

Protect Your Family Members from Scams

This a truly special time of year for many of us – a time for reflection, family bonding and giving to others. Unfortunately, it is also a time when dishonest people take advantage of others.

Every year there is some terrible story on the news of people stealing from a charity or gaining access to credit card numbers. The stories that we don't hear can often be just as heartbreaking.

For instance, I recently heard the story of an individual receiving a call at one o'clock in the morning from someone claiming to be their grandson. He said that he had been arrested for driving under the influence while trying to make his way home for the holidays. He didn't want anyone to know but desperately needed money wired so that he get out of jail and home to his family. Of course the loving grandfather rushed to help – and didn't find out until seeing the grandson a week later that he had not called and had never been in trouble. The grandfather had been scammed.

This story is just one of many similar tales that phone scammers use to target senior citizens. In what's known as the "grandparent scam," Crooks scare their elderly suspects with a call in the middle of the night, catching them off guard with a heartbreaking story about someone they care about. The "grandchild" is always in need of cash, which he or she instructs the victim to wire through a money-transfer service, and repeatedly asks the victim not to tell anyone.

Because people over 60 are perceived as trusting and polite more and more scams are targeting them and as that segment of the population grows so too will those trying to take advantage of them. In 2010, the Federal Trade Commission received 60,000 complaints about the grandparent scam and related frauds; in 2011, the number of complaints increased by 22 percent, to 73,281.

There are a number of other scams that are becoming more prevalent. For example, con artists often pose as telemarketers to ask for donations for veterans or other civic causes or pretend to be from a government agency and try to convince their target that new regulations require them to pay an exorbitant sum for unneeded products or services. And of course there are the classic prize schemes – phone calls, emails or mailings informing the target that they have won some fabulous prize or sum of money and need only send a small amount of cash to cover the fees to collect their prize.

There are some things you can do, or remind your family members of, to try and avoid falling victim to such scams.

First of all, be informed. Just knowing that these types of scams exist can help as it may make the potential target stop and question things before agreeing to send money. Along those lines, know that no legal sweepstakes would require you to pay taxes or fees in advance of collecting the winnings.

Never wire or send money to someone you don't know. Just like sending cash, once you have sent a wire you can't get the money back so no matter how convincing the tale sounds get third party confirmation before sending anything. Fraudsters will try to press you to do something immediately and will try to catch you off guard and cause panic. As disturbing as the call may be try to remain calm and use your common sense.

Ask questions. Often con artists have very rudimentary information about your family or the organization they are pretending to represent. If you ask them questions to confirm their identity – such as another family member's name or birthdate or where the headquarters for their organization is located – they will often terminate the call or correspondence.

Get third party confirmation or independently contact the individual or organization. For example, if your "grandson" calls needing money wired immediately try calling his cell phone directly – most likely he'll answer and have no knowledge of the call you just received. Similarly, if a governmental agency contacts you about new regulations or requirements you should call that agency directly and talk to someone about the call you received.

As always, protect your information by keeping your phone and email account private and invest in a shredder. Often scammers gain some piece of information from you – like that you have a grandson or support veteran's causes – and use that information to try and exploit you. And remember that scammers don't always ask for sizeable amounts of cash to start. They may start with a small amount and then keep coming back to you with similar requests.

Remember that scams are constantly changing and being developed. If you suspect that you are being targeted contact your local law enforcement agency to report it. Even if you don't fall victim you may be able to help save someone else by reporting the scam.

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