



## **Citizen Alert – Five scams to watch out for now!**

MONTGOMERY, ALABAMA (March 20, 2006) Troy King, Alabama's Attorney General, and Joseph Borg, Director of the Alabama Securities Commission, ask Alabama citizens to beware of the following scams.

### **1. The Jury Duty Scam:** *(Courtesy of the Federal Trade Commission)*

Here's a new twist scammers are using to commit identity theft: the jury duty scam. Here's how it works:

The scammer calls claiming to work for the local court and claims you've failed to report for jury duty. He tells you that a warrant has been issued for your arrest.

The victim will often rightly claim he or she never received the jury duty notification. The scammer then asks the victim for confidential information for "verification" purposes.

Specifically, the scammer asks for the victim's Social Security number, birth date, and sometimes even for credit card numbers and other private information — exactly what the scammer needs to commit identity theft.

So far, this jury duty scam has been reported in 11 states.

It's easy to see why this works. The victim is clearly caught off guard, and is understandably upset at the prospect of a warrant being issued for his or her arrest. So, the victim is much less likely to be vigilant about protecting his or her confidential information.

In reality, court workers will never call you to ask for social security numbers and other private information. In fact, most courts follow up via regular mail and rarely, if ever, call prospective jurors.

Director Borg said, "When someone calls you, NEVER, give out your social security number, an account number or your age. The only time you give out personal information over the phone is when you have a valid agency number, and you make the phone call!"

Attorney General King advised, "If you receive such a call, ask for a phone number and tell the person you will call them back. If the caller refuses to give you a number, hang up. Before you return the call, you should yourself look up the number of the agency the caller claimed to represent. Using the number you have verified, call back and check whether the original caller actually works for that agency. Do not give any information until you verify the phone number and the caller's position with the agency."

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**2. The Phishing Scam:** Have you received email from a financial institutions asking for personal and account information to protect your account from theft or update your records? This scam is known as “phishing” and it involves fraudsters who use the Internet to send spam/pop-up messages to lure readers into providing personal information like credit card numbers, bank account information, birthdates, Social Security numbers, passwords, or other private information from unsuspecting victims.

Never reply to email requests for personal information, and never use the email “hotlink” in the original email you received or any phone number listed. If you are concerned about your particular account, visit or look up your financial institution in the phone book and call it to inquire. Also, read your monthly statements and if you find any account actions that don’t make sense, check them out.

**3. Credential Scams:** Just because a salesperson uses labels such as CPA, Senior Specialist, or CLU, it does not mean that is who they really are. Many professionals tout themselves as experts in their fields and claim certification. This includes professions like insurance, real estate, and doctors, as well as trades like contractors or vendors. One rule of thumb is to check out a professional designation with the organization that awards the designation. But don’t stop there! You need to **verify** appropriate licensing/registration of a person selling a product or offering a service for a fee with a governmental agency.

The Alabama Securities Commission urges seniors to carefully check the credentials of individuals holding themselves out as “senior specialists.” especially if they offer investment opportunities or advice. Individuals may call themselves a “senior specialist” to create a false level of comfort among seniors by implying a certain level of training on issues important to the elderly. But the training they receive is often nothing more than marketing and selling techniques targeting the elderly.

Attorney General King said those who target the elderly for financial exploitation are especially egregious. “As Attorney General, my greatest commitment is to defend and protect the families of Alabama. I take seriously our special obligation to protect the senior citizens of Alabama. Our seniors provided the foundation upon which we now build our future. Now, we must be strong and steadfast in defending them from those who would prey upon them. When someone takes advantage of our senior citizens—many of whom are on fixed income and many whose prime earning years have passed and now have limited earning potential—the damage can be devastating.”

Senior specialists commonly target senior investors through seminars where the specialist reviews seniors’ assets, including securities portfolios. They typically recommend liquidating securities positions and using the proceeds to purchase indexed or variable annuities products or other investments the specialist offers.

“Before doing business with any investment professional, all investors, especially senior investors, should check with the Alabama Securities Commission to determine whether the individual is properly licensed and if there have been any complaints or disciplinary problems involving the individual or his or her firm,” Borg said.

4. **The \$299 Ring:** During this time of change and confusion over new Medicare prescription drug benefits, Attorney General King stresses the importance of caution. The Centers for Medicare and Medicaid Services have warned that seniors and people with disabilities should be aware of a scheme that asks Medicare beneficiaries for money and checking account information to help them enroll in a Medicare prescription drug plan. This is called the “\$299 Ring” because that is the typical amount Medicare beneficiaries are asked to withdraw from their checking accounts to pay for a non-existent drug plan. The callers may attempt to pressure seniors by telling them that they will lose their Medicare benefits if they do not enroll in the drug plan immediately. This is not true. Seniors should know that although they may receive calls regarding Medicare Part D, the callers cannot enroll them over the telephone and cannot ask them for a payment over the phone. Seniors should not give out their Medicare numbers to these callers. If seniors receive Medicare prescription drug plan calls asking for personal information or payment by telephone, they should contact Medicare at 1-877-772-3379 or the Alabama Department of Senior Services at 1-800-AGE-LINE.

5. **Government Grant Scams:** Have you seen an advertisement or gotten a telephone call from someone telling you that you are eligible for free government grants? If so, be wary. Many scam artists will tell you that they can get “free” government grants for you, but that they need an application fee or other money to process the request. Although some government agencies do sometimes award grants, these agencies do not solicit consumers over the phone and they do not request money up front. What these bogus grant companies provide, rather than actual grant assistance, is something like a booklet that tells you how to apply for grants or an application questionnaire. Attorney General King advises extreme caution in such an event, as the questionnaire could ask for personal information that then could be used to steal your identity. The bottom line is this—do not send your money or your personal information to a company that tells you it can get you a free grant.

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