When the phone is not your friend

By MARY JACOBS
Special Contributor

To protect yourself from theft, you lock your doors, keep your Social Security number under wraps and stash your cash safely in a bank account.

But you could be opening yourself up to scammers and thieves just by taking one seemingly innocuous action: answering your telephone.

"The telephone is the scammers' greatest weapon," says Julie Krawczyk, director of the Senior Source's Elder Financial Safety Center in Dallas. "And it's costing American consumers billions of dollars."

Scammers are now calling cellphones and landlines to steal money, to gain access to bank accounts and credit cards, to mine personal computers for sensitive data, to fraudulently add exorbitant charges to telephone bills and to steal identities. Last year, according to a Harris poll survey, an estimated 27 million U.S. consumers lost approximately $7.4 billion to phone scams.

While there's no age breakdown in these figures, many of the victims are seniors, according to Amy Noftziger, a regional director of the AARP Foundation involved in AARP's Fraud Watch Network.

"We know that scammers target older people because they're more likely to be successful with them," she says. "They're like bank robbers; they go where the money is."
Swindlers focus on seniors because they’re more likely to have a nest egg, own their home and have excellent credit. Many grow up learning to be polite and trusting, so artists know that it may be difficult for them to say “no” or just hang up. Older Americans often don’t report frauds, either because they’re embarrassed or don’t know they’ve been scammed. Plus, many seniors are home during the day and near the phone, and too lonely or bored to resist answering when the phone rings. 

Fraudsters operate using a wide variety of scams and pitches — and constantly invent new ones. Caught off guard, even the smartest people can become victims. Even Treasury Secretary Jack Lew, 6, admits to almost falling for a call from a fraudulent posing as an IRS agent. “I’ve talked to college professors and CEOs who were victims of telephone fraud,” says Noëf Jr. “Scammers know how to catch people at an emotional level.”

The problem has become so prevalent that both Noëf Jr. and Krawczyk now advise seniors not to answer their phones unless they recognize the name of a family member or friend on caller ID. Instead, they say, let calls roll over to voicemail. In many cases, scammers won’t bother to leave a message. If the call is truly important, the caller will leave a voicemail.

“Just picking up a call from a fraudster can get your phone number flagged as a target,” Krawczyk notes. “If you’re letting calls from unrecognized numbers go to voicemail, that’s less likely to happen.

Don’t trust … verify

Allowing voicemail to screen all calls from unfamiliar numbers will eliminate most threats, but many seniors will ignore that advice. They may feel it’s rude not to answer, or they’re lonely.

If you do answer a call from an unfamiliar number, approach the call with the assumption that you are speaking to a scammer.

“Remember that caller ID can be spoofed,” says AARP’s Noëf Jr. “Just because your phone says ‘Social Security Administration’ doesn’t mean that’s who is really on the phone.”

Hang up immediately if the caller exhibits any of the red flags of fraud. If you feel the call could be legitimate, ask for the caller’s name and employee number and the number to call back. Then, call a known number for the company or agency — such as the number listed on your utility bill or the 800 number on the back of your credit card — and verify that the caller was authentic. Remember that legitimate companies will cooperate with your efforts to verify information.

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Julie Krawczyk, director of the Senior Source’s Elder Financial Safety Center in Dallas

Helping a senior

While being interviewed for this story, Phyllis Baker’s phone rang. Someone from “Cardholder Services” was warning that it was her “final notice” for lowering her interest rates, even though Baker never carries a credit card balance.

Baker, 9, gets calls like this often, but usually lets them roll over to voicemail, thanks to frequent information updates from staff at the Forum, the assisted living community where she lives, and from her daughter.

“I call my daughter when I suspect a scam, and she says, ‘Good for you, Mom,’ for not being taken in,” she says. “She has made me more skeptical than I probably would have been otherwise.”

Having a family member or friend who’s in touch often is one of the best safeguards for helping protect elders from telephone scams, Krawczyk says.

“I can’t emphasize enough what a huge difference it makes for a senior to have someone who is in constant contact,” she says. “It’s the isolation and lack of connection to others that makes seniors susceptible to fraud.”

Another tip: Review phone bills, bank accounts and telephone bills promptly and carefully for unauthorized charges, which may signal fraud. Those with senior loved ones can offer help with that. If you suspect fraud and don’t know what to do next, call on agencies that can advise you on getting refunds or other remedies. (See related story on page 24.)

