

U.S. Department of Justice and Fraud Schemes Targeting Older Americans



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Providing Legal Support to the
Aging Advocacy Network

- <http://www.nlrc.aoa.gov/>
- Collaboration developed by the Administration for Community Living/Administration on Aging between the National Consumer Law Center, Justice in Aging, American Bar Association Commission on Law and Aging, Center for Elder Rights Advocacy, and the Center for Social Gerontology
- See upcoming trainings, conferences, and webinars
- Request a training
- Request consulting
- Request technical assistance
- Access articles and resources



Presenter – Rich Goldberg

- Rich is an Assistant Director with the U.S. Department of Justice, Consumer Protection Branch. A graduate of Hobart College and University of Maryland School of Law, Rich has been with the Justice Department since 1999.
- He has prosecuted and supervised civil and criminal cases involving telemarketing fraud; dangerous and misrepresented foods, drugs and dietary supplements; and hazardous consumer products. Several cases he supervises relate to companies and individuals that target older Americans.



Speaker – Kate Drenning

- Kate is a trial attorney in the Consumer Protection Branch of the U.S. Department of Justice. She prosecutes financial fraud targeting consumers and brings civil and criminal enforcement actions under the Federal Food, Drug, and Cosmetic Act.
- She received her bachelor's degree from the University of Chicago and her J.D. from the University of Michigan Law School.



Speaker – Ann Entwistle


- Ann is a trial attorney in the Consumer Protection Branch of the U.S. Department of Justice. She prosecutes civil enforcement actions to protect consumers against direct mail fraud.
- She also brings enforcement actions under the Federal Food, Drug, and Cosmetic Act in the area of food and nutritional supplement safety, and the Consumer Product Safety Act. Ann is a graduate of Georgetown University and the University of Minnesota Law School.





Mass Market Frauds against older Americans and how to stop them

Rich Goldberg
Assistant Director
U.S. Department of Justice
Consumer Protection Branch



The views expressed in this
webinar do not necessarily
express those of the
U.S. Department of Justice

Who are we?

- Consumer Protection Branch
- Approximately 40 attorneys
- Nationwide practice
- Civil and criminal
- Collaborate with state and federal partners and advocacy groups
- Many different kinds of cases, including cases that target older Americans





A world map with a blue and black color scheme. The landmasses are black, and the oceans are a vibrant blue. Several small red dots are scattered across the map, indicating specific locations. The text is overlaid on the map in a bold, white, sans-serif font.

**Fraud against older adults
is much more complicated
than a decade ago.**



Bringing foreign nationals to justice

- Damion Barrett extradited from Jamaica.
- John White extradited from Costa Rica.
- Juan Cuya of Peru arrested while visiting U.S.
- Robert Nicol deported from the Philippines.
- Omer Bezalel extradited from Romania.




2014 Internet Crime Report



Internet-Based Fraud Schemes Statistics for Population over 60 Years of Age

- **Confidence / Romance scams – over \$26 million**
- **Auto fraud – over \$11 million**
- **Intimidation / Extortion Scams – over \$5 million**
- **Real Estate Fraud – over \$5 million**
- **Government Impersonation Email Scams – over \$2 million**

Source: FBI Internet Fraud Complaint Center 2014 Report



Consumer Sentinel 2014:
Complaint Numbers for
Population 70 Years and Older

- **Imposter: Government** **16,386**
- **Telemarketing Practices** **14,262**
- **Imposter: Business** **10,666**
- **Prizes\Sweepstakes\Gifts** **5,373**
- **Imposter: Family\Friend** **3,495**

