

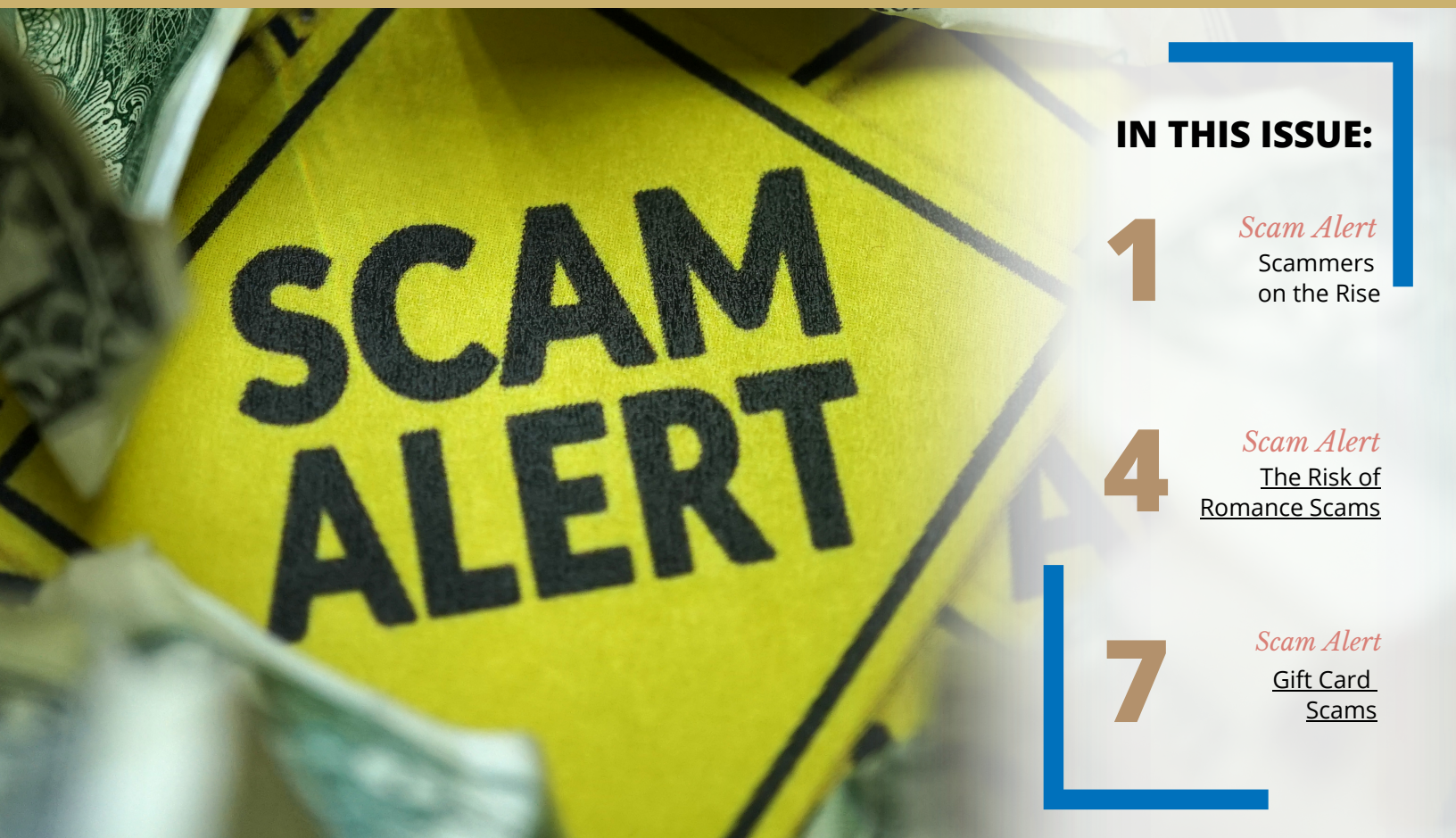


OCTOBER 2022, ISSUE 14

# YOUR TRUSTED LEGAL COUNSELOR



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## IN THIS ISSUE:

