



Shams, Scams and Schemes

ALTHOUGH WE OFTEN seem to live in a whirlwind of change, some things never change. One depressing and disappointing constant is the voraciousness of scamsters. While the “packaging” of the scam may change to suit the current situation, the basic psychology and techniques of exploitation play over and over again. Although both the victimizer and the victimized bear varying degrees of responsibility, the supply of predators is seemingly endless.

A few of the findings from recent research by the British government show that:

- Between 10-20% of the population is particularly vulnerable to scams.
- Greed, fear, avoidance of pain and/or the desire to be liked are visceral triggers in the scamster’s arsenal.
- Those particularly vulnerable don’t seem to be generally poor decision makers.
- Offers that appear scarce or unique to the victim are particularly attractive.
- Victims tend to focus on the “big prize” rather than the relatively small monetary commitment they are asked to make, the “phantom fixation” phenomenon.



The Better Business Bureau tracks recent scam trends. Phony payday loan debt collectors are prevalent at the moment, as are the traveling home improvement operations, a perennial blight. An assortment of credit-related schemes is out there; “lower your credit card interest rate” and “fix your credit” are come-on features. And *ScamBusters.org*, a site operating as a public service against Internet fraud, is currently tracking nearly 350 ingeniously assorted scams.

The Federal Trade Commission also labors long and hard to track and thwart the swindles.

Among their most targeted sectors currently: job placement and home foreclosure rescue. On the green scene, the FTC has reached a settlement with a company that was claiming that its rayon products were “100% bamboo fibers.” It comes as little surprise that the maliciously mercenary quickly found opportunities with the government’s Cash for Clunkers program.

For more information on this topic, see the reverse side of this newsletter, or visit the Library’s Internet business pages at thelibrary.org/mindbus.

Business Periodicals

Highlights from the Library's extensive selection of business-related magazines and newspapers

"Phone Scams Hit Area in 'Huge' New Wave," *Morning Sentinel (ME)*, 6/18/09. No legitimate financial institution will call you and solicit your debit or credit card number.

"Overseas Swindlers Say They Must Work Harder But That Americans Are Still the Easiest Prey," *Houston Chronicle*, 8/10/09, p. 1. A Nigerian "yahoo-yahoo boy" (scammer) is usually a young man who starts as an apprentice. In good months he used to make \$30,000, but these days proceeds are down 40 percent.

"Taking Stock," *Florida Trend*, 4/09, p. 94+. Until people are less greedy and take the due diligence to ask the questions that need to be asked, Ponzi schemes are going to exist.

"Pennsylvania Securities Commission Warns Hunger for High Returns Attracts More Scams and Schemes," *PR Newswire*, 8/18/09. Schemers sell shares in fraudulent natural gas drilling partnerships promising extremely high returns and tax write-offs. Other possible investment pitfalls exist in the sale of shares in purported wind farms or solar energy fields.

"Bar Worker Fell Victim to Bizarre Phone Scam," *European Intelligence Wire*, 11/23/06. The story was considered too far-fetched for anybody to fall for—until somebody fell for it!

CyberTour

www.ic3.gov/

The Internet Crime Complaint Center receives, develops and refers criminal complaints regarding the rapidly expanding arena of cyber crime. For law enforcement and regulatory agencies at the federal, state, local and international levels, IC3 provides a central referral mechanism for complaints.

www.consumerfraudreporting.org/internet_scam_statistics.htm

As of 2008, most scammers still operated from the U.S. In those cases with a reported location, over 75% of the perpetrators were male and over half resided in one of five states or the District of Columbia.

www.consumeraffairs.com/scam_alerts/scam_alerts3.html

If you hear any of these classic pitch lines, run the other way and don't look back.

Ask a Business Expert



Get a free orientation to the Library's business services with Business Librarian **Mike DePue**. If you have a specific area of interest, Mike will direct you to the information. For an appointment, call 883-5341, or e-mail mikede@thelibrary.org.

Books

362.88 K
Scam-Proof Your Life: 377 Smart Ways to Protect You and Your Family from Ripoffs, Bogus Deals and Other Consumer Headaches by Sid Kirchheimer, 2006.

362.88 M
People Get Screwed All the Time: Protecting Yourself from Scams, Fraud, Identity Theft, Fine Print and More by Robert Massi, 2007.

362.88 S
Scambusters! More than 60 Ways Seniors Get Swindled and How They Can Prevent It by Ron Smith, 2006.

J 364.16 S
Scams! Ten Stories That Explore Some of the Most Outrageous Swindlers and Tricksters of All Time by Andreas Schroeder, 2004.

364.163 I
Fakes and Forgeries: The True Crime Stories of History's Greatest Deceptions by Brian Innes, 2005.

Got a business or reference question?

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