Trending frauds: **Tech Support Scams**



Trending frauds: **Dietary Supplement Fraud**



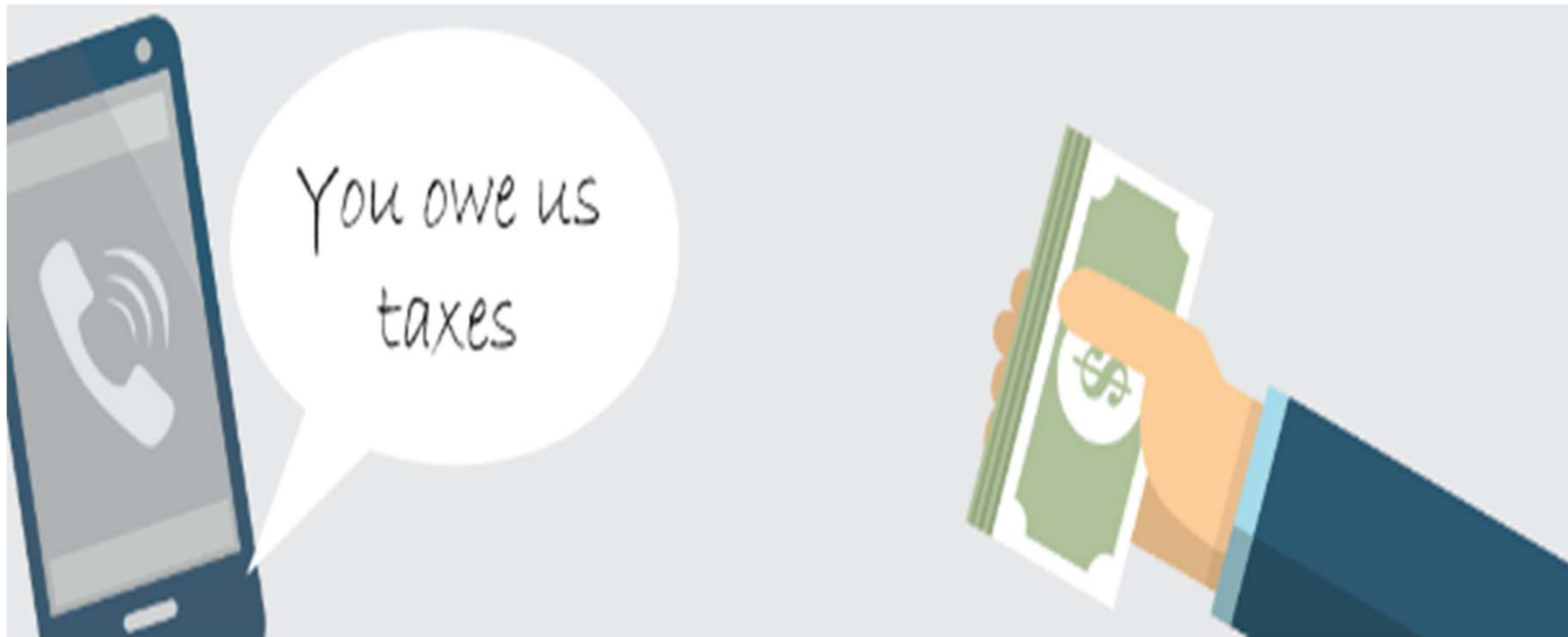
Add a healthy dose of
skepticism



Trending frauds: Unauthorized withdrawal



Trending fraud: **IRS Scam**





Index Card on Computer Monitor/ Telephone / Mail Bin

Tips from the Police

- Thieves pretend to be in this country.
- Thieves force you to make decisions fast.
- Thieves fake caller-ID.
- Thieves sometimes pretend to be the government.
- Thieves pressure you not to call friends or family.
- Before giving out your credit card number or money,
Ask a friend or family member about it!

Speaking of Scams...

Every day, scammers target people in our communities. Some scams reach a wide audience, others focus on certain groups – for example, older adults or Spanish-speakers. But you can make a difference by talking to people you know. Share the scams you hear about. A few words from you can help someone you care about avoid scams.

What can you tell people about scams? Here's a start:

Check it out.

