

Protect Yourself at All Times

A Commonsense Survival Guide

by
Don Crutchfield

This direct, realistic security guide written by Don Crutchfield, one of the nation's best-known private investigators, is a compendium of security tips and warnings regarding situations that impact on all of us. It is *not* a dry 1–2–3, step-by-step manual designed to make you feel good about your life. Nor is it merely a compilation of war stories. These pages describe how scams and other crimes work, how to recognize threats to personal safety and security, and what to do when you or a loved one is being victimized. It provides ready references for anyone who has almost any type of security problem or questions about personal safety. There are ample lists of resources to help the reader readily contact professional, government, and volunteer groups for assistance in such specific areas as drug abuse, domestic violence, identity theft, and more.

The easy-to-read text also touches on road rage, carjacking, domestic and foreign travel security, drug abuse, violence in the workplace, domestic terrorism, scams, and other topics that can affect any of us, at any time.

Crutchfield also confronts and explains the working of the relatively new and fast-growing threat of cyber crime, covering everything from Internet scams to computer security. Invasion of privacy and cyber-related identity theft, which are reaching epidemic proportions, are addressed head-on by the author.

This book covers the gamut—from protecting your residence to medical and financial fraud—and it takes a long look at the security and wellbeing of senior citizens, who are too often the victims of many kinds of lawless predator. As the average lifespan of Americans lengthens and the number of citizens over the age of 55 increases—this group will soon comprise over 50 per cent of the U.S. population—this simple commonsense guide will greatly help our seniors and those responsible for their safety.

No matter how secure you feel, don't fool yourself: Danger may lurk in all places and situations. *Protect Yourself At All Times* is a must-have survival guide for everyone, everywhere.

Don Crutchfield has been a Los Angeles-based private investigator for more than thirty years and enjoys an outstanding international reputation for his work in all areas of business and personal security.

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Don Crutchfield



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Visit Don Crutchfield's website: www.pi4stars.com

This book is dedicated to the victims. Victims who have suffered from child, domestic, or senior abuse . . . victims of fraud, from fraudulent advertising to medical fraud. Victims who have known the sanctity of their homes violated because of a burglar . . . victims who have been terrorized and injured in an act of violence . . . victims of identification theft and loss of privacy, and those who have been victimized by a legal system gone awry. These are the true victims who need representation and justice and for whom this book is humbly dedicated.

*And with special thanks to
Tom Fitzpatrick and Cindy Richardson
for all their hard work*

DISCLAIMER

The suggestions and tips in this book are those of the author and other security experts. It is to be emphasized that laws can vary from state to state and can change yearly. Therefore, if you are involved in a legal situation, always check the latest version of the law in your state. If you have any questions on a course of action, seek professional advice. This book is meant to be advisory in nature and not the final word in any specific area. It is important that professional assistance be sought in all cases where there are serious monetary concerns or potential breaking of the law. This book is for informational purposes only, and any reliance on the information contained herein is at the sole risk of the reader.

About the Author

Don Crutchfield has been a private investigator for three decades. His list of clients and subjects reads like a *Who's Who* of Hollywood. Present and former clients include Marlon Brando, the Beatles, Judy Garland, Frank Sinatra, Charles Bronson, Jerry Lewis, Carroll O'Connor, Farrah Fawcett, Baby Face Edmonds, Ryan O'Neil, and Tatum O'Neil. Subjects of his investigations include Michael Jackson, Lisa Marie Presley, Tim Allen, Roseanne Barr, O. J. Simpson, Whitney Houston, Bobby Brown, Bruce Willis, Robert Downey, Jr., Pamela and Tommy Lee, Christian Slater, and Charlie Sheen.

In 1974, shortly after the Commonwealth of the Bahamas received its independence from England, Don Crutchfield helped the Bahamians set up internal security. During the 1980s Crutchfield worked with the government of Mexico as a captain in the Federales. He also was a consultant to the Mexico City Police Department as well as being closely associated with other police agencies, in the United States and abroad.

Crutchfield has an international reputation, but his primary base of

operations always has been the Los Angeles area. He is regularly contacted as a prime source of information by such media outlets as the *Los Angeles Times*, *Primetime Live*, *48 Hours*, and *E! Entertainment*.

