

Telephone Scams

Protect yourself against telephone scams.

Con artists love the telephone.

If you're retired, one of the biggest threats to your wallet could be that smooth voice on the phone.

With all age groups, phone scams are growing. And so are consumer complaints. With retirees, scammers give more time and attention. Often when the family members finally intervene, the retiree has more trust in the new phone friend.

Recently, one crook gamed \$25,000 from a retiree in a lottery phone scam, says Linda Folley, founder of Identity Theft Resource Center. Even when relatives assured the man the "lottery" was fake, he insisted he'd won – selling off assets to pay fees "required" to claim his promised millions.

Criminals also watch the news. They "latch onto what's new and at the top of consumers' minds," says John Breyault, director of the National Consumers League's Fraud Center.

Consequently, top scams these days revolve around health care reform, he says.

Beware of these four tricky retiree phone scams:

1. A scheme with a news hook: unsolicited phone calls or visits from hucksters selling fake discount health plans.

The caller claims to be with the government or a government-sponsored company and tries to sell you a "health plan" that will provide discounts on various medical services. These plans rarely offer any worthwhile coverage.

Signs that it is a scam:

- The caller won't give you details in writing. (Don't even ask for it, unless you have access to a fax machine or P.O. Box. You don't want to give them your home address.)
- The caller asserts he or she is with the government or a government-sponsored company.
- You're told you must have insurance now. But mandatory health coverage requirements don't go into effect until 2014.

Best Move: Hang up.

2. You get a phone call from a "friend" of your grandchild. Bad news. Your grandchild is in jail. He's too embarrassed to call his parents. Could you wire the bail-lawyer money? And please don't tell anyone.

One big tip-off: The request was to wire money. Scammers are very frequently users of money services.

Any time a stranger on the phone asks you to wire money, it's a con. And sometimes, even when someone claims to be family, that can also be a scam.

Still worried? Hang up and dial your grandchild. Chances are his cell is glued to their hip and you'll discover they are not in jail.

3. A caller gushes that you have won millions. But first you must pay taxes and transfer fees. He or she might request personal information, such as Social Security or bank account numbers. And your caller may make multiple calls to establish a personal rapport. **DO NOT GIVE THEM ANY INFORMATION.**

Scam clues:

- You don't remember or didn't buy a ticket.
- Real lotteries don't track down winners. They won't call at all, much less repeatedly.
- Real lotteries don't ask you for money.
- Lotteries don't need your banking information.

A twist: The caller may tell you the money will be awarded to someone else if you don't pay quickly.

Truth – real lotteries don't regift.

4. Scammers will blur the lines on sweepstakes and lotteries, hoping you don't know the difference.

But while sweepstakes or contest sponsors will contact you (the opposite of how a lottery works), all the other scam tip-offs are the same. You have to proactively enter. There are no random drawings based on your phone number, address, e-mail or purchase records. You never have to pay your money if you've won a genuine contest. You also don't have to share banking information. And you settle with tax authorities yourself, after you've been paid.