Someone might ask you for money or personal information. But do you really know who's behind that email or on the phone? They might not be who they say they are. Check it out before you do anything. Talk to someone you know about how you can confirm the story – and what you should do.

Don't be in a hurry.

Someone might want you to *act now* to give them money or personal information – before you have time to think about it. Tell that person you need time. Then talk to someone you trust before you do anything else.

Talk about it.

The best way to avoid a scam is to talk about it – even if you're not sure it *is* a scam. Talking about the phone calls and emails you get can help you, and helps those you care about.

Report scams.

If you spot a scam, tell us. Your report makes a difference. Report scams in English and Spanish: call 1-877-382-4357 or visit [ftc.gov/complaint](https://www.ftc.gov/complaint) (English) or www.ftc.gov/queja (Spanish).

Want to learn more about scams? Visit consumer.ftc.gov.



U.S. Department of Justice | Federal Trade Commission

Available in English
and Spanish

FTC Resources

FTC “Pass It On” campaign

<http://www.consumer.ftc.gov/features/feature-0030-pass-it-on>



Report to FTC Complaint Assistant

<https://www.ftccomplaintassistant.gov/>

Lottery Fraud and Older Americans

May 27, 2015

Kathryn Drenning

Trial Attorney

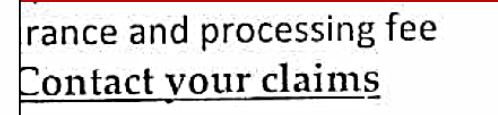
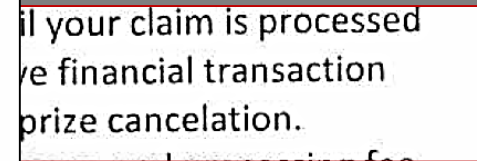
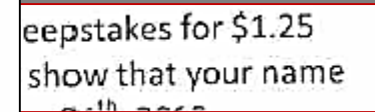
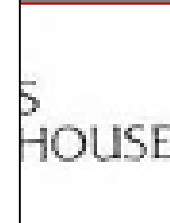
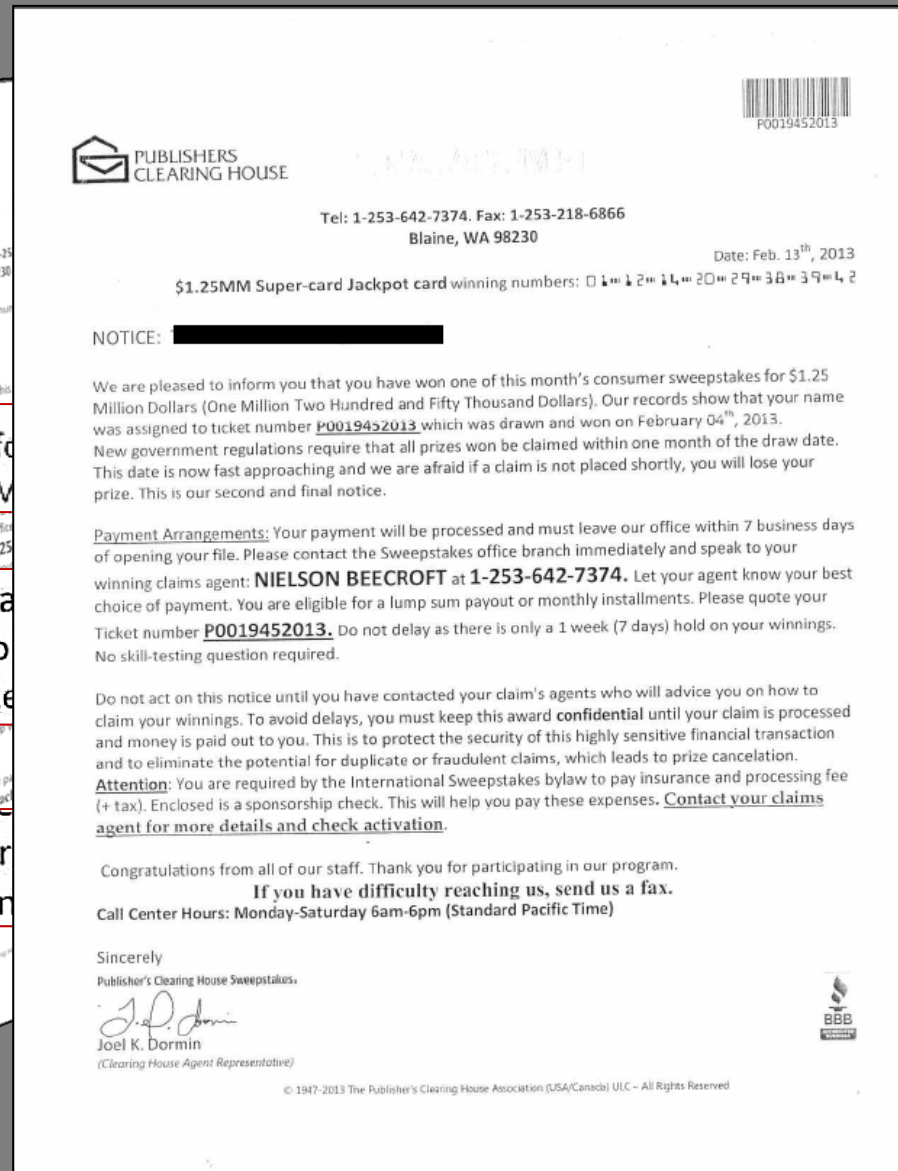
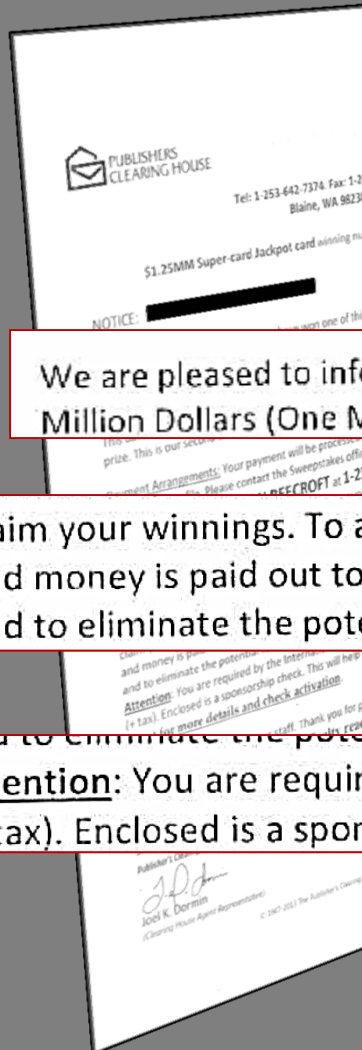
Consumer Protection Branch