He has been interviewed on *Entertainment Tonight*, *Hard Copy*, *A Current Affair*, *CNN Newsnight*, and *Inside Edition*. PI Crutchfield has also been the subject of feature articles in the *New York Post* and the *Los Angeles Times*.

Professional Associations and Organizations

American Society for Industrial Security (ASIS)
International Police Congress
California Association of Licensed Investigators
International Association of Chiefs of Police
International Association of Hospital Security
Hotel Security Chiefs Association
Board of Directors, World Boxing Hall of Fame
Screen Actors Guild (SAG)

Books by Don Crutchfield

Confessions of a Hollywood P.I.
Protect Yourself at All Times
Hollywood Bad Boys (Spring 2002)

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Introduction

In more than thirty years in the security field, I've seen a lot—perhaps too much! I have had to learn to survive, and much of that learning is applicable to the security and safety of every citizen. After I wrote my book *Confessions of a Hollywood P.I.*, I was asked at book signings and lectures if I had written anything that would assist people in protecting themselves and their families. From these initial inquiries evolved *Protect Yourself at All Times*, which is a compendium of security tips and warnings. I am, and have been, involved in the sport of boxing, currently serving on the Board of Directors of the World Boxing Hall of Fame. This book's title is derived from the referee's admonition at the start of every fight to both boxers: "Protect yourself at all times, especially in the clinches."

Society is changing rapidly, not only technologically but also culturally. Crime also is evolving in this rapid change. Sure, we still have murder and strong-arm robbery, but whole new areas of criminal endeavor have sprung up. There are new breeds of criminals operating in the breathtakingly fast-growing world of computers. Medical fraud has now become a serious threat to the economy. Identity theft threatens

every one of us. With the deregulation of the communication industry and the technological advances in this area, communication privacy is a serious problem. Thanks to medical advances and education, the life span of the American citizen has been extended greatly. Unfortunately, this positive has had negative connotations, such as fraud against the elderly—from investments to nursing homes.

Violence is a major problem, even though FBI statistics seem to show a statistical decrease over the past few years. Today, workplace violence is a threat in every job environment. The term “going postal” has become part of the argot. Stalking, which had been ignored by law enforcement and society, is a serious problem, especially for women.

Domestic violence, as a national problem, has finally come out of the closet and is being addressed. The Oklahoma City and World Trade Center bombings all too dramatically showed us that terrorism is not restricted to overseas but can hit the United States as well.

The point is that while we still, unfortunately, have to worry about locking our doors, there are new areas of crime that concern us all. *Protect Yourself at All Times* focuses on these areas but does not neglect the more traditional areas of security such as residential protection and personal self-defense.

I sincerely hope that this book will assist you in your daily life. It is not meant to alarm but rather to offer a commonsense overview of the security problems out there. Hopefully you will never be directly physically affected, but still we are *all* impacted by the considerable economic costs of crime. Therefore it is my hope that this book will assist in protecting at least a segment of our population.

CHAPTER 16

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Scams

There have always been scams. The patent medicine con men in the late 1800s who touted elixirs that would grow hair and ensure virility . . . used-car dealers who packed the transmission with sawdust . . . card sharps . . . carnival pitchmen . . . Florida real estate that was in the middle of a swamp . . . schemes selling processes that made gold or diamonds. The list is endless. America is a country that breeds invention, and certainly scams and swindles are part of that unique tradition.

The problem in 2001 is that the scam is alive and all too well. Technology has advanced in quantum leaps, and the scam has matched that pace and sophistication. Whether it is 1901 or 2001, the swindler still appeals to the age-old weakness of greed. The following is an overview of the primary scams common today. Hopefully, if confronted, you will be able to recognize, avoid, and perhaps even expose a scam.

A New Con in Town: The Telecon

Telemarketing is *big* business. The problem is that it is a fertile ground for the scam artist. It is estimated that the losses in telemarketing scams run in the billions of dollars yearly. There have been estimates as high as \$40 billion. Aside from the real possibility that the caller can be part of an organized crime ring, or just an entrepreneurial solo con man, there is the irritation factor of being bothered. Don't you love having the phone ring during dinner or at a critical point in a TV program? Usually the conversation is somewhat as follows:

YOU: Hello?

