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Transnational Elder Fraud Strike Force Top 5 Trending Schemes

The Transnational Elder Fraud Strike Force provides the following list to warn and educate the public about trending elder fraud threats. The Strike Force encourages use of the scheme names listed below to enable those combatting financial exploitation to speak a common language in discussing and reporting incidences of elder fraud. This list of scams was obtained by the 14th Circuit Solicitor's Office directly from the U.S. Department of Justice.

Social Security Administration Imposter Scam

Social Security Administration imposters contact prospective victims by telephone and falsely claim that the victim's Social Security number has been suspended because of suspicious activity, or because it has been involved in a crime. They ask to confirm the victim's Social Security number, or they may say they need to withdraw money from the victim's bank and to store it on gift cards or in other unusual ways for "safekeeping." Victims may be told their accounts will be seized or frozen if they fail to act quickly.

Perpetrators often use robocalls to reach victims. Victims may be told to "press 1" to speak to a government "support representative" for help reactivating their Social Security number. They also use caller ID spoofing to make it look like the Social Security Administration is calling. With such trickery, perpetrators convince victims to give up their Social Security numbers and other personal information. Social Security Administration imposters operating from abroad often use U.S.-based money mules (see: http://bit.ly/14SO_Money_Mules) to receive victim payments and transmit proceeds to perpetrators.

Source: Social Security Administration Office of the Inspector General

Tech Support Scam

Fraudsters make telephone calls and claim to be computer technicians associated with a well-known company or they may use internet pop-up messages to warn about non-existent computer problems. The scammers claim they have detected viruses, other malware, or hacking attempts on the victim's computer. They pretend to be "tech support" and ask that the victim give them remote access to his or her computer. Eventually, they diagnose a non-existent problem and ask the victim to pay large sums of money for unnecessary – or even harmful – services. Tech Support Scams operating from abroad often use U.S.-based money mules (including legitimate-seeming businesses registered in the U.S.) to receive victim payments and transmit proceeds to perpetrators.

Refund scheme: After victims make payments, perpetrators often call back and offer refunds to victims, claiming their tech support services are no longer available. Perpetrators claim to send refund money to the victim's bank account but falsely claim that too much money was refunded. Perpetrators then induce victims to send payments (often through stored-value cards such as gift cards), purportedly to reimburse the tech support company for its "over-refund." Victims have lost hundreds or thousands of dollars to this refund scheme.

Source: Federal Trade Commission

Lottery Scam

Fraudulent telemarketers based in Jamaica and other countries are calling people in the U.S., telling them that they have won a sweepstakes or foreign lottery. The fraudulent telemarketers typically identify themselves as lawyers, customs officials, or lottery representatives, and tell people they have won vacations, cars or thousands — even millions — of dollars. "Winners" need only pay fees for shipping, insurance, customs duties, or taxes before they can claim their prizes. Victims pay hundreds or thousands of dollars and receive nothing in return, and often are revictimized until they have no money left. Lottery Scams operating from abroad often use U.S.-based money mules to receive victim payments and transmit proceeds to perpetrators.

Source: U.S. Embassy in Jamaica

IRS Imposter Scam

IRS Imposter Scams are aggressive and sophisticated phone scam targeting taxpayers. Callers claim to be employees of the IRS, but are not. They use fake names and bogus IRS identification badge numbers. Victims are told they owe money to the IRS and it must be paid promptly through a wire transfer or stored value card such as a gift card. Victims who refuse to cooperate are threatened with arrest, deportation, or suspension of a business or driver's license. IRS Imposter Scams operating from abroad often use U.S.-based money mules to receive victim payments and transmit proceeds to perpetrators.

Source: Internal Revenue Services

Romance Scam

Millions of Americans use dating sites, social networking sites, and chat rooms to meet people. And many forge successful relationships. But scammers also use these sites to meet potential victims. They create fake profiles to build online relationships, and eventually convince people to send money in the name of love. Some even make wedding plans before disappearing with the money. An online love interest who asks for money is almost certainly a scam artist. Romance Scams operating from abroad often use U.S.-based money mules to receive victim payments and transmit proceeds to perpetrators. Sometimes, perpetrators of Romance Scams convince victims to serve as money mules, receiving illegal proceeds of crime and forwarding those proceeds to perpetrators. For example, Romance Scam victims often are induced to receive payments and/or goods such as technology equipment procured through fraud and to forward those payments and goods directly or indirectly to perpetrators.

Source: Federal Trade Commission