



Fraud Watch Network

The Fraud Landscape: Staying Safe


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Agenda

- About the AARP Fraud Watch Network
- Trending scams
- The new form of currency in fraud: gift cards
- Changing the narrative of victim blaming
- Resources



*Real stories from the
AARP Fraud Watch
Helpline*



ABOUT THE FRAUD WATCH NETWORK

The Fraud Watch Network

- Free resource for all
- Empower consumers to spot and avoid scams
- Provide support for those who experience fraud
- Advocate for change

www.aarp.org/fraudwatchnetwork

About the Fraud Watch Network

www.aarp.org/fraudsupport

877-908-3360

Call our free helpline if you or a loved one suspect a scam

What We Help You Do



Find Support

If you've been targeted by scams or fraud, you are not alone. Our trained fraud specialists provide support and guidance on what to do next and how to avoid

Have a Voice

AARP fights for consumers by advocating for laws and regulations to stop scams and shut down fraud attempts. We also provide a voice to consumer



AARP Fraud Watch Network

Freezing your credit cards would-be scammers

Dear Kathy,

Guarding your identity and credit doesn't have to be one of the most effective ways you can help protect your credit freeze.

A credit freeze safeguard

Fraud's New Currency: Gift Cards as Payment

Gift card payment schemes: A survey of U.S. adults 18+

by Jennifer Sauer, AARP Research

In the News



Cybercriminals Stole \$1.8 Billion from Older Americans

20, FBI blames last year's scam surge on technology dependence during pandemic



Gifts Cards Are for Gifts — Not Criminals

AARP survey finds some deceived into buying cards for strangers



Clergy Scams: How Impious Impostors Prey on the Faithful

Fraudsters with sob stories cajole worshippers for gift cards — and keep the loot

TEXT FWN TO 50757
to receive biweekly alerts from the AARP Fraud Watch Network.

Message and data rates may apply.
Terms apply: <https://aarp.info/tcofr>

EP.58
TERROR OVER THE PHONE: VIRTUAL KIDNAPPINGS PART 2

SCAM

Fraud Watch Helpline

- Free to everyone
- Report a scam
- Get help figuring out if something is legitimate
- Get help if you or a loved one has experienced a scam

103,000

OF CALLS, 2020

:22m

AVERAGE CALL TIME



TRENDING SCAMS

Top 5

1. Government/Business impostors
2. Identity theft/fraud
3. Sweepstakes/Prize/Lottery
4. Online dating/Romance
5. “Can you do me a favor?”

Impostors

IRS Social Security Administration Microsoft Utility companies
Medicare Federal Trade Commission Apple
US Postal Service Dell UPS Amazon
...Even AARP!

WHAT TO KNOW:

- Gov, businesses don't contact you out of the blue about a "problem"
- Concerned? Contact the entity at a trusted phone number
- Make no payments, share no sensitive info

Identity Theft/Fraud

THEFT: Identity has been compromised

FRAUD: Stolen identity has been used

PROTECTION:

- Freeze your credit
- Use a password manager
- Set up online account access

MITIGATION:

- www.identitytheft.gov

Sweepstakes

Alaska Woman Lost \$45,000 in Back-to-Back Sweepstakes Scams

Older Americans are top targets in sweepstakes and lottery scams, report says

by Katherine Skiba, AARP, June 10, 2021

You're a winner! Not really – Publishers Clearing House scam is back

By Mary Glen Hatcher mhatcher@gvnews.com Jul 20, 2021

RED FLAGS:

- You don't recall entering
- You need to pay an upfront fee to collect the prize

Online Dating/Romance

Scrabble Online

Match.com

Words with Friends

Plenty of Fish

Facebook

RED FLAGS:

- Wants to move to another way of communicating
- Professes love early on
- Never able to meet in person
- Urgent need for money (eventually)

Can You Do Me a Favor?

"I'm in a board meeting and need you to pick up 40 \$100 Amazon cards for an employee appreciation event ... Send me pictures of the cards and the receipt – you can expense them."
Thanks -JAJ

"I had to run into the city and didn't have time to buy Target gift cards for a new family in need. Can you buy \$500 worth and I'll pay you back? Send a picture of the back." Thanks! –
Pastor Tom

RED FLAGS:

- Brief, urgent message
- Person is unavailable and needs a quick favor
- Buy gift cards and share the numbers off the back

Coming Soon: Holiday Scams

- Online shopping scams
- Charity scams
- Drained gift cards
- Delivery scams

Online Shopping Scams

- Fake online ads & social posts
- Scam emails & texts
- Bogus apps
- Spoofed websites of real retailers

RED FLAGS:

- Hard-to-find items at big discounts
- Shoddy website design
- Extra letters or characters in the web address

Charity Scams

- Names akin to well-known causes
- Especially active during the holidays
- Some are outright fraud; others are legit but keep most of the money

RED FLAGS:

- Pressure to give immediately
- Nontraditional form of payment requested
- A thank you for a donation you don't recall making

Drained Gift Card Scams

- In-store tampering of physical cards on racks; card drained upon activation
- “Bots” run through a store’s system seeking a valid card with an activated balance

RED FLAGS:

- Signs the card has been manipulated
- Check balance and find it is \$0

Delivery Scams

- Fake emails & texts from FedEx, UPS, USPS
- Missed delivery, need more information
- Link sends you to malicious site to capture payment info, load malware to steal credentials

