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For Immediate Release:

March 23, 2011

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NJ Attorney General, Division of Consumer Affairs, Consumer Federation of America Launch Nationwide Education Program to Combat "Grandparent Scam"

NEWARK – The Grandparent Scam typically begins with an urgent phone call to an unsuspecting senior citizen. The caller may claim to be the victim's grandchild, or claim to be a police officer. The message is always the same: Your grandchild is hurt, in jail, or otherwise in trouble, and needs hundreds of dollars immediately. Please don't tell mom. Please do send a money order via Western Union or a similar service.

Those who fall victim later learn their grandchild never was in trouble. Instead, their money has been wired to a thief and may never be seen again.

Noting that thousands have fallen for this scam in New Jersey and nationwide, Attorney General Paula T. Dow today joined with the State Division of Consumer Affairs and the Consumer Federation of America to launch a nationwide public education campaign against the Grandparent Scam and other impostor scams.

"Scams in which criminals prey on senior citizens, manipulating their fears and stealing their savings, are among the most malicious in our society. New Jersey is proud to stand with the Consumer Federation of America, in launching a nationwide campaign to expose this crime and help senior citizens learn to protect themselves," Attorney General Paula T. Dow said.

The announcement, at Home Sweet Home Adult Medical Daycare in Elizabeth, included the first-ever public showing of a two-minute educational video the Consumer

Federation of America produced with support from Western Union. The video, along with CFA's new tips about this scam, can be found at www.consumerfed.org/fraud.

"The Division of Consumer Affairs is committed to protecting our senior citizens from those criminals who view seniors as easy marks, who aim to prey on their generosity and kindness, who seek to profit from a grandparent's anguish," said Thomas R. Calcagni, Acting Director of the New Jersey Division of Consumer Affairs. "We are warning all of New Jersey's seniors and their loved ones to be wary and watchful of these scams."

The event also included a statement from Jim and Dorothy, a Wayne couple who nearly fell victim to the Grandparent Scam and who spoke publicly on the condition that their last name not be used. The couple received a call on February 2, 2011 from a young person who sounded remarkably like their grandson, and who accounted for the difference in his voice by saying his nose had been broken in a car accident. He claimed he was in jail in Canada while visiting family friends, and desperately needed \$2,800 for bail.

The caller had a plausible and urgent story. He used specific family details during the lengthy conversation – details the family now believes were gleaned from the grandson's or his friends' Facebook pages. He pleaded with them not to tell his mother, but said he would tell her himself after his court appearance. Despite some reservations, the couple strongly considered sending money to a recipient in Canada. They stopped themselves when their daughter, the grandson's aunt, saw them and asked questions that made them consider whether the caller's story was real.

"The key to protecting consumers from fraud is public awareness. We hope that our new video and tips about the grandparent scam will help consumers in New Jersey and across the country avoid being tricked out of their money," said Susan Grant, Director of Consumer Protection at the Consumer Federation of America.

In 2010, the Federal Trade Commission received more than 60,000 complaints nationwide, and 1,549 in New Jersey, about the Grandparent Scam and related "impostor scams." The State Division of Consumer Affairs noted that the average New Jersey victim who complained about the Grandparent Scam lost \$3,500.

Of the scammers who called victims in New Jersey with a story about their grandchild, most claimed to be calling from Canada – specifically Montreal, Toronto, Ontario or Vancouver – or England.

The Grandparent Scam and other impostor scams come in many varieties. Some common factors include:

- Scammers typically ask the victim to send funds via a money order or other transfer service. Once money has been transferred and picked up by a recipient with a phony ID, it may be impossible to trace and retrieve.
- Scammers often use marketing lists, with names and phone numbers or email addresses, to target victims.

- Some scammers will tell their story using specific details, like the names of the grandchild's relatives or friends. Scammers can often find this information online, such as on social networking websites.
- Some scammers hack into consumers' email accounts, then send emergency emails to the consumers' friends.
- Scammers who call on the phone will typically try to prevent the victim from checking whether their story is true. They will insist, "Don't tell mom," or, "You must act immediately."

The Division of Consumer Affairs and Consumer Federation of America offer the following very simple tips to prevent senior citizens and others from being victimized:

- If you receive an emergency call asking for money, always check with a family member to find out whether your loved one really needs help.
- Take the time now to talk with your family about this and similar scams. Consider creating a code word or phrase – one only the family would know – in case it becomes necessary to make an emergency call for help.
- Make it a personal policy, and a family policy, never to wire money without being sure the story you're being told is true.

Further information – NJ Division of Consumer Affairs:

Detailed information about the State Division of Consumer Affairs' FedUp (Senior Fraud Education & Protection Program) presentations for New Jersey senior citizens is available at the Division's website, www.NJConsumerAffairs.gov/fedup/. Groups interested in requesting a FedUp presentation can call Margaret "Peggy" Anastos of the State Division of Consumer Affairs at 973-504-6241.

Consumers who believe they have been cheated or scammed by a business, or suspect any other form of consumer abuse, can file a complaint with the State Division of Consumer Affairs by visiting its website, www.NJConsumerAffairs.gov, or by calling 1-800-242-5846 (toll free within New Jersey) or 973-504-6200.

Further information – Consumer Federation of America:

For further information from the CFA, including the "Grandparent Scam Informational Video," visit www.consumderfed.org/fraud. The New Jersey Division of Consumer Affairs is adding the video and tips to its presentations. The CFA is providing the video to consumer agencies and organizations nationwide, for use in their community outreach.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer organizations and consumer agencies that was established in 1968 to advance the consumer interest through research, advocacy, and education.

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