The National Crime Prevention Council (NCPC) is a private, nonprofit tax-exempt [501(c)(3)] organization whose primary mission is to enable people to create safer and more caring communities by addressing the causes of crime and violence and reducing the opportunities for crime to occur. NCPC publishes books, kits of camera-ready program materials, posters, and informational and policy reports on a variety of crime prevention and community-building subjects. NCPC offers training, technical assistance, and a national focus for crime prevention: it acts as secretariat for the Crime Prevention Coalition of America, more than 360 national, federal, state, and local organizations committed to preventing crime. It hosts a number of websites that offer prevention tips to individuals, describe prevention practices for community building, and help anchor prevention policy into laws and budgets. It operates demonstration programs in schools, neighborhoods, and entire jurisdictions and takes a major leadership role in youth crime prevention and youth service. NCPC manages the McGruff® “Take A Bite Out Of Crime®” public service advertising campaign. NCPC is funded through a variety of government agencies, corporate and private foundations, and donations from private individuals. NCPC participates in the Combined Federal Campaign.

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If you’re a senior, you may find yourself bombarded with telephone calls from telemarketers offering you everything from “fantastic investment opportunities” to home repairs (for an unbelievably low price). The callers always seem nice, and their offers can seem irresistible. Well, that’s a clue, because if it sounds too good to be true, it probably is: Most of these incredible offers aren’t on the level.

This booklet is designed to help you sort through these telemarketing offers so you can recognize which offers are on the up-and-up and which are probably scams. It will also tell you about a variety of things you can do if you get one of these calls, including the simplest thing of all—just hanging up. Many seniors like you are proving that, armed with the right education, they can spot these criminals and protect themselves from their schemes. They are proving that they can be as clever as the con artists, as astute as necessary to detect deception, and as confident as need be to keep from being fleeced.

Please read this booklet and take to heart the tips and techniques it offers. Remember, when it comes to hanging up on telemarketing fraudsters, it isn’t rude, it’s shrewd.

Al Lenhardt
President and Chief Executive Officer
National Crime Prevention Council
WELCOME TO THE CLASS

SENIORS AND
TELEMARKETING
FRAUD 101
on artists who use the telephone may think seniors are ripe for the picking, but many savvy seniors are standing their ground with these fraudsters and giving them a good run for their money. A telemarketing criminal told investigators, “It’s an article of faith in this business to go after the old folks.” Well, chances are these “old folks” may have something else in mind. Welcome to Seniors and Telemarketing Fraud 101.

Telemarketing fraud is defined as using the telephone in a scheme to cheat someone out of their assets—their earnings, savings, pensions, valuables—by deceptive and illegal means. Telemarketing fraud violates the Federal Trade Commission’s Telemarketing Sales Rule (www.ftc.gov, go to “For Consumers,” click on “Telemarketing,” then go to “Straight Talk About Telemarketing”). This rule requires the caller to tell you the truth and not hide anything. It spells out your rights and gives state law enforcement officers the authority to prosecute fraudulent telemarketers who operate across state lines. Of course, these con artists may be breaking local and federal laws too. The FTC also operates the National Do Not Call Registry (888-382-1222, www.donotcall.gov), which will limit, but by no means eliminate, calls from telephone marketers.

Sad as they are, other figures need to be considered too. Ten percent of people over 65 and nearly half of those over 80 suffer from some form of memory loss, dementia, or Alzheimer’s disease. These conditions can make them likely targets for telemarketing criminals.

Facts About Seniors

Seniors account for an ever-increasing share of the population. Thirty-five million Americans, about 13 percent of the population, are 65 or older. And by 2030, that number will more than double. The first of the 75 million Baby Boomers will begin to turn 65 in the coming years. But the trouble starts earlier than that. One study says that fully half of telemarketing fraud victims are 50 or older.
Despite such consumer protections as the Telemarketing Sales Rule and the National Do Not Call Registry, fraudulent telemarketers prey on seniors with promises of huge prizes, fantastic investment returns, and unbelievable deals on all sorts of merchandise—even vacation packages. They craft schemes to take advantage of those of limited means and those who are affluent, of those who are isolated and those who are active. These predators treat everyone as fair game. Nonetheless, the rules and responses below will stop them cold.

1. **Never give personal information to someone on the phone unless you initiated the call and have confidence in the person or agency receiving the call.** Legitimate business callers will not ask you for this information over the phone. If a caller asks for personal information such as a credit card number or Social Security number, just say:

   “I don’t give out personal information over the phone. I’ll contact the company directly and provide them with the necessary information.”

