

## **Phone Crime**

It's the crime of the 21st century. Common phone scams have become so widespread that lawmakers and consumer groups are pushing for ways to stop it. The availability of cheap technology that allows criminals to make numerous calls while hiding their identities and location has made phone crimes very profitable. From January to April 2016 alone, the number of complaints reaching the Federal Trade Commission about common phone scams reached 1.7 million, 41% higher than the same period in the previous year.

The elderly, in particular, are the preferred targets of fraudsters and there are several reasons for this.

They are likely to have more financial resources – a home, investments and excellent credit

They are less likely to report fraud because they are ashamed to admit they've been scammed or they don't know who and where to report to

They are generally polite and trusting

They tend to be more forgetful and won't make very good witnesses in case the fraud is reported and prosecuted

They are more inclined to fall for sales pitches for products that fight diseases, aging and memory loss, among others.

### **Beware of These Common Phone Scams**

Fraudsters earn a lot from scams and it's no wonder that they have devised devious but clever schemes to get your personal information or divest you of your money thru the phone. These are the most common scams that you should be aware of:

#### **Grandparent scam**

The scam: a caller says something that will make you divulge a grandchild's name like "Grandma, is this you?" or "Grandma, it's me." Once you say the name, he will try to impersonate your grandchild and claim to be in an accident or in some difficult situation. The caller will then ask for help and request you to wire some money.

### **IRS scam**

Robocalls, phone calls that deliver pre-recorded messages, are used in this form of scam. When you answer the phone, you will hear voice telling you that you need to pay back taxes or face legal action. You will then be given a number to call, which will connect you not with the IRS but with a fraudster who will try to get your money.

### **Medicare scam**

Since Medicare universally covers all those above the age of 65, scammers need not research your insurance company to use this method. The caller usually poses as a Medicare representative and will try to get your personal information including Medicare card details. The information you provided is then used to steal your identity or bill Medicare for bogus services.

### **Tech support scam**

The caller, impersonating an employee from a software company, will make you believe that your computer is infected with a virus and will offer to fix it remotely for a fee. Or, he will induce you to install malware that allows him access to data like names, addresses and account numbers, which he will use for identify theft, or for credit card and loan applications.

### **Telemarketing scam**

If you are female and over 60, it's very likely that you have received unwanted calls from people trying to sell you certain products; and most of them may have been fraudulent. This is because women your age are known to make more purchases by phone than the other age groups, a fact that unscrupulous people have taken advantage of. If you have been scammed once, expect more to follow since fraudsters often share their victims' personal information with others like them.

### **Charity scams**

The caller on the other end of the line introduces himself as a charity worker and proceeds to tell a sob story, hoping to gain your sympathy. A plea for a donation comes next. Most often, the caller will say your help is urgent and ask for your credit card number, giving you no time to check if the charity organization is legitimate.

## **Protect Yourself**

Awareness is important in fraud prevention but with the recent upsurge in common phone scams, there are additional steps that you can take to protect yourself further. Don't respond to offers that you don't fully understand.

Never give personal and financial information over the phone to people you don't know.

Before transacting business, get the salesperson's name, address, phone number and business license number. Scammers usually provide fake information and these should be verified. Besides, asking questions often scare scammers away.

Never pay in advance for services. Payment should be made only after they have been provided.

Beware of companies that offer to have your money picked up by a messenger. This is one of the scammers' ways of ensuring that their identities and whereabouts can't be traced.

Always take time to decide before parting with your money. Legitimate businesses never pressure their customers to make immediate decisions.

Be careful with your investments. Wise investing is usually done via a financial advisor, not through a cold call.

Never purchase from a company that's unfamiliar. First, check its identity with the Better Business Bureau, consumer advocacy groups, the National Fraud Information Center and other organizations. However, you have to remember that not all fraudulent businesses can be identified this way.

Never make payments for "free prizes" that you have supposedly won. If the caller says that the payment is for taxes, he is violating federal law.

If you have been victimized, don't believe callers who offer to help you recover your losses for a fee that's paid in advance.

Promptly report common phone scams to local, state and federal authorities.

Everyone aims to be financially secure, including you. This is precisely the reason why you have saved up for decades, so you can have a "nest egg" in your retirement years. But financial security is more than just having enough money for the things you need and want. It also means being able to protect yourself from financial abuse due to common phone scams.