CALLER (cheerful, almost perky): Good evening. Mr. Jones. How are you today?

YOU: Fine. Who is this?

CALLER: This is Rick calling you regarding Freebie Vacations Unlimited. You're one of a select few who have qualified for this once-in-a-lifetime offer. Now if you could—

YOU: Look, I'm not interested.

CALLER: Sign up tonight and I'll include an all-expenses-paid weekend at the luxurious Salton Sea Resort and—

YOU: No, thank you, I'm not interested, and my dinner's getting cold!

CALLER: But this—

Click.

Whether it is to sell credit card insurance or long-distance phone service, the basic pitch is the same. The caller is superfriendly. The

offer is “fantastic!” This is a last-chance offer. Now, many of these telephone pitches are legitimate, but without exception they are annoying. Annoying is bad, but fraud is worse.

There is a low-cost device on the market that allows you to screen and rebuff these annoying callers. “EASY HANG UP” is easily attached to your phone. When you receive an unwanted solicitation call, you simply press the activation button. The device then emits a prerecorded message stating: “I’m sorry, this number does not accept this type of call. Please record this message as your notification to remove this number from your list, Thank you.”

How serious is telemarketing fraud? The FBI and state law enforcement, in a 2½-year investigation arrested nearly 1,000 telemarketers. Named “Operation Double Barrel,” the investigation broke up 180 telemarketing boiler rooms across the country. Telemarketing is safer than sticking up a bank, and there is a lot more money.

Unfortunately, too many people fall prey to telecon artists. Usually working out of a boiler room, the confidence man or woman plays the odds game. Direct-mail solicitors are pleased with a 2 percent return on an offering. The telecon has a phone book with thousands of names. If he can generate a 1 percent return, he’s doing well. It may take a hundred calls to generate a single sale, but that sale more than pays for the time expended. This is especially true in the case of those who have purchased mailing and phone lists that identify key target profiles.

Victim Profiles

Anyone can fall victim to a telemarketing scam, but some persons are more susceptible. People who may be more prone to buy a pitch includes those whose English is not fluent; the gullible; the greedy; and senior citizens, especially those living alone.

Too many people, especially in urban areas, are lonely. The lonely person is susceptible to the smooth, friendly telecon. Hungry for any human contact, the victim is many times easy pickings.

Types of Telemarketing Scams

Charities

Americans have been, and are, a giving people. The con man takes advantage of that charitable streak to line his pockets. A nationwide scam that has been occurring for years is the one that appeals to contributing to local police or firefighters. The horrible tragedy in December 1999, when six Worcester, Massachusetts, firefighters died in a blazing warehouse fire, is an example of the total lack of conscience exhibited by phony charity solicitors. There were a number of individuals and groups who fraudulently attempted to appeal to citizens to donate to the “families of the deceased firefighters.”

A common pitch is to call asking for a donation to an event sponsored by the local police or sheriff’s department. The caller, normally male, will make the following appeal:

CALLER: Good evening, Mr. Smith. I know you’re a law-abiding citizen and a strong backer of our police department, right?

SMITH: Yes??

CALLER: I knew the department could count on you.

SMITH: For what?

CALLER: A generous donation for the police widows’ fund. Can I put you down for at least a hundred dollars?

SMITH: I don’t think I can afford—

CALLER: Remember, these are the wives and little children of our proud men in blue who sacrificed their lives so you and your family can live in safety. If money is a problem, I’m sure the policemen and-

women on the beat would appreciate you giving even just fifty dollars.

SMITH: Well, I guess I can afford fifty.

CALLER: That's the American spirit. One of our volunteers will be at your door within the hour to pick up the money or a personal check. The Police Department thanks you, sir!

SMITH: But—

CALLER: Good evening and thank you.

As we say in Hollywood, "Cut!" Mr. Smith got taken. Note that the con man used hot-button terms such as "police widows," "little children," and "our proud men in blue." There also was a subtle touch of intimidation by mentioning the police "on the beat."

Perhaps they may be informed of those citizens who don't give. Those who are too cheap or who might be considered "anticop." This could possibly mean Mr. Smith's driving and parking habits might come under special scrutiny. The caller associated himself with the "department." He didn't say he was an officer, but the implication was there.

What could Mr. Smith have done? Let's reshoot the scene. The phone rings.

