

FINANCIAL SCAMS 101: WHAT EVERYONE SHOULD KNOW



THEME

“IF IT SOUNDS TOO GOOD TO BE TRUE, IT
PROBABLY IS...”



WHY DO IT?

**BETWEEN TWENTY AND FORTY
BILLION DOLLARS PER YEAR**

FOUR PART PRESENTATION

- Common Financial Scams
 - Common Sense Ways to Protect Yourself
- Common Schemes/Scams in Grand Traverse County
- The Legal Process
- Questions & Answers



NEW TRICKS

- Using Smartphones to take pictures of wallets, checks, IDs, etc.
 - Pretend to be surfing the web, but they're stealing your identity.
- iTunes cards and regular gift cards now being used instead of MoneyGram, Western Union, etc., as those companies try to crack down.
- Craigslist/Person-to-Person Sales

NEW TRICKS

- Dating Websites
- 'Smishing'
 - Cell phone scams

BUT...

STILL SEEING THE OLD SCAMS WORK...

HEALTH CARE/MEDICARE FRAUD

- Perpetrator will pose as a representative from Medicare.
- They will ask for personal information, claiming that the victim's file needs to be updated.
- They will often use fear/threats.
 - May call near the end of a month and say that the victim's benefits will be cancelled/lost unless the victim provides the information. "You seem very capable and I'd hate to see you lose your benefits..."



HEALTH CARE/MEDICARE FRAUD

- The information can be used to steal victim's identity.
- The information may also be used to claim phony services from Medicare—perhaps without victim's knowledge.
- Most often, this is a telephone scam.
 - But using email is also common.



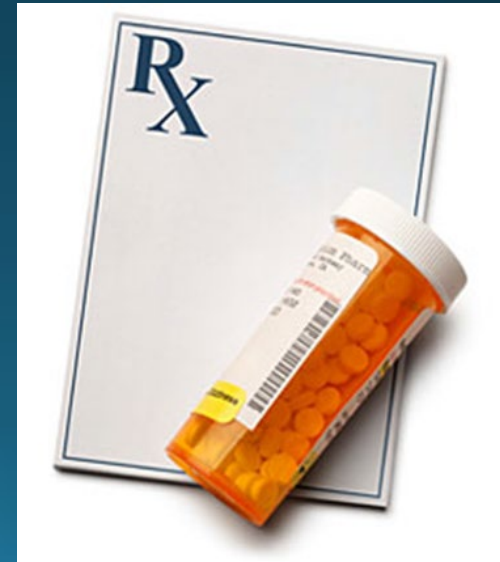
HEALTH CARE/MEDICARE FRAUD: WAYS TO PROTECT YOURSELF

- Government agencies will not contact you by telephone.
- Never sign blank insurance document/blanket authorization to bill for services rendered.
- Only give your medical information to reputable people who actually provide services.



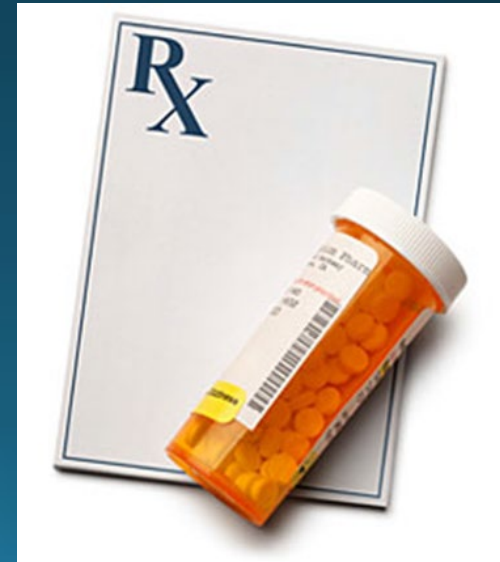
COUNTERFEIT PRESCRIPTION DRUGS

- Usually, this is an internet/email scam.
- Promises of lower prices...
- But, fake pills or incorrect/different pills will be sent to you.
- And, of course, the money is long gone.



