

State Auditor's Office

SAIF Quarterly

Spring 2010



SCAM ALERT Phony Grandchild

A West Virginia woman was scammed to the tune of \$3,600 by her grandson.

It turned out that he actually was not her grandson. But she believed he was when the imposter identified himself with the correct name over the telephone.

“Hi, Grandma, it’s me, your favorite grandson, and I’m in trouble.”

Upon his request, the woman wired the money – to a fraudster.

The March edition of the AARP Bulletin reported that an old enemy again has reared its head. And this updated “grandparent scam” is more dangerous and pervasive than ever.

Here’s how it works: Someone claiming to be your grandchild calls, saying he has been robbed (or hospitalized or arrested) while in Canada on a fishing trip (or other reason). He says he is afraid to call his parents and he needs cash wired quickly.

The grandparent responds, “Jordan, is that you?” This provides the name needed for the ruse.

Or, maybe the scamster read a recent obituary of the grandmother’s husband and knows she has a grandson named Jordan.

Late last year, the Royal Canadian Mounted Police reported that there has been a “marked increase” in the number of complaints regarding the “grandparent scam.” (English-speaking Canada is the fraudsters’ favorite locale.)

The con artists use little tricks, such as disguising their voices by crying. One might play a game with the grandparent: “Do you know who this is?” When a name is guessed, the caller uses it for credibility.

Janet Clarke of AARP West Virginia Foundation said her office has discovered at least a dozen victims of this scam with a common, recently widowed thread.

“All had a recent death in their family, and all had beautiful obituaries written that listed the names of family members, and sometimes even their nicknames,” Clarke said.

To protect yourself, AARP suggests the following.

- If the caller says, “It’s your grandson,” ask, “Which one?” Don’t offer information.
- Verify the caller. Confirm your grandchild’s identity, saying you will call his cell phone (but don’t ask the caller for the number).
- Never provide credit card or bank account numbers to any caller.
- Be suspicious of requests for money wires.
- Contact your local police non-emergency number to report a scam.
- Contact your bank if you wired any money.

AARP “No Free Lunch” seminars scheduled

Have you ever gotten an invitation to a free lunch or free dinner where you’re guaranteed to learn about a “great investment offer?”

Nearly six million Americans over age 55 have attended at least one of these in the last three years. In response to these solicitations, AARP launched the Free Lunch Monitor program with the North American Securities Administrators Association, an organization of state securities commissions, including West Virginia’s.

AARP West Virginia will provide three training sessions over the next several weeks for seniors on how to report on such free seminars. They are April 6 in Wellsburg at Staffilenos on the River; April 7 in Wheeling at Oglebay Resort; and June 30 at The University of Charleston. Lunch will be provided. The last one is part of a Seniors Against Investment Fraud training by the West Virginia State Auditor’s Office. To RSVP, call Patti Hedrick at 304-340-4608.

For more information regarding the Free Lunch Program, go to www.AARP.org/nofreelunch.

1-888-724-3982

Andy Griffith - A figment of our past

At the risk of revealing my age, I want to talk about something very familiar and dear to my heart. I can remember coming home from school as a child. After our homework was done and a snack was prepared, my sister, brother and I would sit in front of the TV to watch our favorite shows.

Of course, we would have to take turns going outside to turn the antenna to get a better picture from one of the three channels we had in those days.

Wow, how things have changed!

Back then and even now, one of my favorite shows was the Andy Griffith Show. The reason why is because of the simple ways Andy did things.

You knew the show was coming on when you heard the whistling.

This brings me to my point. You would think Andy was the one who was whistling. But he was not. And you would ask yourself the question, "Were there actual words to that song?"

For the record, the name of the song is "The Fishin' Hole," written by Everett Sloane. And the whistler was Earle Hagen.

I said all the above to explain that in the days in which we live now, even if something looks and sounds familiar and good, don't ever think it is good.

The basic rules espoused by the Seniors Against Investment Fraud program since it's beginning are two.

*** Investigate before you invest.

*** If it sounds too good to be true, it probably is.

The seniors of our state are the most precious of all our people. So in today's world, please be careful in all that you do.

We don't have Andy Griffith's world any longer. A handshake is no longer a legitimate contract. We don't live there anymore. That town is vacant.

---Dale Usey, field representative for Fayette, Greenbrier, Mercer, Monroe, Nicholas, Pendleton, Pocahontas, Raleigh and Summers counties.



Dale Usey, a field representative for the Auditor's Office, spoke recently to seniors at the Raleigh County Commission on Aging in Beckley. Photo courtesy of C.L. Garvin of The Register-Herald.

Keep eyes wide open for scams

Well, it's tax time again, when our reliable scam artists try their best to get you to send them your personal information by pretending they are someone you can trust, or at least believe.

These scammers become your bank, PayPal, or even the IRS. They try every way they can to convince you they are trying to help you.

Their web pages will look official and might even have the appearance of your own bank.

They don't care about your tax refund, or even the amount of money you have in your PayPal account.

What a scam artist really wants is your personal log-in information, which is your user name and password. If he can find out your user name and password, he can become you, as far as the computer at your bank knows.

If he can log in as you, he can learn your credit card numbers, your Social Security number, your home address and your entire name. In other words, as far as computers know, the scammer is you. He now can obtain new credit cards in your name, use your Social Security number to acquire other types of IDs and continue to live as if he were you.

It can be a real nightmare to straighten out.

If the Internal Revenue Service sends you an email telling you it can direct-deposit your refund or send you your refund more quickly, call and ask if the IRS actually sent that email. No legitimate institution will ask you to log in from email.

Never, never, never log in to anything from an email!

There also may be people asking you to invest your money with them. Before you invest, investigate. You may call the West Virginia Securities Commission. Auditor Glen B. Gainer III also serves as securities commissioner. All securities brokers must be registered with our office.

Call 888-724-3982 and ask if the broker you are considering is registered. Remember, if it sounds too good to be true, it probably is.

Until next time, be SAIF.

---F. David Shelene, field representative with the West Virginia State Auditor's office