U.S. Department of Justice

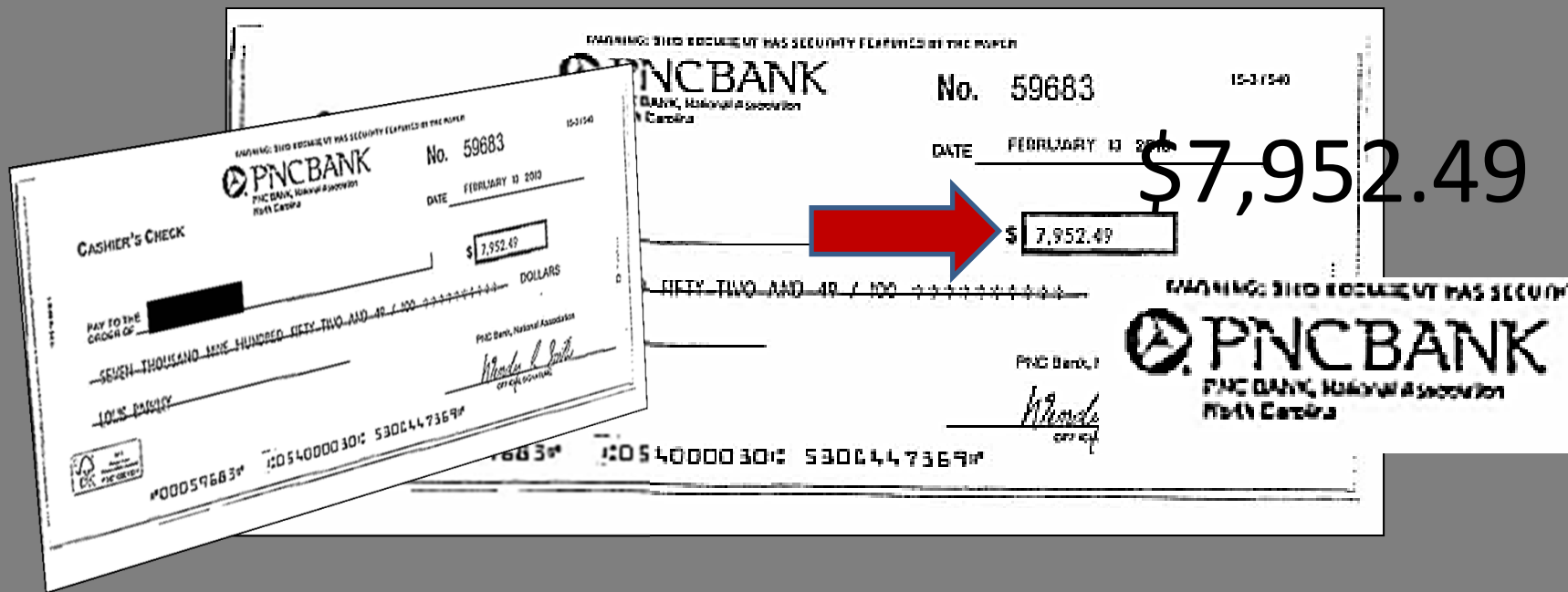
Scope

- Scams emanating from all over the globe: Canada, Costa Rica, Jamaica, etc.
- Targeting seniors in the United States
- Tens of millions of dollars per year reported lost
- Individual victims report losses between \$50.00 and \$1 million

A Letter in the Mail



A Letter in the Mail



and to eliminate the potential for duplicate claims.

Attention: You are required by the International Sweepstakes bylaw to pay insurance and processing fee (+ tax). Enclosed is a sponsorship check. This will help you pay these expenses. Contact your claims

The Scammers

- Basic technology and lots of time
- U.S. co-conspirators for mailings and money receipt
- Accept cash, checks, wire transfers, stored value cards
- Coach victims to obtain cash advances, open lines of credit, redirect social security
- Turn victims into money mules

What to do for Victims

- Change phone number and email address
- Involve trusted family, friends, clergy
- Pay attention to credit card advances, social security check, new loans
- Report or have law enforcement report:
<https://www.ftccomplaintassistant.gov> or
1-877-FTC-HELP

Psychic/Astrology Direct Mail Scams

May 27, 2015

Ann Entwistle

Trial Attorney

Consumer Protection Branch

U.S. Department of Justice

The Letters

- A personal letter from a world renowned psychic
- Contacting the recipient specifically based on a psychic vision
- To offer help
- Predict the recipient will obtain a huge financial windfall with the psychic's help

The Letters

I had an incredible vision about you. I saw you win a very large sum of money at a game of chance, and I felt the one-hundred dollar bills raining down on your head.

My loyal friend also knows about you personally. I cannot reveal her name to you, because she made me promise to keep her identity confidential. However, she knows very well that you are currently experiencing a terribly difficult and worrisome situation. So she implored me to offer you the opportunity to keep this Talisman of Good Fortune for as long as you need it to get your head above water.