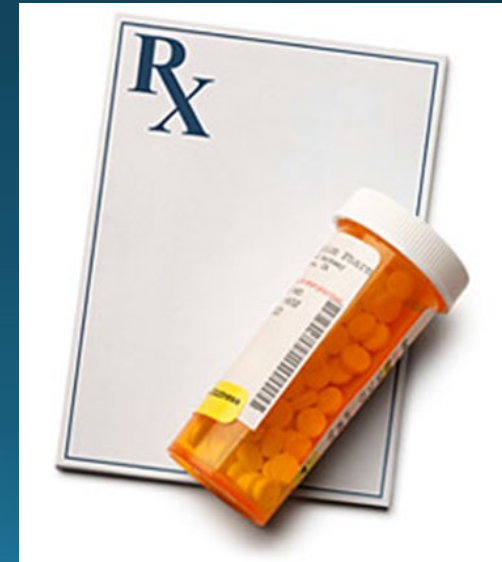
COUNTERFEIT PRESCRIPTION DRUGS

- Beyond the money, a potentially more serious result:
 - Ingesting unknown (unsafe) substances or the wrong substances (drug interaction) can have deadly consequences.



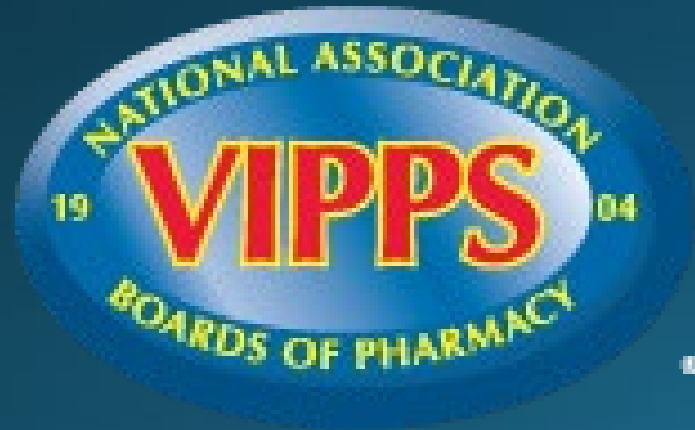
COUNTERFEIT PRESCRIPTION DRUGS: WAYS TO PROTECT YOURSELF

- Pay attention to the appearance of the drugs.
 - Be familiar with what you take, so that you will notice any changes.
 - The difference may be subtle, such as a decrease in dosage.
- Always consult your physician or pharmacist about anything that you feel may be suspicious.
- Be very careful when purchasing prescription drugs on the internet.



COUNTERFEIT PRESCRIPTION DRUGS: WAYS TO PROTECT YOURSELF

- Reputable online pharmacies will be certified as Verified Internet Pharmacy Practice Sites:





NABP

National Association of
Boards of Pharmacy

[About](#) [Members](#) [Programs](#) [Meetings](#) [News](#) [Resources](#)

Accredited Digital Pharmacies

Find an Accredited Digital Pharmacy

NABP-accredited digital pharmacies can be found in the list below. All listed pharmacies comply with criteria that address the customer's right to privacy, authentication and security of prescription orders, adherence to a recognized quality assurance policy, and provision of meaningful consultation between customers and pharmacists.

If you believe an online pharmacy is operating suspiciously, please report it to NABP by completing and submitting the ["Report a Site" online form](#).

Pharmacy Name	<input type="text"/>
State	<input type="text" value="(All)"/>
Zip	<input type="text"/>

TELEMARKETING SCAMS

- The rise of the internet has made this a much more difficult process to stop
 - VOIP
- Several different scams that are perpetrated over the telephone.
 - IRS
 - The Pigeon Drop
 - Grandparent Scam
 - The Fake Accident
 - Charity Scam



TELEMARKETING SCAMS: INTERNAL REVENUE SERVICE

- Recent scam.
- Perpetrator will call pretending to be an agent with the IRS and make threats.
 - You owe this much and if you don't pay a certain portion, you'll go to jail.
- They, of course, will offer to help, but will request personal information, bank account information, etc.



