now, say no!
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For more information:

- ▶ South Carolina Department of Consumer Affairs
 - ▶ www.consumer.sc.gov
 - ▶ 800-922-1594
 - ▶ Sign up for fraud alerts. Follow us on Twitter, like us on Facebook. Watch our YouTube channel.

 - ▶ Federal Trade Commission
 - ▶ www.consumer.ftc.gov
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