Then hang up. **Remember, it isn’t rude, it’s shrewd.**
2. **If the caller tells you he or she wants to give you something for free, then you shouldn’t have to pay to receive it.** Often, the caller will tell you that you need to pay a handling charge or pay taxes on the prize, but that should be a red flag. Tell them:

“I shouldn’t have to send money for something that’s free.”

Then hang up. **Remember, it isn’t rude, it’s shrewd.**

3. **So-called limited time offers should not require an immediate decision right then and there.**

A caller from a legitimate business will not rush you, so if you are considering dealing with someone who has contacted you over the phone, sleep on it for a day or two. While thinking it over, you may find a better offer or decide you don’t need or can’t afford whatever is being offered. Just tell the caller:

“I’d like some time to think about this. Tell me how I can get in touch with you. If I’m interested, I’ll call you back.”

Then hang up. **Remember, it isn’t rude, it’s shrewd.**

4. **In addition to rushing you, some unscrupulous telemarketers will try to convince you not to talk to anyone about the call.** They might tell you if you divulge the offer to anyone else, it could jeopardize the deal. This is a warning sign. In cases like this, discuss the offer with friends or family members before you agree to anything. If the caller persists, say:

“I’d like to take some time to discuss this with my family and friends, and I’ll get back to you if I’m still interested.”

Then hang up. **Remember, it isn’t rude, it’s shrewd.**

5. **It can be hard to understand all the details of a verbal offer.** What you hear may not be what the caller is saying, or what he or she said may not be entirely accurate. The best way to proceed is to have the material mailed to you so you can read it carefully and at your leisure. If the caller isn’t willing to send you written information, say the following:

“If you can’t mail me the information, then I can’t talk to you.”

Then hang up. **Remember, it isn’t rude, it’s shrewd.**
Fraudulent telemarketers are dangerous for many reasons. One is that they use many of the same persuasion tactics that legitimate salespeople use. While that can make it hard to tell the good telemarketers from the bad ones, the difference is that with fraudsters, there is never a prize, the vacation deal is no bargain, the product isn’t worth its asking price, the work is shoddy or never completed, and so it goes.

Fast-talking telemarketing predators use a variety of tactics to overcome a senior’s reluctance to take their bait. One thing they’ll try to do is focus the discussion away from reality to keep their target focused on the “prize” or scam. They’ll repeat themselves over and over, overstating the value of the prize, emphasizing how lucky the target is to have been selected, and urging the target to act right away.

One way these con artists decide on what tactics to use is by asking lots of questions about things they have no business knowing. It’s like taking an inventory of their victim’s life. They’ll ask about family and children, finances, marriage, political affiliations, and former occupations. In a recent study by the National Institute of Justice, one perpetrator says he looks for what he calls a victim’s emotional Achilles heel and tries to exploit it. The study goes on to say that “fraudulent telemarketers have perfected stratagems that overcome victims’ initial resistance, prey on their psychological issues, and induce victims to make purchases.” In essence, the telemarketers are interviewing their prey to see what they like and what will move them to action. Then they tailor their pitch to the answers.

Whether they’re selling magazines (at grossly inflated subscription prices), demanding money to deliver “free” prizes, trying to convince you to make costly (but unnecessary) home repairs, or engaging in bogus sweepstakes schemes (where you have to pay a cash “fee” upfront to get a much larger sum), telemarketing criminals use a number of recognizable techniques.

“... fraudulent telemarketers have perfected stratagems that overcome victims’ initial resistance, prey on their psychological issues, and induce victims to make purchases.”

—National Institute of Justice
The Scarcity Tactic

A con artist using the scarcity tactic relies on the target’s desire for a product that the fraudster says is in short supply.

**Fraudster:** “If you don’t act now, I can’t guarantee this offer will last. It may expire any moment. You’d better act right now.”

**Savvy Senior:** “No, I’ll wait and see. Send me something in the mail. I’ll look the offer over and if it still looks good, I’ll contact you.”

*Remember, it isn’t rude, it’s shrewd.*

The Authority Tactic

When using this technique, the criminal first establishes an aura of authority over the intended victim, then proceeds to browbeat the target. The goal is to bully the target into buying into a scheme that isn’t in his or her interest.

**Fraudster:** “Listen to me, Mary. Like I said, you’re a bright person, you know the law. You’d better pay the fee for this prize now or I can’t tell what will happen to you. You might end up in jail. Rules are rules, you know. I can help you only so much.”

**Savvy Senior:** “I know enough about the law to know not to talk with you. If it were really a prize there wouldn’t be a fee. I don’t like your attitude. Don’t call me back. Goodbye!”