TELEMARKETING SCAMS: THE PIGEON DROP

- Perpetrator will call and say that he or she has found a large sum of money that the victim may have an interest in or may even be 'entitled' to a portion.
- They will then request a 'good faith' deposit/payment.
- Often, a third party will be involved, posing as a reputable neutral party such as a banker or lawyer.



TELEMARKETING SCAMS: THE GRANDPARENT SCAM

- Very similar to the 'Fake Accident' scam.
- Perpetrator will call and pretend to be a grandchild ("Do you know who this is?").
- Then they will ask for money to help with bills or fix a car. They may also claim that the victim already promised money ("Do you remember when you said that you would give me money for my textbooks?").
- They will commonly use Western Union or MoneyGram.



TELEMARKETING SCAMS: THE FAKE ACCIDENT

- The Perpetrator will call and claim that the victim's child or relative is in the hospital/jail and money is needed immediately.
- They will recommend a quick money transfer to ease getting help more quickly.
- They will also likely recommend using Western Union or MoneyGram. Those services do not require someone claiming money to show identification.



TELEMARKETING SCAMS: CHARITY SCAMS

- Perpetrator will solicit money for fake charities or they will pretend to be from a legitimate charity, but keep the money.
- This is especially common after natural disasters or national tragedies.
 - Hurricane Sandy
 - 9/11/2001
 - Veterans Organizations
 - COVID



TELEMARKETING SCAMS: WAYS TO PROTECT YOURSELF

- Federal Agencies will not contact you by telephone.
- Be careful of warning phrases:
 - “You must ask now or this offer won’t be good.”
 - “You can’t afford to miss this high-profit, no risk offer.”
- Do not buy products from unfamiliar companies.
- Always ask for written material about a charity or prize offer.
- Never pay for a ‘free’ prize.
 - No shipping and handling, processing and handling, etc.
- Never give out personal information over the telephone.



TELEMARKETING SCAMS: WAYS TO PROTECT YOURSELF

- National 'Do Not Call' Registry
 - <https://www.donotcall.gov>
 - Theoretically...



INTERNET FRAUD/SCAMS

- Software Scams
- Email/Phishing Scams
- Common Methods of Contact



INTERNET FRAUD/SCAMS: SOFTWARE SCAMS

- Pop-up Windows and/or false advertisements for anti-virus software.
- But...in truth, the victim downloads a malicious program that severely damages the computer or it steals data/information about the victim.



SOFTWARE SCAMS: WAYS TO PROTECT YOURSELF

- Never click on or download anything from a company that you do not recognize.
 - Be very careful of fake companies with seemingly similar names.
- Be careful when you download anything at all...
- Only purchase online products from reputable companies.



INTERNET FRAUD/SCAMS: EMAIL/PHISHING SCAMS

- A victim will receive an email from a reputable institution, such as a bank.
- The email will request or seek to verify account information or personal information that is then used in identity theft or other fraud schemes.



EMAIL/PHISHING SCAMS: WAYS TO PROTECT YOURSELF

- Banks, etc., will generally never send you an unsecured email asking to verify account information or personal information.
 - Most have a secure messaging service run through the company's website, but this is only available after a person logs in to their account.
- Never give out confidential information in an unsecure email.



From: Marguerite Jarzynka [<mailto:mkjarzynka@yahoo.com>]

Sent: Wednesday, April 10, 2013 9:10 AM

Subject: Sad Trip...Please Help (Marguerite Jarzynka)

Hello!!

My regrets for this sudden request on our trip to SCOTLAND UK, we got mugged and all our belonging cash,cellphone and credit cards were all stolen at "gun point"it's such a traumatic experience for me.I need your help flying back home. as we are trying to raise some money.I have made contact with my bank but the best they can do is to mail us a new card which will take 2-3 days to arrive here.we need you to lend us some money to sort out this predicament. will pay back once we get this over with.