SMITH: Hello?

CALLER: Good evening, Mr. Smith. I know you're a law-abiding citizen and a strong backer of our police department, right?

SMITH: Who is this?

CALLER: My name's Rick and the police department is—

SMITH (interrupts): You're a sworn police officer?

CALLER: Well . . . well, not exactly. We are representing the department and assisting in raising funds from good citizens like yourself for the fund for widows of fallen officers and—

SMITH (interrupts): What percentage of donations does your organization give to the police department?

CALLER: We . . . well, we only keep a very small percentage for administrative costs. Very small but the widows and—

SMITH (interrupts): What is the percentage?

CALLER: Sir, that's not what is important. The little children and—

SMITH (interrupts): Give me your phone number. I'll call you back.

Click.

The problem with these pitches, even if it's for a legitimate cause or function, is how the money received is allocated. Many of these professional fund raisers make an arrangement with a police or fire department to raise X amount of money. This is usually for an event such as a picnic, dance, concert, or rodeo. The average department does not want to be bothered with the details of fund raising. The percentages actually given to the department can be as little as 10 percent of the total collected. "Administrative overhead" is the excuse.

A fire or police department may collect funds using sworn personnel. This money will go entirely to the specific cause. Be leery of door-to-door fund raisers who are not in an official police or fire department uniform. If the person flashes a badge, ask to see it and examine it closely. Also ask to see his or her photo ID card. The badge is not an identification. If the person is hesitant or refuses, politely decline to talk to him or her. Then call the police, ask if the department has authorized fund raising, describe the subject and the badge, recount the "pitch," and if you saw a vehicle, describe it.

The consumer booklet *Tips on Police and Firefighter Organizations* can be obtained from the Better Business Bureau, 4200 Wilson Boulevard, Suite 800, Arlington, VA 22203.

The point is not to be intimidated by such approaches. Be aggressive in asking questions, and ask for an official contact with the police or fire department concerned. *Do not* under any circumstance agree to let someone pick the money up that day or night. A legitimate fund raiser can wait until the next day.

See page 39 for a simple solution to this problem.

Scams Requiring Money to Garner More Money

- You're informed you've won a prize but you are required to pay sales tax and handling charges before it can be shipped.
- You have been previously victimized and you get a call from the "FBI" or the "police" who claim they have located the thief. They state they have a court order to wiretap your phone so they can trap the criminal. Next you get a call from the criminal, who says for a 10 percent fee he or she can recover your money. Then the "FBI agent" calls back asking you to send them the 10 percent so they, the bureau, will have an airtight case.
- You are informed by a "lawyer" or "executor" that you have an inheritance and a percentage is needed upfront to pay taxes.

There are a number of variations on the above themes. The common pitch is send money immediately. The bottom line is: *Do not* send money. If it is legitimate you'll be notified by registered mail and have plenty of time to confirm the legitimacy of the situation.

Telemarketing Fraud Characteristics

There are a number of characteristics that should set off warning bells. These would include the following:

- The deal offers little or no risk. Be wary of money-back guarantees, since such a guaranty is worthless from a con man.
- If you're informed that you've won a prize. The catch here is that a handling charge or processing fee is necessary prior to shipment of the prize, or a minimum order for a product is required.
- There is no written descriptive information. Be very suspicious if the dealer states there is no written information or if he refuses to supply any.
- A pushy sales approach.
- The offer is limited to only a select few. In reality there have been hundreds of thousands of phone and mail solicitations.
- If you offer resistance, the telemarketer may well plead with you that he or she can be "trusted."
- A demand that the money must be paid quickly

Asking for a Credit Card Number to Provide "Verification" of Eligibility

The most common characteristic of any swindle is that it "sounds too good to be true." The bottom line is that it most likely isn't true. Unfortunately, greed blinds.

Countermeasures

There are sensible countermeasures that should be followed, such as:

- Never give your credit card number out unless you originate the call.
- Never mail a check or give money the night or day of a telephone contact. Take the time to think about the proposition and, hopefully, check it out.
- Ask for return telephone number or numbers.
- Request a postal address. (Be wary if it is a post office box.)

- Check out the operation with a consumer-protection organization such as the Better Business Bureau.