1

### *Scam Alert*

Scammers on the Rise

4

### *Scam Alert*

The Risk of Romance Scams

7

### *Scam Alert*

Gift Card Scams

## SCAMMERS ON THE RISE

*Written by Francine D. Ward*

Social media is the go-to venue for the criminal-minded. Why? Because it's the easiest place to meet victims. The top 3 frauds reported to the FTC regarding social media in 2021 are:

1. Investment frauds
2. Romance frauds
3. Online shopping frauds

Before we became so reliant on technology, the Internet, and social media, we connected in person. In fact, we did pretty much everything in person. We connected with family, with friends, and did most of our shopping in person. Today, things are different. Even before the coronavirus, we were engaging online. But this CoVID 19 virus and its impact on our lives has made us rely more heavily on technology. For many people, the pandemic has created a sense of loneliness and isolation. A feeling of quiet desperation that has been quelled through the use of the internet.

*Continued on page 2*



The use of technology allowed us to connect with one another when it was unhealthy to leave our homes. However, the Federal Trade Commission (the “FTC”), the government agency known as the consumer watchdog, has found that social media is increasingly the place where scammers come to con. Statistics show that in 2021, most fraud reports were about incidents that started on social media. One out of four people who lost money to a scammer was caught off guard because they responded to an Ad, a post, or a message on social media that they thought was legitimate.

More than 95,000 people reported about \$770 million in losses to fraud initiated on social media platforms in 2021. That accounts for upward of 25% of fraud-reported losses. The devastating thing about that number is it represents an 18% increase over the 2017 reported losses.

While every age group is impacted, surprisingly, the 18 to 39-year-olds are most likely to lose money. That might be because they are always online and think they are too smart to get scammed.

So why do scammers love social media?

- It's cheap to use
- Scammers can reach billions of people with the click of a mouse
- It's easy to manufacture a fake profile
- We make it easy to be scammed by putting so much of our personal life online



Statistics show that investment scams are on the rise, often involving bogus cryptocurrency investments. According to the FTC, this area has seen an immense uptick in fraudulent scams. Of those people who reported “being taken” in 2021, more than half lost money to investment scams that started on social media. Fake but outwardly appealing investment opportunities suck people in. Often the promise of a quick payday draws them in. But here is the thing: it has been said that if it looks too good to be true, it probably is.

Second to investment scams are romance scams. They are hugely profitable, and social media makes that possible. Losses to romance scams have soared to record highs in recent times. More than 1/3 of the people who lost money to an online romance scam in 2021 said it began on Facebook or Instagram. Romance scams are often initiated by someone who makes a “seemingly” innocent friend request.

*Continued on page 3*

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Compliments, sweet talk, a sob story, and inevitably, a request for money. Investment and romance scams are the leading cause of money stolen by scammers. However, the largest number of reports came from people saying they were scammed into purchasing items they say were advertised on social media. In fact, 45% of reports of money lost to social media scams in 2021 were about online shopping. In approximately 70% of the reports, people ordered a product or service after seeing an ad, but never got the merchandise. Some even described advertisements that looked like authentic online retailers but drove the drive to fake lookalike websites.

When people identified a specific social media platform in their reports of undelivered goods, nearly 9 out of 10 named Facebook or Instagram.

Together, investment scams, romance scams, and online shopping fraud accounted for over 70% of reported losses to social media scams in 2021.

That said, they are not the only ways people are scammed. Every day new ways to scam Americans pop up. Here are some ways to help you and your family stay safe on social media:

1. Limit who can see your posts and information on social media. Don't be fooled. Every single social media venue collects your information based on your activity. Restrict your privacy settings where possible.
2. Opt-out of targeted advertising where possible. If you get a message from a friend about an opportunity or an urgent need for money, call them. Their account might have been hacked.
3. Be aware of requests to pay by cryptocurrency, gift cards, or wire transfers.
4. Do NOT be so quick to respond to people you don't know and who shower you with compliments or want to start a romance or friendship.
5. Read about romance scams. And never send money to someone you haven't met in person.
6. Before you buy, check out the company. Search online for its name plus "scam" or "complaint."
7. Learn more about how to spot, avoid, and report scams—and how to recover money if you've paid a scammer—visit [FTC Scams](#). If you spot a scam, report it to the FTC at [ReportFraud](#)





# ROMANCE SCAMS

*Written by Francine D. Ward*

Every day we hear reports of someone finding love through online dating. No doubt, it can be a great way to find your first love, your next love, or just a hookup. Along with the opportunities online dating can bring, it is also the perfect venue for scammers.