*Remember, it isn’t rude, it’s shrewd.*

The Reciprocity Tactic

When using this tactic, the con artist relies on a sympathetic reaction from the target. Essentially, the pitch is that if the target doesn’t buy into the criminal’s scheme, then the con artist—often posing as a salesperson or contractor—won’t get a commission or some other type of reward.

**Fraudster:** “Harry, let’s work this out for both of us. I work strictly on commission. If you don’t buy this vacation package, I won’t make any money. But I know things are tough at your end too. How about if I do something nice for you,
and you do something nice for me? Since you can’t afford the $2,000 purchase price, I’ll waive part of my commission and you can pay only $1,000. That way, we’ll both make out.”

_Savvy Senior:_ “Sorry about your commission, but I’m not going to send you any money. I need to see your offer in writing so I can decide whether it’s worth all that you say it is. Mail me the offer and, if I’m interested, I’ll get back in touch with you.”

**Remember, it isn’t rude, it’s shrewd.**

**THE SOCIAL PROOF TACTIC**
The social proof technique relies on the target’s need to belong and is especially effective on seniors who are alone. The technique is based on making the target feel that if everyone is doing something, then it must be good. Basically, the pitch is that everyone is taking part in this particular scheme—so why doesn’t the intended victim?

_Fraudster:_ “Everyone’s buying one of these timeshares in Arizona. Right down the street from you, Mrs. Jones has bought one. And I just got off the phone with Mr. Smith on Maple Street. He’s buying too. There’ll be lots of people there, all of them just like you. So let’s get you signed up now. All you need to do is give me your credit card number so I can get your reservation deposit right now.”

_Savvy Senior:_ “No thanks. I’m not about to jump on the bandwagon. And I’d never give out my credit card number to someone I don’t know. Sorry!”

**Remember, it isn’t rude, it’s shrewd.**

**OTHER PERSUASION TECHNIQUES INCLUDE:**

- **Phantom fixation,** where the scammer offers a prize or reward so great that it is “too good” to pass up

- **Similarity,** where the scammer convinces the intended victim that they both have the same values

- **Consistency,** where the scammer uses the target’s own words against the victim to convince him or her that what the target is describing is exactly what the scammer is selling

- **Contrast,** where the scammer compares his or her product to ones the target is familiar with. Of course, the scammer tells the intended victim that his or her product is a much better value, but in reality, it isn’t.

Always keep in mind that these con artists are a heartless bunch. To them, committing crimes against seniors is just making a living. They’ll even blame their victims for falling for their con.
Why are telemarketing criminals so successful?

First, it’s important to know that it’s not their victims’ fault. These con artists are clever, well-rehearsed, and always seem “very nice.” But the truth is just the opposite: They prey on their victims’ decency, vulnerability, and, in many cases, their isolation. Here’s what you can do to stop these criminals in their tracks.

- Give out your credit card number only when you initiate the transaction or when you know the merchants or deal with them on a regular basis.
- Guard your Social Security number carefully, and never give it to strangers.
- When someone calls to offer goods or services that you have to pay for, tell the caller to send you a description of the offer in writing so you can read it over before making a decision.
- If a contractor calls you to offer home repairs, check his or her reputation with your local Better Business Bureau and inquire at your county or city offices to see if any complaints have been lodged for nonperformance. Remember, the references the contractor provides may be phony.

- Check out a charity before you give. Read up on it at the library or on the web. Call the charity to find out if it has authorized the use of its name. If the telemarketer claims that the charity will support local organizations, call the local groups to verify. Be extra careful of requests for help that follow disasters. Make out your check to the charity itself, not to the caller, and mail it to the charity’s listed address.

A Sucker Isn’t Born Every Minute

Telemarketing criminals sometimes work out of “boiler rooms,” where many well-trained con artists work together. They may use the names and phone numbers on “sucker lists” of people who have responded to a previous telemarketing, Internet, or mail fraud scheme. These sucker lists are then sold back and forth. If you’re on one, you’re sure to be a repeat target. The trick is to follow the tips in this booklet and avoid getting listed in the first place.
Read the terms of an offer a couple of times to make sure you completely understand it. Ask a friend or family member to look it over with you.

Be cautious of callers who say that you’ve won a prize—pay no money to claim it, no matter what they say.

Refuse to pay any fees or costs for a “free” offer.

Hang up on callers posing as officials of U.S. Customs and Border Protection who say they’ve received an international parcel for you and you must authorize a fee over the telephone to get the parcel delivered. This government agency will never make such a call.