We formally guarantee you a life 100% filled with happiness and wealth if you request our assistance within 5 days. Your “energy shield’s” critical situation indeed renders your case extremely urgent. Your “Energy Layer” could break at any moment after that period. In that case, we would be unable to do much to help you. Goodbye peace, Goodbye 7 million Dollars...Hello sadness and never-ending anxiety.

The Letters

- Offer assistance in the form of
 - mystical products, talismans, etc.

With the help of your talisman, I see you winning several lottery prizes totaling up to \$71,000.00 within 26 days in the next lottery drawings!

- Perform rituals on recipient's behalf

As soon as I have your photo in my possession, I am going to be able to concentrate all my psychic strengths further. With this in hand, I can prepare your detailed personal prediction of good fortune in the next few days.

- State that assistance is personalized and unique

In celebration of your NEW LIFE, we've prepared a mysterious and extraordinary gift for you – a powerful Talisman that can attract MONEY and LUCK. It's the same Talisman that I carry with me all the time. I've never shared it before, but in your case I had no hesitation. The most powerful and ancient Talisman I have ever known is now YOURS!

The Letters

- The cost of the talisman or ritual is low – typically \$20-40
- Once a victim makes a purchase – they are flooded with letters from the same psychic, and from other psychics, offering similar “personalized” assistance

The Structure of the Scam

- Copywriters in the US or in Europe write the letters
- The psychic may or may not be a real person, may or may not have read the letter, certainly has not selected the recipients
- Scammers purchase commercial mailing lists with names and addresses of those who have previously shown an interest in astrology

The Scope of the Scam

- Scammers send identical letters to hundreds of thousands of people
- Weekly mailings in the range of 50,000-200,000 letters
- Gross annual income as high as \$13 million
- Any victim who makes a purchase is hit repeatedly

The Scope of the Scam

- Victim payments to a Commercial Mail Receiving Agency (UPS Store, etc.)



- Caging Services collect and process payments



- Funds sent via payment processor to organizers of the scam – often abroad
- Sell mailings lists to other scammers

Victim Letters

I am using the Visa cause I don't have money in the bank. Dear friend, I lost my wife this year in January and she left me with a large debt and it will take me years to pay, but you promised me that I had won the award, \$10,000 right away and \$2,500 each month and I have not heard from you when will it start.

But I am forgetful, I might lose the ingot. I am 83 years old.

Please help me like you did for all the other people you helped and told me about in your letter. You're the only hope I have left. I'll be praying to God each night for your help. I have nothing, little money, need back surgery, need some teeth fixed, living with a friend who took care of me when my mother passed away. Living one day at a time waiting for my life to change before I die.

God bless you.

I will do this 1 last time. I post dated for 5-22-14 when I get my social security. I have invested over \$2,450.00 and still have not received any sum of money. This will be my *last and final* try.

DOJ Enforcement Efforts

- Identify Scams – FTC complaints, US Postal Inspection Service
- Civil Enforcement
 - 18 U.S.C. § 1345 – Allows the United States to initiate a civil action to seek an injunction to stop and ongoing mail fraud scheme
- Criminal Charges where appropriate

Tips for Victims

- Losses by elderly victims most often come to light when children or other trusted friends learn that the victim is repeatedly sending \$\$
- Request a refund
- File complaints with
 - Federal Trade Commission
 - Better Business Bureau
 - State Attorney General
- Victim's information *has* been sold to other scams

Questions?

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Next Series of Webinars



- Next webinar:

May 28 – **“Part II: Litigating on Behalf of Reverse Mortgage Surviving Spouses”**

Register at www.nclc.org



Just a Reminder

- Please fill out the evaluation when you sign-out
- I will email you the PowerPoint and recording in a few days
- Thank you to our speakers!



Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org