Western Union Transfer is the fastest option to wire funds to me. Let me know if you need my details(Full names/location) to effect a transfer You can Reach me via email.

Am freaked out at the moment.

Thank you

Marguerite

Lumen Christi T.R.I.P. Coordinator

INTERNET FRAUD/SCAMS: COMMON METHODS OF CONTACT

- Email
- Craigslist
- Social Media
- Online Dating Sites



PASSWORD PROTECTION

Top Ten (2019)

- 123456
- 123456789
- qwerty
- password
- 1234567
- 12345678
- 12345
- iloveyou
- 11111
- 123123

Top Ten (2020)

- 123456
- 123456789
- picture1
- password
- 12345678
- 11111
- 123123
- 12345
- 1234567890
- senha

PASSWORD PROTECTION: WAYS TO PROTECT YOURSELF

- Keep it simple...just not too simple.
 - 'Sentence' method.
 - Use a more secure password for financial institution sites, perhaps a little less secure password for shopping websites, etc.
- Do not write passwords down.
 - If needed, perhaps keep a master list in a safe.
- Monitor your sites.
- Be careful when using public computers.



FACEBOOK

- Don't help the thieves...
 - Don't post vacation pictures until you return home.
 - Don't post any messages about being gone or when you are leaving.
 - "Only 1 week to go..."

