

## Schemes, Scams, Plots: PowerPoint Discussion Notes

Slide 1

Slide Text: Schemes, Scams, and Ploys: Deconstructing the Hoax

Discussion Notes: None

<u>Slide 2</u>

Slide Text: First Comes the Scheme

The grand plot to take your money.

Discussion Notes: Intrigue, deception, and things not as they appear are the basis of

fraud. Since the beginning of mankind con artists have convinced

unsuspecting victims to deny reality.

Slide 3

Slide Text: Scheme

scheme (skēme) n.

a plan, design, or program of action

to be followed; project an underhand plot; intrigue

Discussion Notes: The con begins with a plan that is carefully crafted. The script is

written or unwritten, but the scammers knows what the victim

wants and needs to hear or see.

Slide 4

Slide Text: Act One: Make Contact with the Victim

Mail and email

Phone

Web sites

Social networking sites

Advertising Want ads

Discussion Notes: Con artists are looking for people who will trust them. They

establish contact with their victims any way they can. These are a few ways, but there are many more. Scammers groom victims by going where the potential victims are and then establishing contact. They find a place where their fraud will appeal to an audience.

Slide 5

Slide Text: Act Two: Gain the Victim's Confidence

Introduce and develop the scam Answer the victim's questions

Appeal to the victim's desire to believe

Discussion Notes: Scammers have all the answers to the questions they prompt you to

ask. They have the skill to avoid the questions they do not want to

answer as they gain their victim's trust.

Slide 6

Slide Text: Act Three: Play the Con

Use the ploys needed to keep the victim involved

Keep the sense of urgency in play

Take the money

Discussion Notes: The scammers have a large repertoire of ploys to keep the victim

involved. These ploys are all part of the scheme. They are designed to look authentic and to keep the scam moving toward their goal-to

take the victim's money.

<u>Slide 7</u>

Slide Text: Act Four: Take the Money & Run

Use a disposable phone Create a fake identity

Leave no real contact information behind

Change address or email account

Discussion Notes: Scammers who ask you to wire money sometimes want the wire to

be protected by a secret test question instead of forcing them to

produce identification. This means when they go to pick up the wired funds they simply give the answer to a security question and are not required to show identification. Because the "test question" has been misused, some countries and businesses are eliminating or restricting its use. Scammers also use false names, stolen or disposable cell phones, and remote email addresses, and then they vanish. Finding and prosecuting a con artist is very difficult.

Slide 8

Slide Text: The scheme is like a soap opera; a plot that can take days, weeks,

or months to unfold.

Just like any drama, it is well planned and the actors are

convincing.

Discussion Notes: None

Slide 9

Slide Text: Scam

scam (skăm)

n. a confidence game or other fraudulent scheme, esp. for making a quick profit; swindle

v. cheat or defraud with a scam

Discussion Notes: Scams come in all shapes and sizes; designed to appeal to the

> needs of all kinds of people. There are usually several different scams in the overall scheme used by a con artist. For example-If a victim is told they have won a foreign lottery the scam artist may

produce:

an attorney to verify the winnings,

tickets or prize awards,

telephone contacts to reassure the "winner" and confirm the taxes

and fees the "winner must pay, and

receipts or other documents.

Each piece is a scam

Slide 10

Slide Text: Scam Basics

Advance Fee Fraud

You send money for goods or services you will never receive.

Fake Check Fraud

You receive a check for more money than expected. After depositing the check you are asked to forward the "extra" money to the scammer or a third party.

You sell something online and receive a check that looks authentic,

but is a fake.

Discussion Notes: Now for some specific examples. Let's look at how scammers

work and some how common frauds play out.

Slide 11

Slide Text: Ploys—Tricks of the Trade

**ploy** (ploi) *n*.

a maneuver or stratagem, as in conversation, to gain the advantage

Discussion Notes: The scammer keeps the victim involved by a range of tactics; all

designed to make the con seem real. The ploys are designed to look and feel authentic and to reduce doubt on the part of the

victim.

Slide 12

Slide Text: Points of Contact

Scammers search for victims in many ways. They troll the Internet looking for friends and databases. They may know more about you

than you realize.

Discussion Notes: Scammers use the Internet and information that you provide the

world to find their victims. For example, they pose in chat rooms, join dating services, and friend you on social networking sites. They join list-serves and add their name to data bases in order to access the email addresses of people who have a special interest. Then, they use that affinity to make the con seem legitimate.

