

## IF YOU ARE THE VICTIM OF A SCAM

- ⇒ Call your local police or sheriff's office to report the crime. Don't feel ashamed. It is not uncommon for victims to be victimized again.
- ⇒ Alert neighbors and community organizations to the presence of scam artists in your area.
- ⇒ Contact the **NYS Consumer Protection Board**, NYS Attorney General's office and/or your local consumer agency so they can warn others and offer assistance.
- ⇒ Keep a record of your financial losses in case there is a prosecution and restitution is ordered.
- ⇒ Check out crime victim compensation from the NYS Crime Victim's Board (CVB) for out of pocket expenses incurred for financial counseling. Contact the CVB at 1-800-247-8035 (TTY: 1-888-289-9747).

*For Further Information Contact:*



**New York State Consumer Protection Board**

*Advocating for and Empowering NY Consumers*

**1-800-697-1220**

[www.nysconsumer.gov](http://www.nysconsumer.gov)

## **"GREAT DEALS" BIG SCAMS** *A Consumer Guide for Seniors*



- ◆ *Watch for the Warning Signs*
- ◆ *Prepare Yourself before someone takes Advantage of you and your Money!!*
- ◆ *Empower Yourself with Information*

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## Psychological Weapons of Fraud

**Fraud relies on the manipulation of a consumer's emotions and trust to get them to commit to a transaction.**

- ⇒ **Reciprocity**: Marketers often make you think that they are offering something special compelling you to return the favor.
- ⇒ **Follow the Crowd**: Many solicitations display testimonials from people who have bought the product or paid for the service.
- ⇒ **The Scarcity Mentality**: Scammers emphasize the fact that the product is scarce, and thus, valuable. Often they will represent that if you don't invest quickly you will miss a great opportunity.
- ⇒ **Authority Figure**: Another technique employed in marketing is the use of authority. Thus, when telemarketers call your home raising money to support local police or firefighters, you are more inclined to donate.
- ⇒ **Familiarity**: A common approach is to build a trusting relationship with the customer quickly so they will purchase the product. Thus, the con-artist will pretend to have things in common with the consumer.
- ⇒ **Contrast**: The notion that you should buy a product if it has been reduced because then, in contrast to the regular price, the consumer is getting a good deal and saving money.
- ⇒ **Customizing the Pitch**: Scam artists usually customize their pitch to reflect the kind of person they are targeting. They try to find out as much as possible about the victim, and then select the right solicitation, set of tricks and/or psychological tactics to accomplish the crime.

- ✓ ***Two-for-one scams*** which offer two plane tickets for the price of one, when the one traveler's airfare costs just as much as two separate tickets.

## TIPS TO PROTECT YOURSELF

**Protect your privacy** - Never give out personal information over the telephone, especially your Social Security number. Do not disclose financial information to anyone outside of a trusted circle of family members and advisors.

**Always ask for identification** - Never let strangers into your home, and always check identification of any service person you have contacted before allowing them to enter your home. Report suspicious solicitations to the police.

**Limit the amount of cash** you keep on hand or at your home. Do not allow anyone to take you to withdraw money from your bank to pay for their services.

**Carefully review** all contracts before you sign. Also, review all bank and credit card statements, stock reports and investment prospectives. Double check sales receipts to make sure you were not over charged.

**Ask questions** - Never be afraid to consult a trusted friend, a financial advisor/lawyer or family member for assistance, especially when making purchases of more than \$100 or signing contracts. Contact the **Better Business Bureau** and/or the **New York State Consumer Protection Board** with any questions or concerns.

- ✓ Ensure that all promises be put in writing, including the project scope, costs, payment schedule and start and expected completion date. Review the contract carefully as you have three days to cancel the deal.
- ✓ Do not pay the full amount upfront.
- ✓ Don't sign a certificate of completion until the work is completed to your satisfaction.
- ✓ Be wary of contractors who offer high cost loans in combination with construction services.
- ✓ Keep all paperwork.