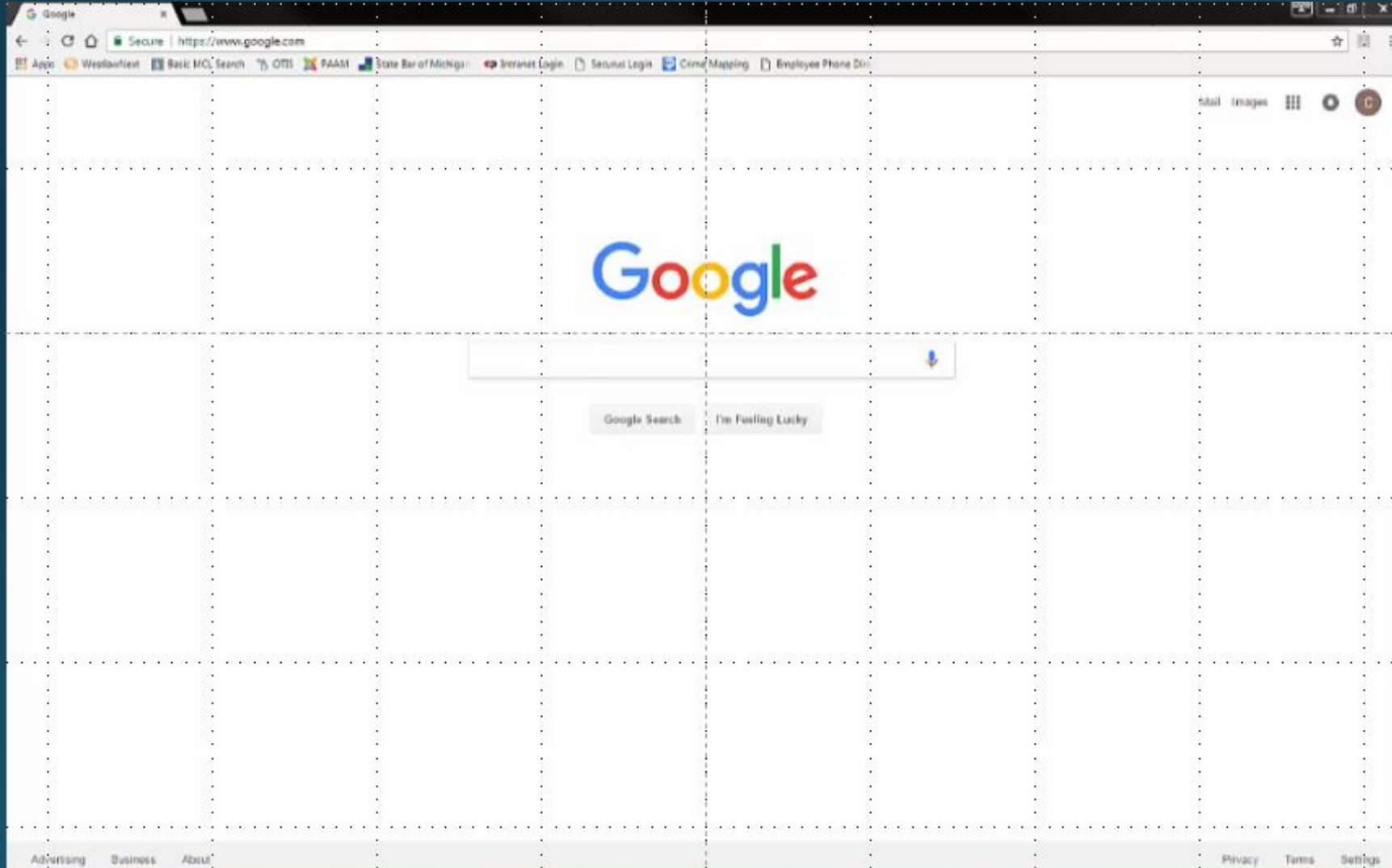


FACEBOOK

- Surveys
 - Do not do them.
 - Some may not be scams, but don't take the chance.
 - Questions open the door to typical security questions.
 - First Car
 - First Street
 - Middle Name
 - Etc.



BUT I'M NOT ON SOCIAL MEDIA...





NIGERIAN SCAM (419 SCAM)

- A 'prince' or other member of a deposed royal family has a large supply of money, gold, or some other valuable resource.
 - But, they cannot access it without your help.
- Perpetrator may make contact via email, snail mail, or telephone.
- Idea is to get the victim to send them money that is then supposed to re-paid, along with a bonus.



NIGERIAN SCAM (419 SCAM): WAYS TO PROTECT YOURSELF

- Remember our theme...
- No offense, but royalty not likely to contact you for assistance.
- If someone's accounts really are frozen by the United States or the international community, probably a very good reason for it.



HOMEOWNER SCAMS

- County Assessor Letter
 - Seemingly official letter sent to property owners offering a re-assessment of the property that would then lead to lower taxes.
 - Letter had official seal and signature for the county assessor.
- Reverse Mortgages
 - The number of reverse mortgages have skyrocketed in the last decade.
 - Scammers have caught on.
 - Seemingly legitimate perpetrator will offer cash or a free house somewhere else (retirement destination) in exchange for title to the victim's current property.



HOMEOWNER SCAMS: WAYS TO PROTECT YOURSELF

- County Assessor Letter
 - Contact the government agency to confirm.
 - We never mind answering the phone. Additionally, if it is a scam, it can alert that agency of what is happening so that the public can be alerted.
- Reverse Mortgages
 - Be careful of offers made over the internet or in unsolicited mailing or advertisements.
 - Research the company involved—make sure they are legitimate.
 - Discuss it with your estate planning attorney, if you have one.
 - Never sign anything you don't fully understand.



SWEEPSTAKES & LOTTERY SCAMS

- Perpetrators will most often use snail mail or telephone.
- Victim is told that they are the winner/have already won.
- All the victim needs to do is mail in a check for the 'fee' and cash the winning check.
- That winning check is fake.
 - Banks will generally put a hold on a large check to confirm the funds are available. But, you already sent in a check for the fees...the perpetrator cashes it and your winning check never clears.