The FTC reports people have lost \$1.3 billion to romance scams. The number of romance scam cases has skyrocketed recently, and 2021 was a banner year. Reported losses reached \$547 million. That's over six times the number of reported losses in 2017 and an 80% increase compared to 2020. According to FTC statistics, the median individual reported a loss in 2021 was \$2,400.

Image

The ultimate goal of the romance scammer is to cultivate a relationship with the potential victim, so they become willing to part with their assets. These scammers are masterful at disguising who they are. They create fake online profiles with appealing photographs to start the ball rolling.

On occasion, they even assume the identity of real people. They study information people share online and pretend to have something in common. And the limited information they do share about themselves often includes excuses for not meeting in person. One of the convenient excuses is they are serving overseas in the military.

You don't even have to be on the lookout for love to become a victim. More than a third of people who said they lost money to an online romance scam in 2021 said it began on Facebook or Instagram.

Romance scammers weave all sorts of believable stories to con people, but their old standby involves pleas for help while claiming one financial or health crisis after another.

*[Continued on page 5](#)*





Scammers create stories that often involve a sick family member needing money or medical treatment. Whatever the story, it is designed to tug at the victim's heartstrings. Victims of romance scams often send money to the scammer continuously. Perhaps they believe they're helping someone they care about. Whatever, it's a lie.

Another way the romance scam shows up is when the victim agrees to transfer money as a favor to their "sweetheart." The scammer claims to need help getting their inheritance or moving funds for an important business deal. Often what happens, and sometimes unbeknownst to the victim, they are engaged in money laundering. They become "money mules" engaged in illegal activities.

People have reported paying fees that arguably allowed them to receive money that never materialized. Others deposited a check from their deceiving sweetheart only to discover it was worthless. Still, others report loaning money to the scammer with the promise that the money would be repaid. It was not.

In recent years, romance scams have lured people into investing in funds, particularly cryptocurrency. People believed that their new online companion was a successful investor. Victims felt quite comfortable seeking investment advice and tips. And these scammers were more than willing to freely offer such advice. The largest reported losses to romance scams were paid in cryptocurrency. Last year, \$139 million was lost through romance scams.

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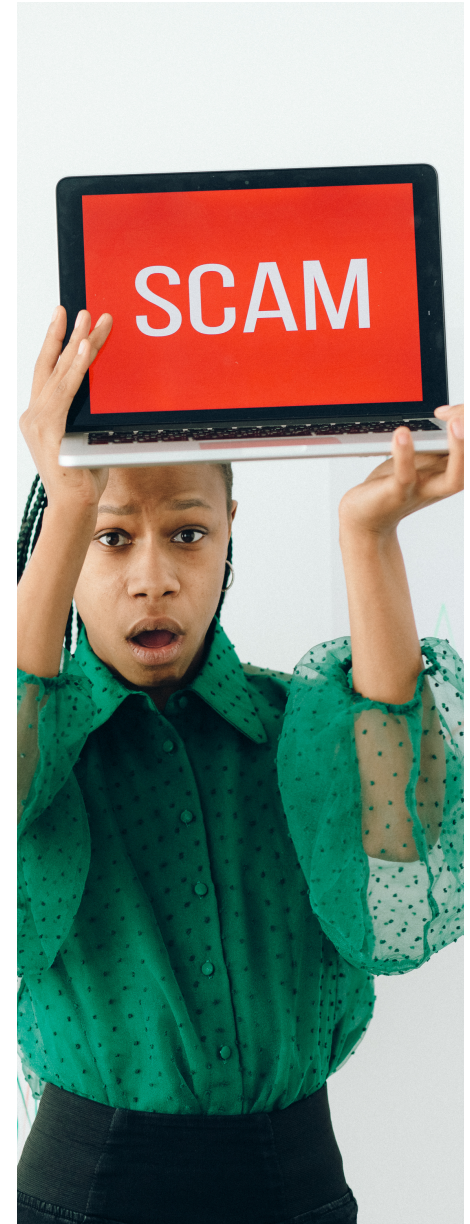