The refusal script

Arm yourself against telephone scams by preparing and rehearsing a “refusal script” — a short, polite response to terminate unwanted calls quickly.

Such as: “Thank you for calling, but I don’t do business over the phone or I’m really not interested, but thank you for calling,” followed by a prompt hang-up.

Practice the script, Krawczyk suggests. Print it out and post it near the telephone. This approach is often more effective than the advice of “just hang up.”

Some seniors are particularly reluctant to hang up on callers claiming to represent charities, but even those can be iffy. Noëf Jr. says some charities use paid solicitors who collect as much as 90 percent of each donation. Remember that charitable dollars will likely do more good if you send a check directly to a reputable organization you already know, rather than one that has contacted you via the phone.
COMMON SCAMS

New scams arise frequently. The AARP Fraud Watch Network, the Federal Trade Commission and the FBI's Internet Crime Complaint Center issue frequent updates and alerts on new scams as they are reported.

Here are a few common ones going on now:

- **Tech support:** Callers claim to be from Microsoft or another tech company, offering to fix a problem with your computer. They may ask for a credit card to cover the cost of the service or may ask for passwords to access your computer's files. Once they've gained access, they install malware that collects sensitive data such as passwords or credit card information.

- **Extended warranties:** Callers offer extended warranties on a car or other valuable property. Often the caller will know the name and make of the victim's car, making it seem legit. Some are out-and-out scams; some are technically legal but offer little coverage relative to the cost.

- **One-ring scam:** You receive what looks like a local call on your wireless phone. The caller only rings once or twice and then disconnects. When you return the call, you assume you are making a domestic call. However, you actually are connected to a phone number outside the United States, often in Canada or the Caribbean, and are charged expensive international call rates, and possibly for pay-per-call services as well. You won’t find out about the higher international call rates — which can cost hundreds of dollars — until you receive your phone bill. (Your phone company should refund the cost, but you'll need to file a complaint or follow a process to obtain the refund.)

- **Internal Revenue Service:** The caller claims the senior owes money to the IRS and threatens arrest if the money isn’t wired immediately.

- **Discount health plans:** Unsolicited calls selling discount health plans, which supposedly provide discounts on various medical services. Some are outright fakes; others are legal but offer little or no worthwhile coverage.

- **Utility theft:** The scammer tells you your electricity or other utility will be cut off if money isn’t sent immediately. Julie Krawczyk, director of the Senior Source’s Elder Financial Safety Center in Dallas, heard about this one from a Dallas senior. She was certain she’d mailed a check to pay the bill in plenty of time, but because her husband depended on an oxygen tank to breathe, didn’t want to take chances. She provided her bank account information to the caller. "She was suspicious but felt she had no choice but to trust them," says Krawczyk.

- **Grandparent scam:** A person posing as a "friend" calls to say that your grandson is in jail and too embarrassed to call his parents. Could the senior wire money for bail to a lawyer? (A variation: The caller claims that the grandchild has been kidnapped and asks for ransom money.) Often the victim suspects a scam but is too worried to take a chance. And the caller may seem to have inside information.

  "We know that scammers troll obituaries and social media sites to get this kind of information," says Amy Noźgier, who is involved in AARP's Fraud Watch Network. "We've seen people lose thousands and thousands of dollars."

If you get a call like this, Noźgier advises, stop and take a deep breath. If the caller claims, for example, that he’s with the Las Vegas police department, hang up and call the Las Vegas police department. Always, always verify by way of a known telephone number before you send any money or provide any personal data.

- **Sweepstakes scam:** Someone calls to inform you that you've won the lottery or a sweepstakes. All you need to do is to provide your bank account information, or to wire money to prepay the taxes. Then you'll receive your winnings.

  Krawczyk worked with a client, a widow in her 80s, who lost $350,000 by way of this scam. "She developed a friendship with the scammers," she said. "They promised they would pay her mortgage and they would mail her checks. She fell for it every time."

- **Credit card or mortgage refinancing:** These may be outright scams or simply bad deals. Seniors are often more susceptible than you’d think, because many worry about losing savings or having financial problems, according to Dayna Steele, chief caregiving expert for Caring.com.

Steele encountered this with her own mother. Before she was diagnosed with dementia, her mother began taking calls from brokers promising interest-free VA loans that would lower her monthly payment on her home. "The more her disease progressed, the harder it was to explain that these were probably not legit calls," Steele says.