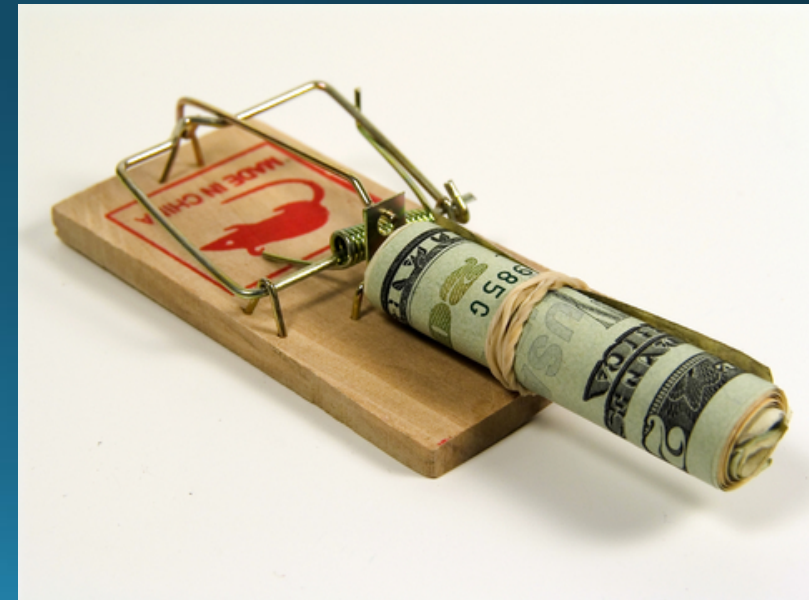
SWEEPSTAKES & LOTTERY SCAMS: WAYS TO PROTECT YOURSELF

- Be very careful of certain (warning) phrases:
 - “You must act now or the offer won’t be good.”
 - You’ve already won!”
- Research the company associated with the prize.
- Never pay for a free prize.
- Remember our theme...



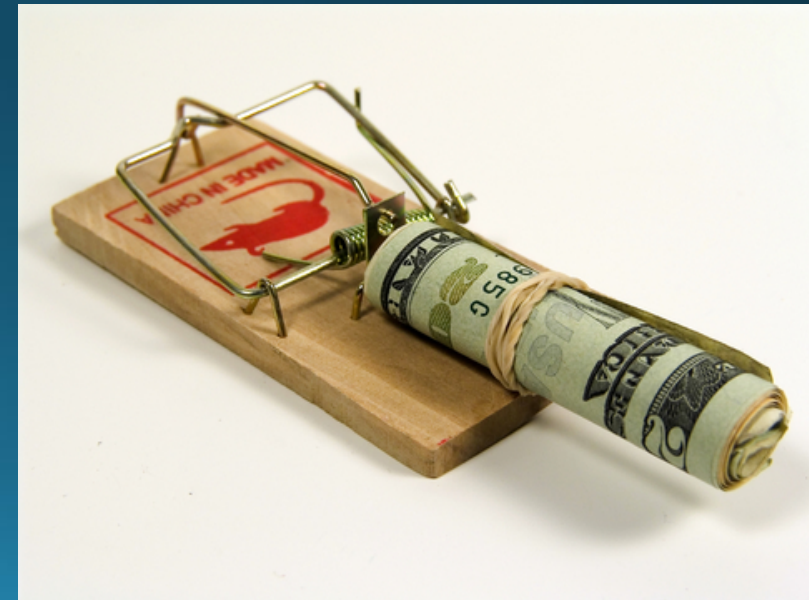
OTHER FINANCIAL SCAMS

- Power-of-Attorney
 - General versus Limited.
 - Be very careful.
 - Guardianships & Conservatorships
- Caregivers
- Family Members
 - “They would want me to have it.”



OTHER FINANCIAL SCAMS: WAYS TO PROTECT YOURSELF

- Power-of-Attorney
 - Go see a lawyer. (And no, I am not just trying to get work for my fellow attorneys)
- Caregivers
 - Select someone you trust.
 - If you are using a company, ask if they conduct background checks on potential employees, etc.
 - Ask for weekly or monthly records. Then, reconcile with bank records or against finances.
- Family Members
 - Be very careful



COMMON CASES IN GRAND TRAVERSE COUNTY

- Home Health Workers
 - 'Helping Hand'
 - Stealing Son
 - Prize Money
 - Contractors

COMMON CASES IN GRAND TRAVERSE COUNTY

- Home Health Workers
 - There is, of course, a legitimate need for these hardworking people and the vast majority are great people.
 - However, we still need to be vigilant.
 - Workers were coming into homes and taking items.
 - Money, credit cards, family heirlooms, medications/drugs
- Ways to Protect Yourself
 - Hide or secure valuables. Then, check the 'hiding spots' after visits.
 - Ask to meet with anyone who will be working in the home prior to their first day.
 - Research the company involved. Do they do background checks?