RED FLAGS:

- Unexpected message from a carrier
- Spelling, grammar errors



GIFT CARDS AS PAYMENT IN SCAMS

How Gift Cards Factor In

- Target of a scam is convinced that the best way to resolve a particular matter is to...
 - Go to a specific store
 - Get a specific gift card off the rack
 - Load a specific amount onto the card(s)
 - Share the PIN off the back

Common Threads

- Typical scenario: **impersonators**
 - Government, Tech company, Publishers Clearinghouse, Business opportunity, Online love interest, Grandchild...
- Target is pushed into a **heightened emotional state**
 - Fear, Excitement, Love
- Scammer convinces the **quickest option is to purchase gift cards**
 - Read me the numbers off the back
 - Take a picture and share

Why Gift Cards?

- Virtually untraceable
- Readily converted to cash or bitcoin
- Ability to move large amounts of money in small parcels

Bottom Line

Anytime you are directed to pay with a gift card, it is a scam.

If it happens:

- Contact the issuing company right away
- Keep the card and receipt
- Tell the store where you bought it
- Report it to the FTC: reportfraud.ftc.gov or call our Fraud Helpline, 877-908-3360

Gift Card Research

- 1 in 4 don't know/aren't sure if it's a scam when directed to buy one
- 1 in 10 say they have bought a card to pay some obligation

TRUE or FALSE: It is always a scam when someone directs you to pay a debt or other obligation with a gift card such as an eBay, Google Play, or a retail store gift card.

24%
False/Not Sure

76%
True

**1 IN 10 TARGETED U.S. ADULTS
Acknowledge Buying Gift Cards
To Pay a Financial Obligation**



AARP Gift Card Campaign

- Three-year commitment
- Goal: Take gift cards away as a scam tactic
- Consumer education, media outreach, research into in-store interventions, retailer collaborations

How to Protect Yourself



Gifts Cards Are for Gifts — Not Criminals

AARP survey finds some deceived into buying cards for strangers

www.aarp.org/giftcards

He was duped...

Suckers...

They were swindled...

LET'S TALK ABOUT HOW WE TALK ABOUT VICTIMS

You'd have to be an idiot...

How could you fall for that??

She got taken...

Why Bad Scams Happen to Good People

ETHER

IT IS NOT THE VICTIM'S FAULT

- Criminals are good at what they do
- Scams get into heightened emotional state
 - Fear, need, or excitement
- Once there, can't access logical thinking

Our Social Narrative

A victim of financial crime **is as much a victim** as a victim of violent crime

Yet look at the language we use:

SCAM VICTIMS...

- She **was duped**
- He **fell for it**
- He **got taken**
- They **were scammed**

...WE PUT THE BLAME ON **THE VICTIM**

VIOLENT CRIME VICTIMS...

- The criminal held her at gunpoint
- The perp viciously assaulted them
- He was brutally murdered
- She was forcibly raped

...WE PUT THE BLAME ON **THE CRIMINAL/CRIME**

The Language of Shame

*“I cannot fathom **the level of gullibility** it would take for someone to send money to someone they have never met. It's just beyond my level of comprehension. That is the kindest way I can express what I'm thinking right now.”*

*“Very sad, but really, these women **need their heads screwed on properly.**”*

*“Good God... **Where has common sense gone?** I know people are lonely; hell I am lonely **BUT I AM NOT STUPID...**”*

How Shaming Weighs on Victims

“Actually, I was kind of **embarrassed**. My daughters sort of **made me feel stupid**.”

“**I've always thought I am smart** enough not to be caught in a scam, I think I was acting out of my emotions.”

“The **mental anguish still lingers** after its over. I hope in time I can overcome the **embarrassment and humiliation** of believing all the lies, of **feeling so stupid** for ignoring my intuition, and be able to gain some semblance of confidence to trust my decisions.”

The All-Too Human Toll

- Billions of dollars lost, with little chance of restitution
- Nearly 2/3 of victims report experiencing at least one serious non-financial cost of fraud
- More than a million marriages damaged by the effects of dealing with fraud
- Thousands die by suicide

Flipping the Narrative

What if we said:

“Falling victim is not your fault. It's the fault of the criminal who perpetrated this crime. **I am sorry you've had to endure this.** Let's talk through it to understand what happened so you will be able to spot the red flags of scams in the future.”

It Matters Because....

- **Victims** deserve empathy and respect.
- **Families** will protect their relationship.
- **Police** may take more complaints.
- **Prosecutors** might respect the impact and take on more cases.
- **Policymakers** might do more to address the scourge.
- **Billions of dollars** could stay in our economy.

Let's Flip the Narrative

- **OUT:** Judging victims, lack of empathy
 - Scammed
 - Duped
 - Conned
 - Swindled
 - Fell for it
 - Got taken
- **IN:** Focus on the criminal act, victim empathy:
 - Stole
 - Coerced
 - Deceived



Share what you learned with your friends and family to help protect them, too.

If you can **SPOT** a scam, you can **STOP** a scam.

AARP RESOURCES

- AARP Fraud Watch Network: aarp.org/fraudwatchnetwork
- AARP Fraud Watch Helpline: 877-908-3360
- AARP Fraud Victim Support Pilot: www.aarp.org/fraudsupport