



SPOTLIGHT: PHONE SCAMS



DON'T BE DECEIVED BY TELEPHONE SCAMS

“Congratulations! You’ve won \$250,000 in the Australian Lottery!”

“You owe \$5,000 in credit card debt, but we’ll take \$1,000 right now as the final payment.”

YOUR GRANDSON IS IN TROUBLE AND NEEDS YOU TO WIRE HIM MONEY IMMEDIATELY!”

Every year, thousands of consumers lose money to telephone scams. While there are legitimate companies who attempt to contact you by phone offering their products and services, con artists are using the phone as a tool to commit fraud.

Telephone scams can take many forms, but they share the common element of trying to separate you from your money or compromise your personal information. SCDCA wants consumers to be able to spot and recognize telephone scams and learn how to not be a victim.

DEBT COLLECTION SCAMS

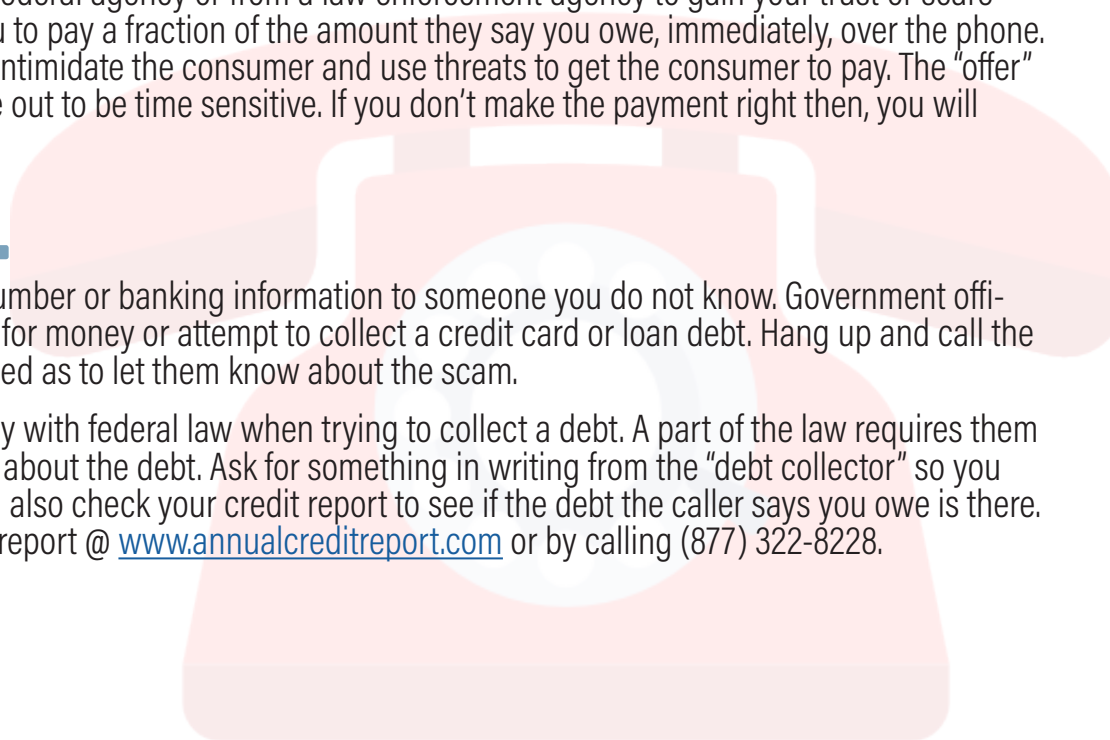
The Pitch

The scammer will act like a debt collector and tell you an amount of money you “owe.” Sometimes they pretend to be from a state or federal agency or from a law enforcement agency to gain your trust or scare you. The fraudster will ask you to pay a fraction of the amount they say you owe, immediately, over the phone. These con artists often try to intimidate the consumer and use threats to get the consumer to pay. The “offer” to settle the debt is also made out to be time sensitive. If you don’t make the payment right then, you will have to pay it all.

The Defense

Never give your credit card number or banking information to someone you do not know. Government officials will not call you and ask for money or attempt to collect a credit card or loan debt. Hang up and call the department the scammer posed as to let them know about the scam.

Debt collectors have to comply with federal law when trying to collect a debt. A part of the law requires them to send the consumer a letter about the debt. Ask for something in writing from the “debt collector” so you can verify their claim. You can also check your credit report to see if the debt the caller says you owe is there. Get a free copy of your credit report @ www.annualcreditreport.com or by calling (877) 322-8228.



IMPOSTER SCAMS

The Pitch

Scam artists often use an official or nationally recognized name or a variation of it to make their story seem legitimate or to confuse consumers. Fraudsters will pose as your bank and ask for personal or banking information needed to supposedly “verify” or “reactivate” your credit or debit account. The caller will explain that the information is needed to reverse a fraudulent charge or an error resulting in your card being blocked.

A different spin on the imposter scam occurs when the scammer calls, posing to be a friend of a family member who is in trouble and needs money. The “trouble” often ranges from car problems to being in jail. Instead of your personal banking information, this time the caller wants you to wire money immediately to assist your loved one.

The Defense

Do not give your personal information or otherwise “verify” your bank/credit card information over the phone. Banks and credit unions will not phone you for this information. Instead, hang up and dial your bank or credit card company directly and tell them about the call.

Before you send money to a caller insisting your family member or friend needs it, contact someone who could verify or debunk the story. A red flag in this type of scam is when the fraudster tells you not to tell anyone about the call/situation.

LOTTERY/SWEEPSTAKES SCAMS

The Pitch

Scam artists will call and say you have won a lottery out of Australia, England or another foreign country. Some scammers use the names of well-known home improvement stores or super stores and allege you were entered into a drawing each time you shopped at the store and... you are a winner! In these scenarios, the scammer will ask you to wire or send money in order to receive your prize.

The Defense

Never send money to claim a prize, especially through a wire transfer. Wiring money to a location is like sending cash, scam victims rarely get it back. Scam artists often say the money is for “insurance,” “taxes,” “shipping and handling charges,” etc. Legitimate lotteries or sweepstakes do not ask you to send money in order to collect.

For more information on protecting yourself from identity theft, visit www.consumer.sc.gov and click Identity Theft Resources.



South Carolina Department of Consumer Affairs
293 Greystone Blvd., Ste. 400 • PO Box 5757 • Columbia, SC 29250
(800) 922-1594 • www.consumer.sc.gov



GENERAL PHONE SCAM TIPS:

- If you are contacted by a fraudster, tell them you know what they are saying is a scam and you are going to report it.
- Call your telephone carrier to block the scammer's number. Be aware that phone numbers can be “spoofed.” Although it may look like someone is calling from your local area, they could be calling from anywhere in the world.
- Warn your family and friends about the scam. It is especially important to talk to your elderly loved ones as they are often targeted by scam artists.
- Want to reduce the number of telemarketing calls you receive? Sign up on the Do Not Call Registry: visit www.donotcall.gov or call 1 (888) 382-1222.