**Slide 13** 

Slide Text: Actors

Anyone necessary to advance the plot: Business people Cyber friends Detectives Partners

Company executives

Discussion Notes: Scam artists create any character they need to make their scam

move forward. If they need a company executive to call you, it happens. If you ask for a reference they have a "satisfied customer" call you. They adapt their "business" to reduce your doubt. They become your friend or your love interest—Lydia

online may be Lionel in real life.

**Slide 14** 

Slide Text: Working the Internet

Spoof Web sites

Malware

Phishing email

Spam

Discussion Notes: If you have a filter through your Internet Service Provider and/or

security on your computer you have probably seen the junk mail

that scammers send.

**Slide 15** 

Slide Text: Paper and Paperless Ploys

Email Letters

Fake checks and money orders

Certificates

Forged documents

**Photos** 

Discussion Notes: You name it they can create it. False documents, that in some

cases, even the experts cannot detect. Think about it—banks do not

take fake checks on purpose.

<u>Slide 16</u>

Slide Text: RSOT – Real Seal of Truth

Something that makes a forged document look authentic such as

letterhead, a crest, watermark, seal, or logo.

Discussion Notes: Scammers add the authentic touches to reassure the victim that the

document is real. They even have a name for this process. They

call it the RSOT or Real Seal of Truth.

<u>Slide 17</u>

Slide Text: Tip-Off Phrases

Urgent or act immediately Your help is needed...

Special offer Once-in-a-lifetime You are lucky! Over payment

Discussion Notes: Scammers want you to think and *feel* that there is a hurry to take

advantage of their offer. Remember legitimate offers will be there

tomorrow and the next day and the next.

**Slide 18** 

Slide Text: Putting it all together

When you are able to deconstruct the hoax, understanding the schemes, scams, and ploys of con artists, you are less vulnerable to

fraud.

Discussion Notes: The best defense is education. Education about all the components

of fraud; education about the common schemes and knowing where and how con artists approach their potential "customers".

**Slide 19** 

Slide Text: It's Showtime...

Here are some common examples of fake check and advance fee

frauds.

Discussion Notes: None

**Slide 20** 

Slide Text: You've Won the Lottery

"All you need to do is to wire money to pay the prize taxes and handling fees and your winning check for \$5,000,000 will be wired

to you immediately."

Discussion Notes: The con artist might even send you a fake check to deposit, but

there are no winnings and you lose whatever you send to claim

your prize.

Slide 21

Slide Text: Grandparent Fraud

"Hi, this is your grandson. I'm in trouble."

Discussion Notes: Grandparents receive a call from a young man. The caller spun a

tale about wrecking a car in Canada and said he immediately needed \$3,000. In fact, the grandson was safe at home. Cons posing as relatives try to convince elderly victims to wire cash to help pay for emergency car repairs, medical bills – or even post

bail.

**Slide 22** 

Slide Text: Be a Mystery Shopper

"You have been chosen to act as a mystery shopper."

Discussion Notes: The mystery shopper letter includes a cashier's check to deposit in

your account. The check amount is large enough to purchase

merchandise, to pay you for the work, and there is money left over. You are instructed to help them by wiring the "extra" money to

another person.

The check is fake and the con is that you will complete your

mystery shopping assignments before you realize the check is bad.

Slide 23

Slide Text: Romance

"I think we should meet so we can strengthen our relationship, but

I will need your help with the airfare."

Discussion Notes: ...or help me with another type of expense-anything from "I have

lost my job and need help." to "I need to pay doctor bills."

Slide 24

Slide Text: Emergency

"Your friend has been in an accident in a foreign country. She needs your help to pay for medical care. Please wire money to..."

**Discussion Notes:** 

Scammers hack into social networking sites and send a mass email to all "friends" announcing that help is desperately needed. Victims are convinced they are helping someone they know. Another version this scam is that the person who needs your help is being detained in a foreign country and must pay fines before they can leave.

**Slide 25** 

Slide Text: Government Grant

"You are eligible for a grant from the Federal Government. Please fill out the grant recipient form and we will send you a check."

Discussion Notes: The information you provide for the grant may help a scammer

steal your identity. Another version of this scam does not want to

steal your identity, just your money. You are asked to pay

application and handling fees to receive the grant award. The grant scam comes in many varieties and could appear to come from a non-profit organization, charity, or a corporation. Carefully check

the source independently before you complete any grant

application.