COMMON CASES IN GRAND TRAVERSE COUNTY

- Helping Hand
 - Elderly victim was approached by perpetrator about installing a heating/cooling system in victim's home.
 - Perpetrator claimed to be a licensed electrician/business owner.
 - Took the money (even demanded more), but never ordered the HVAC system.
 - Perpetrator wasn't even a licensed electrician.
- Ways to Protect Yourself
 - Ask friends or family for recommendations if you need some work done.
 - Get and keep copies of all paperwork.
 - State of Michigan will have license information:
 - Licensing and Regulatory Affairs
 - <http://www.michigan.gov/lara>



COMMON CASES IN GRAND TRAVERSE COUNTY

- Stealing Son
 - Elderly victim's son took over her finances after victim's husband passed away.
 - Between simply stealing money and also forcing the victim into bad business decisions, victim lost several hundred thousand dollars.
 - In addition to the financial exploitation, there was also physical abuse.
- Ways to Protect Yourself
 - These cases are difficult: it's family.
 - All family members need to be involved.
 - That's how we found out about this case. Victim's niece reviewed victim's finances.
 - Wills, trusts, etc.



COMMON CASES IN GRAND TRAVERSE COUNTY

- Prize Money
 - Elderly victim sent thousands of dollars as a 'fee' and then the victim was supposed to receive the prize.
 - The money was sent in multiple forms: cash, check, and 'green dot' card.
 - A small portion of the money sent was recovered, but most was lost.
- Ways to Protect Yourself
 - Remember our theme...
 - Always be very suspicious if Western Union, MoneyGram, or Green Dot is used.
 - Never pay for a 'prize.'



HOMEOWNER SCAMS

- Contractors
 - We've seen an increase in incidents with contractors taking an initial payment and then not following through/doing any of the work.
 - Often, this may not be a criminal matter, so law enforcement and PAO may not be involved.
 - Victim would need to go through small claims process if amount is \$6,500.00 or less. A lawsuit would be the remedy for a higher amount.
- Ways to Protect Yourself
 - Use reputable people/get recommendations from friends.
 - Document everything.
 - Check court websites to verify licenses (LARA) and for any history of claims.



A CASE FROM JACKSON COUNTY

- 'Water Department'
 - Group approached homes posing as members of the county utility department or a private utility company.
 - They appeared legitimate: dress, vehicles, etc.
 - While one person would talk to/distract the homeowner, the others would steal items from inside the home.
- Ways to Protect Yourself
 - Always ask to see identification.
 - Ask them to wait outside while you contact the department/company and confirm.
 - Never leave anyone unattended.



THE LEGAL PROCESS

- Victim calls 911/contacts the police.
- Police report is generated and forward to the Office of the Prosecuting Attorney.
- Report is reviewed for possible criminal charges.
- If criminal charges are appropriate, then a Complaint is filed.
 - Officially starts the process in court.
- Series of hearings or legal activities.
- Trial or other resolution.
 - Always on-going discussions with victim(s) to determine their view/ perspective of the case and desired or possible outcome.

RESOURCES

- Grand Traverse County, Office of the Prosecuting Attorney
 - APA Charles (Charlie) Hamlyn
 - (231) 922-4600
 - chamlyn@gtcountymi.gov
- Michigan Attorney General
- Federal Bureau of Investigation ([fbi.gov](https://www.fbi.gov))

RESOURCES

- No Scam Zone
 - <http://www.gtcoa.org/no-scam-zone.html>
- Grand Traverse County Sheriff/TC Police
 - (231) 995-5000
 - After-hours Central Dispatch: (231) 922-4550

RESOURCES

- DHHS Centralized Intake (CPS/APS)
 - (855) 444-3911



QUESTIONS & ANSWERS