In addition, in 2021, a record number of people reportedly paid romance scammers with gift cards, and collectively they lost \$36 million.

Romance scams touch every age group, and every year the numbers increase. However, the most striking increase was for people ages 18 to 29. For this age group, the number of reports increased more than tenfold from 2017 to 2021. But the reported median loss increased with age: people 70 and older reported the highest individual median losses at \$9,000, compared to \$750 for the 18 to 29 age group

So how can you spot scammers if you're looking for love online?

- Nobody will ever ask you to help by sending cryptocurrency, giving the numbers on a gift card, or wiring money. Anyone who does is a scammer.
- Never send or forward the money to someone you haven't met in person, and don't act on their investment advice.
- Talk to friends or family about a new love interest and pay attention if they're concerned.
- Try a reverse-image search of profile pictures. If the details don't match up, it's a scam.
- Report suspicious profiles or messages to the dating app or social media platform.
- **Contact the FTC. Learn more at [ftc.gov/romancescams](https://ftc.gov/romancescams).**



### Give Me a Call

Ensuring your loved ones are cared for after you are gone is your top priority. My priority is to assist in crafting a plan that will ensure continued support and prosperity for your loved ones. Call me today to schedule your appointment.





# Gift Card Scams



According to the FTC's most recent statistics, gift cards are scammers' #1 payment method. The numbers reveal that \$148 million was stolen from consumers. **How do you recognize a gift card scam?**

Imagine being asked to pay for something by putting money on a gift card. Some examples might be iTunes, Google Play, Macy's, Verizon, Albertson's, or other vendors. You are then asked to give the scammer the numbers on the back of the gift card. Know this: If they ask you to do this, they're trying to scam you. No legitimate business or government agency will insist you pay them with a gift card. Anyone who demands to be paid with a gift card is a scammer.

Generally, the scam begins with a phone call from a crook who claims to be the representative of a well-known business. The caller tells consumers that to fix a supposed security problem with their account, the person must get a gift card and then send a photo of it to the caller. It's just a shady way for the criminal to be able to redeem the card without having it in their hands. People have reported that scammers demanding gift cards often claim to be from agencies like the Social Security Administration (SSA) or the Internal Revenue Service (IRS). They report that these fake agency representatives say, "Give us the numbers, face frozen accounts, or even arrest."

It's also been reported that the demand came from a romantic interest or someone claiming to be an employer, sweepstakes company, or family member facing an emergency. Scammers go to great lengths to get your money and your personal information. In retrospect, these red flags are obvious. But when you are not paying attention and when you are at your most vulnerable, scammers can infiltrate your bank account.

*Continued on page 8*





In retrospect, these red flags are obvious. But when you are not paying attention and when you are at your most vulnerable, scammers can infiltrate your bank account. It shows how conniving, convincing, and intimidating they can be. But even if you are awake and a bit savvy, scammers have honed their pitch to avoid detection.

For example, they may send you to different stores on a scavenger hunt to avoid calling attention to an unusually large gift card transaction. The scammer might also keep you on the telephone, so you can easily verify things with a trusted friend or family member. A big red flag is when the scammer tries to coach you on what to say if a store cashier inquires about suspicious gift card transactions.

If you paid a scammer with a gift card, **TELL THE COMPANY THAT ISSUED THE CARD RIGHT AWAY**. Keep the card and any receipts you have. Here is the contact information for some gift card companies:

#### Amazon

- Call 1 (888) 280-4331 and follow the instructions provided.
- Keep the Amazon card itself and your receipt for the Amazon card.
- Learn about Amazon gift card scams and how to report them.
- . Click on “Contact us.”