**Slide 26** 

Slide Text: Overpayment

"The cashier's check is for more than you asked for the

motorcycle. It was my mistake. Please take the money I owe you

and wire the remaining money back to me."

Discussion Notes: The scammer contacts you about an item you are selling online or

in the paper. They arrange to purchase the item and send you a check for more than the purchase price. You deposit the check, send the item, and wire the extra money back to the scammer. Scammers know that banking rules often give customers access to the funds they deposit before the bank know the check is valid. You are wiring money that you will never receive and it comes out

of your bank account balance.

**Slide 27** 

Slide Text: Work From Home

"You have the job! Just send money to cover the supplies and materials you will need to work from the comfort of your own home"

Discussion Notes: Most employers do not require advance payment to work.

<u>Slide 28</u>

Slide Text: We Found Your Dog

"We found your dog, but the poor thing was injured. We will get Rover to you as soon as possible if you will just pay for the vet's bill."

Discussion Notes: Lost item recovery fraud can be any item you have lost and made

public information that could help you recover your loss. Anyone who posts lost pet notices around a neighborhood can be caught in this con. The scammer may even be bold enough to call back reporting additional medical expenses. One scammer convinced the victim that the cat jumped in their car and they discovered it

after they had driven 500 miles.

**Slide 29** 

Slide Text: The Best Apartment

"This apartment is a real bargain. I just want someone to take good care of the place. I will send you the contract, the keys, and

you can just wire me the first and last month's rent."

Discussion Notes: There is probably also a security deposit!

Scammers post rentals on Craigslist or other rental listing sites. They know that people sometimes need to move to a new city without being able to travel in person to secure housing. The listings are full of pictures and the apartment are desirable. The

only problem is they aren't really for rent.

Slide 30

Slide Text: The Lost Inheritance

"We are so glad to have finally found you. Your long-lost great uncle died and you are the only living relative. You have inherited

a large sum of money."

Discussion Notes: All you need to do is pay the taxes and the attorney fees to handle

the will. Please wire money to cover these expenses and we will

deposit the inheritance in your bank account.

Slide 31

Slide Text: Online Auction

"You've won! You were the highest bidder. I will put your 'stuff'

in the mail as soon as I receive your payment."

Discussion Notes: You wire the money or send a check and the merchandise never

arrives. The listing and the seller's information vanishes from the

Internet. You have been duped.

**Slide 32** 

Slide Text: Remember...

The key to avoiding fraud is understanding all its parts.

Discussion Notes: For most Americans a scam from a non-English speaking country

is fairly easy to spot in your email. You notice the quaint grammar and the spelling errors and think "I won't fall for that." But over 65% of scams reported come from the United States and the scam artist just as smart as you are. Con is their game and they practice

the game every day.

**Slide 33** 

Slide Text: LifeSmarts is a program of the National Consumers League

Discussion Notes: None

**Slide 34** 

Slide Text: NCL would like to thank Western Union for an unrestricted

educational grant that helped produce these materials.

Discussion Notes: None

Slide 35

Slide Text: Student Activity

Use the graphic organizer to deconstruct a hoax.

Discuss in your small group the possible components of a scheme. Include the scams and ploys that a con artist might use to make this

fraud a success.

Explain your results to the large group.

Discussion Notes: None

**Slide 36** 

Slide Text: Student Activity: Schemes, Scam, and Ploys Graphic Organizer

scheme (skēme)

n. a plan, design, or program of action

to be followed; project an underhand plot; intrigue

scam (skăm)

n. a confidence game or other fraudulent scheme, esp. for making

a quick profit; swindle

v. cheat or defraud with a scam

ploy (ploi)

n. a maneuver or stratagem, as in conversation, to gain the

advantage.

Discussion Notes: None

**Slide 37** 

Slide Text: Student Activity EXAMPLE: Schemes, Scam, and Ploys Graphic

Organizer

Scheme: I found your dog. I saw the notice you posted in the neighborhood and thought I would call you to let you know Fido is safe. However, there is a problem. I had to take him to the vet because he was injured. I need you to wire me the reward, the money for the vet bill, and the fare to send Fido back to you. I can

fax you the bills if you want to see them.

Discussion Notes: None