

Online schemes getting more frequent and sophisticated

Created: 3/1/2006 2:28PM MST
By: Mark Koebrich, 9NEWS Consumer Reporter
Posted with Permission



They are some of the fastest growing frauds in the country, schemes that are currently finding victims in the Denver area every day.

IRS SCHEME

The first one involves thieves using the IRS as their front to steal your identity.

Many of their targets are teens, such as one 17-year-old Andrew Werner, a student at Lakewood High School. Werner says he got a call from a guy who said his name was "Kevin."

"Kevin said that he worked for the U-S Department of Commerce, specifically the IRS, the Internal Revenue Service," Andrew told 9news.

In reality, Kevin works for an identity theft scheme that is also currently running on the internet. The internet fraud arrives as a fake notice from the IRS that you are due an additional refund. When you click through to a page on the notice, you'll find you're asked to load all your personal information to get the refund. In reality, a thief is stealing your identity.

Andrew says the thief running the scam on the phone was pretty convincing

"He said that I was selected one among 200 people in the entire United States to receive an extra tax refund."

But Andrew was suspicious.

"When I asked further why I was going to receive this refund, he said that I had paid my taxes regularly for the past couple years."

But in fact, Andrew has filed only one tax return in his entire life.

"This is the first year really that I've paid taxes because I haven't had a job before that," Andrew said. So he He challenged the caller.

"And at that moment." Andrew smiles, "He hung up."

Christopher Nelson is an Identity Theft expert for the Jefferson County Sheriff's Department.

"It is very lucrative for these con-artist to do," says Nelson.

He says phony phone and e-mail scams like the IRS ploy are now an epidemic.

"There's a thousand more just like it, to where the con-artist finds a way to just basically get into your world."

JURY DUTY SCHEME

Another scam currently running involves jury duty. Potential victims get a call and are told a warrant has been issued for their arrest because they've failed to report.

Flustered, they protest. At that point the helpful caller now offers to fix everything. The victim is told to simply surrender their social security number and date of birth and in exchange, their name will be removed from the court files.

It's a con of course. A new genre of Identity Theft called "Theft by Intimidation."

"Either we're going to turn off your electricity, or we're going to issue a warrant for your arrest, or we're going to send you to collections," says Nelson citing other examples.

But the end result in all of them is that your identity is compromised.

"Resume Scheme"

And here's another using information off a resume you've posted online. Thieves are trolling the sites, posing as employers, making calls of their own.

"I'm certain the caller on the other end is probably trying to pump them up," says Nelson. "They're telling them that this is the job for them, that it's going to have a high starting salary. So they urge you to just go ahead and exchange some information, give them your social security number, your birth date, and your name."

And in that moment, Nelson says, your identity is no longer yours alone. Now not only are you still looking for a job, you're also dealing with the loss of your identity.

"Car Buying Scheme"

This is a scheme involving check fraud. Car sellers advertise their cars for sale in the paper or another local publication like Auto Trader, and they find themselves the recipient of a check from a potential buyer for more than the amount they advertised.

The person who sent the check then contacts the seller and apologizes for sending the wrong amount, asking the seller to cut a check back for them for the difference.

Of course the original check is bogus, which the seller discovers when he takes the check to a bank, and he's now out the amount of money that he wrote out of his account to the thief.

"Child Identity Theft"

The Identity Theft Resource Center in San Diego estimates at least 400,000 children had their identities stolen in 2005. Even more astonishing is that two thirds of those thefts are perpetrated by family members.

Some of the thieves use a child's name and Social Security number to charge-up thousands of dollars in debt. Others use a child's identity instead of their own when caught committing a crime. Still others will sell the identities on the black market to illegal immigrants, other criminals or even terrorists.

The problem with this kind of theft is that it can go undetected for years. Parents need to keep their children's identities locked away in a safe place. If there's evidence they've already been stolen, you

need to contact one of the three main credit reporting bureaus and do a background check to see how much damage has been done.

"VOIP Scheme"

Millions of consumers are signing-up for "VOIP", or voice over Internet protocol. It's a great way to lower your phone bills. It's also a great way to attract thieves.

The scammers have learned how to exploit the software. They can disguise their actual locations, which allows to hide in internet fraud havens, like Nigeria, all the while duping unsuspecting Americans.

A Readers Digest article points to charges the FTC recently brought against an outfit in Costa Rica that allegedly sold bogus franchises in a coffee display rack business for investments ranging from \$18,000 to \$85,000. The company used VOIP technology to appear as if it were operating from New Mexico, when in fact, it had no U.S. operations.

Technology companies that offer VOIP are working to make their networks safer.

"ATM SNOOPING"

Thieves are demonstrating a remarkable talent for exploiting the latest technology. 9News has done several stories on the thieves who affix wireless digital cameras and credit card scanning equipment to the front of ATM machines. The equipment is all disguised as part of the machine, painted the same color or a matching color, and then affixed to the machine with velcro. It's nearly undetectable.

The camera will transmit the recording of a transaction, including the card number and pin, to a device help the scammer, who is usually parked in a car nearby.

As we have warned before, always check the parts of your ATM to make sure they are secure and part of the original machine.

"Pharming Scam"

This is another fraud brought to light in a recent article in Reader's Digest that so far doesn't appear to have a lot of traction in the Denver area, but you never know. Pharming thieves hack into your computer and implant hidden software. That software takes you to a shadow site, a copycat site, when you try to log on to a legitimate e-commerce site.

The crooks can then copy your credit card numbers and other personal information.

You can thwart these thieves by maintaining your computers security systems, including your antivirus software.

"Medicare Fraud"

The new Medicare Prescription drug programs continue to attract a lot of attention, including a lot of unwanted attention from thieves. The government continues to warn of criminals who are selling phony programs, as well as thieves who pretend to represent the government for the sole purpose of stealing identities.

Seniors need to remember that the Medicare Program would never send anyone to your door, and further, participating insurers are prohibited from asking for your personal information.

"Unsolicited Caller"

Whenever you get a call from anyone who claims to be representing your bank or any other financial institution, hang up. In is a scheme that operates in most every city in the country, a thief calls you and tells you he's conducting a survey on behalf of your bank or your mortgage company. In reality, the questions eventually lead to the discovery of your account number, your date of birth, your social security number and so on.

Your bank will never call you for personal information. Know that you can refuse to give it to anyone.

(Copyright by KUSA-TV, All Rights Reserved)