#### eBay

- Chat with eBay customer support or have a representative call you back.
- Keep the eBay gift card itself and your receipt for the eBay gift card.
- Learn about scams using eBay gift cards and how to report them.

#### Google Play

- Report the gift card scam to Google.
- Keep the Google Play card itself and your receipt for the Google Play card.
- Learn about Google Play gift card scams and how to report them.

#### iTunes

- Call Apple Support right away at 1 (800) 275-2273. Say “gift card” to connect with a live representative.
- Ask if the money is still on the iTunes card. If so, Apple can put a freeze on it. You might be able to get your money back from them.
- Keep the iTunes card itself and your receipt for the iTunes card.
- Learn about iTunes gift card scams and how to report them.

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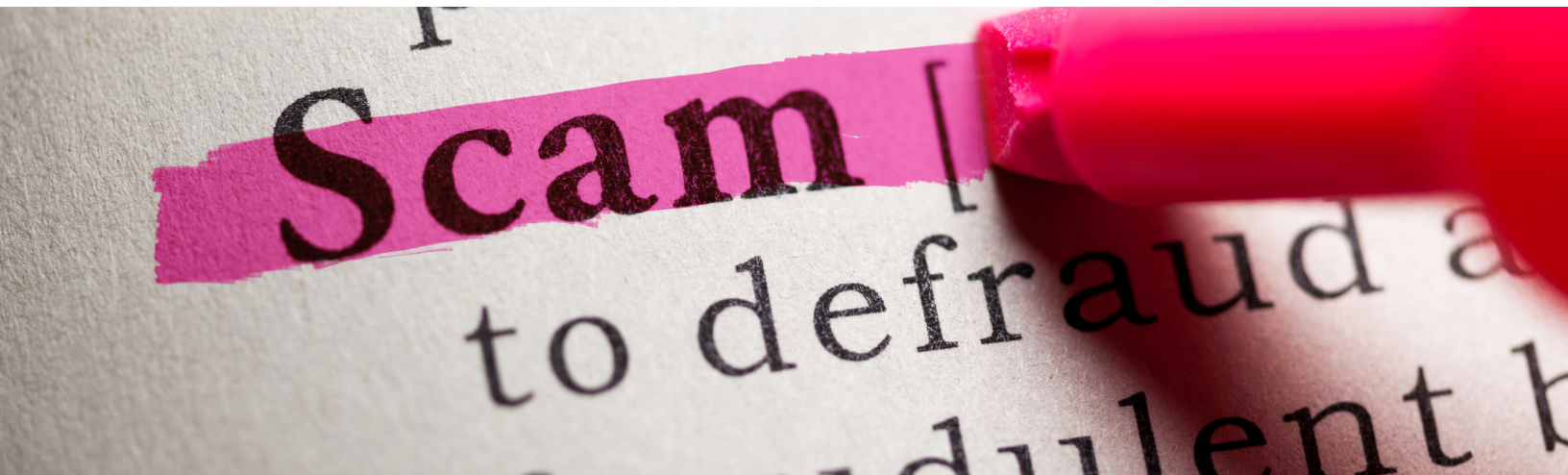
## Steam

- Report the gift card scam to Steam through Steam Support.
- Keep the Steam card itself and your receipt for the Steam card.
- Learn about Steam gift card scams.
- Call Target GiftCard Services at 1 (800) 544-2943 and follow the instructions.

## MoneyPak

- Submit a fraud claim to MoneyPak.
- Keep the MoneyPak card itself and your receipt for the MoneyPak card.
- Learn about MoneyPak gift card scams.

If you do not see your gift card vendor on this list, look for the company's contact information on the card or on their website. The time it takes for you to find the number and call will be time well spent. It will save you time, energy, and money in the long run. If you can't find the contact information or the card issuer won't talk to you, report it to the FTC.



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