For further information, obtain a copy of “Home Improvements Without Headaches” from the **New York State Consumer Protection Board**.

## TRAVEL SCAMS

**The scam:** A caller offers you a great vacation package if you pay immediately over the phone by credit card.

**The truth:** Ask for information first and don't fall for high pressure sales tactics.

Watch out for the following when looking for low cost travel:

- ✓ **Mail** that announces you have been selected for a free vacation, especially when you have not entered any contest.
- ✓ **Advertisements** for bargain prices or “discount” travel certificates available if you agree to a time share presentation.
- ✓ **Travel Clubs** asking for an upfront participation fee in exchange for discounts. There are many legitimate travel clubs so investigate before signing up on the dotted line.

## SWEEPSTAKES and LOTTERY SCAMS

**The scam:** A letter or a phone call tells you that you've won a big money prize. But you can't collect your prize until you pay a “tax” or buy a product.

**The truth:** If you win the lottery or a sweepstakes, they pay you – you never pay them.

**Remember:**

- ✓ Watch out for mail that looks official and false claims of authenticity.
- ✓ Foreign-cross border lottery sales violates U.S. law.
- ✓ Sweepstakes issuers must provide odds of winning each prize; the quantity, estimated value and nature of prize; and schedule of payments.

## WORK AT HOME SCAMS

**The scam:** Advertisements say you can earn big money working at home – stuffing envelopes, assembling products, etc.

**The truth:** Companies don't hire people to stuff envelopes. Machines do it faster and cheaper.

**Exercise caution to these claims:**

- ✓ Little or no money needed up front.
- ✓ Work part time and earn a full time salary.
- ✓ No experience is necessary.
- ✓ This offer is unique.

## CHARITY SCAMS

**The scam:** A telemarketer calls asking for a charitable or police donation.

**The truth:** You don't know who is calling and how much money, if any, will go to the charity or police. Ask the caller to send you written information about the charity.

### Remember:

- ✓ Legit charities welcome background checks. Ask for a registration number.
- ✓ Get the charity's financial reports from the NYS Attorney General.
- ✓ Ask for identification from a solicitor and tell them you'll consider giving in the future. You can learn more about a charity by contacting the Consumer Protection Board at 1-800-697-1220.

## HEALTH INSURANCE SCAMS

**The scam:** Salespeople try to pressure you into buying policies with coverage that does not meet your needs.

**The truth:** Before you buy health insurance, do your homework.

### Remember:

- ✓ Assess your health insurance needs before shopping.
- ✓ Not to purchase from a seller that pressures you to buy immediately, or to pay all premiums upfront or in cash.
- ✓ Compare the cost and coverage of several policies, considering premiums, deductibles and co-payments.

For further information about health insurance, contact the **New York State Insurance Department** at [www.ins.state.ny.us](http://www.ins.state.ny.us) or **800-342-3736**.

## HEARING DEVICES AND MIRACLE CURES

Before purchasing a hearing device:

- ✓ Consult your doctor. You may need to visit an audiologist or an otolaryngologist (ear, nose and throat doctor).
- ✓ Never buy a device that has not been specially measured to fit your ear or promises miracle hearing.
- ✓ Advertisements for miracle cancer cures, anti-aging creams and arthritic pain relievers are often nothing more than vitamins, cortisone cream or aspirin packaged at an inflated price. Investigate such claims before purchasing products.

## HOME IMPROVEMENT FRAUD

**The scam:** An unsolicited contractor claims that your home needs repair work for damage you never noticed. Common tactics involve work on your chimney, roof, or driveway. These contractors often offer special deals because they have material left over from another job.

**The truth:** When you hire someone without checking their credentials, you could end up spending a lot of money for very poor quality work.

**When working with contractors:**

- ✓ Determine exactly what work you want done. Don't agree to work on the spot.
- ✓ Shop for a contractor. Use a contractor that is recommended by a family member or close friend. Ask for, and review, references. Inquire if contractor is licensed, where required.