Wire money only to family members or people you have known for a long time. Wiring money is as good as sending cash, and you may be helping a crook who has defrauded you make a quick getaway.

If you buy lottery tickets, buy only those issued in the United States. Almost all foreign sweepstake and lottery ticket offers, including the huge number that originate in Canada, are fake and, in addition, it’s against the law to participate by phone or mail in these cross-border scams.

Be aware that the phone numbers on your caller identification display can be deceptive. By using Internet technology, con artists can make it look like they’re calling from your community even though they may really be thousands of miles away.

Beware of offers to help you recover money that you have lost in previous scams. These “recovery” schemes are almost always fraudulent and just add insult to injury.

Tell the caller you need time to think things over. Don't be pressured into a quick decision.

Hang up immediately on all telemarketing calls received before 8:00 a.m. or after 9:00 p.m. These calls are a sure sign of a rip-off, and they violate the Telemarketing Sales Rule.

Be extra cautious if the caller is much more excited than you are.
Facts About Fraud

Seniors age 60 and older are victims of 49 percent of telemarketing scams involving medical care products and services, 46 percent involving investments, 41 percent involving prizes and sweepstakes, and 40 percent involving magazine sales. And the amounts of money lost can be enormous: The average loss in prize/sweepstakes schemes was more than $7,000 per victim for the period January to June 2005. One other detail is important to keep in mind: By using the telephone, the criminal can pressure or fluster the victim directly—or, worse, pretend to befriend him or her. The chosen method of payment is intended to be quick and easy (for the criminal)—a wire transfer, a messenger pickup, or private mail service.

Tell callers to take your name off their contact lists if you don't want to hear from them again. If they call back, they're breaking the law, and you can feel comfortable hanging up on them.

End all unwanted calls quickly. If possible, rehearse with your family or friends how to hang up on suspicious calls. You need only hang up, not explain or apologize.

Remember, it isn't rude, it's shrewd.
When Calls Are Okay

Legitimate telemarketers won’t be turned off if you use the techniques described. Rather, they’ll treat you like an educated consumer. They shouldn’t pressure you to act right away, and, what’s more, they won’t ask you to pay a fee for something that’s supposed to be free. When you say “no,” they’ll thank you for your time and end the call. But if they display any of the warning signs listed in the examples on the preceding pages, it’s probably not wise to deal with them.

DON’T CALL ME. I’LL CALL YOU!

To reduce the number of annoying and downright dangerous telemarketing calls you get, sign up with the Federal Trade Commission’s National Do Not Call Registry, 888-382-1222, online at www.donotcall.gov. After 31 days, the number of telemarketing calls you get should drop and stay that way for five years. (Charities, nonprofit groups, and political organizations may still call you.) But remember: Unscrupulous fraudsters will always try to reach you, and they have many ways of getting your name and number. Furthermore, telemarketing con artists will sometimes pose as representatives of the FTC or the Do Not Call Registry and call you in an attempt to get your Social Security number or other important personal information that they can use to steal your identity, among other things. The FTC will never make such calls.

You can also write to the Telephone Preference Service of the Direct Marketing Association (DMA), PO Box 1559, Carmel, NY 10512, or go to www.dmaconsumers.org/cgi/offtelephone. After the end of the calendar quarter in which you enroll, the number of calls you get should diminish. However, you’ll still hear from companies of which you are a customer and from those that are not members of the DMA.
MORE INFORMATION

**AARP**
202-434-2277 or 888-687-2277
www.aarp.org/bulletin/consumer

**American Institute of Philanthropy**
773-529-2300
www.charitywatch.org

**Better Business Bureau Wise Giving Alliance**
703-276-0100
www.give.org

**Council of Better Business Bureaus**
703-276-0100
www.bbb.org (includes online directory of the country’s 150 Better Business Bureaus and branches and their phone numbers and addresses)

**Federal Trade Commission**
202-326-2222
www.ftc.gov, go to “For Consumers,” then “Telemarketing”

**National Association of Attorneys General**
202-326-6000
www.naag.org

**National Association of Triads, Inc.**
(affiliated with National Sheriffs’ Association)
703-836-7827
www.nationaltriad.org

**National Consumers League**
202-835-3323
www.nclnet.org

**National Fraud Information Center**
Internet Fraud Watch
800-876-7060
www.fraud.org

**National Institute of Justice**
202-307-2942
www.ojp.usdoj.gov/nij/

**U.S. Postal Inspection Service**
202-281-2600 or 888-877-7644
www.usps.com/postalinspectors/fraud/seniorwk.htm