Regulations

- Telemarketers must tell you immediately that this is a sales call.
- If the call is to inform you that you've won a prize, the caller must state that no purchase of product or monetary payment is necessary to win.
- If you have asked not to be called for phone solicitations, it is illegal for you to be called, since telemarketers are required to maintain lists of people who do not want to be solicited.
- In most states, telemarketers are restricted to calling between 8:00 A.M. and 9:00 P.M.

Telemarketing is a growth industry. The flip side is that so are telemarketing scams. Remember: If called, maintain control, and do not give out information but rather try to obtain it. If you have any hint that this is a bogus call, just hang up. Remember that it is an odds game and that time is money. The telecon is just going to dial the next mark on his list.

Internet Swindles

The Internet offers a whole new frontier to the scam artist. The basic message is get rich quick. The con man appeals to the entrepreneurial spirit. Most of all, the con appeals to that ultimate hot button . . . greed. "*GREED*," a TV program that was on Fox, exemplified the meaning of the word. The NASDAQ exchange's tremendous growth due to Internet and technology stocks provided an aura of the 1849 Gold Rush, where every able-bodied man and painted lady headed to California for instant wealth. Everybody was scrambling to find the next Microsoft or Yahoo. Stories abound of twenty-plus overnight multimillionaires. In such a frenetic environment, the swindler can prosper. Again, greed is the staunch ally of the scammer.

Warning Flags

There are things to be aware of when you are on the Net and steps you can take to protect yourself:

- There is no physical address. The con will use a mail drop or merely the e-mail address and perhaps a fax number.
- There is no return voice telephone number.
- An expensive looking web site does not equate to a similar company. The fraud company consists of the web site, a mail drop, and perhaps a boiler room.
- On auction sites, be wary of sellers with free e-mail accounts, such as those on hotmail, since the seller can more easily mask his identity.
- Be alert for shills who bid up the price of an item near the end of the auction sale, like shills who throw dice on a Vegas crap table.
- Ignore e-mail solicitations for moneymaking opportunities, as these are basically frauds.
- If you buy on the Internet, use your credit card, since you are protected if you are scammed.
- Keep copies of all your e-mail transmissions in case there is a problem that you do not receive a product or it is shoddy or counterfeit.

The Internet is a new frontier, and like any new territory, is untested and rather wild. “Buyer beware” must be your motto. Again, if it seems too good to be true, it probably is.

General Scam Information

Like any crime area, frauds and scams have their own argot. The different schemes are named. For example, it is of value to the average citizen to be aware of the following:

- *Slamming*. This is the all-too-common practice where the phone customer is switched illegally to another phone carrier. The customer has no knowledge of this switch and certainly hasn’t given consent.

- *Cramming*. Phone charges for services not requested.
- *Check kiting*. Very simply, this is using a number of checks between accounts to cover a lack of funds. Fortunately, this is becoming more difficult with the use of computers and instant checking of accounts.
- *Lapping*. Basically this is a creative accounting method to use money scheduled for one account to cover up stolen money in another account. This can work only if there is no independent audit.
- *Employment scam*. An “agent” targets people who need work and promises them a job for an advance fee. There is no job and no “agent” as he skips with the mark’s money.
- *Bust-out scam*. The swindlers set up a business, usually a small warehouse or store front with a minimum of investment. They then buy merchandise on credit, which is resold at “fire sale” or liquidation prices. The sales revenues are then channeled into secret bank accounts. The original creditors are stalled as long as possible as the merchandise is sold off. When faced with legal action, the shell firm files for bankruptcy or just is abandoned.
- *Alter Ego scams*. Shell corporations are purchased or new corporations created so they can be used as vehicles for fraud. This allows the perpetrator or perpetrators to attempt to avoid individual legal responsibility and liability by hiding behind the corporate veil.
- *Ponzi scheme*. This is one of the oldest and most effective financial scams. Investors are conned into believing they are being paid from returns from their investment when in actuality the money is from another round of suckers.
- *Boiler room*. An office area, usually low-rent, equipped with phones. From this site telemarketers bombard potential victims with high-pressure sales pitches.
- *Recovery room*. A boiler room designed for scam victims who, for a fee, can obtain refunds from companies that defrauded them. A double scam!
- *Mystery pitch scam*. The victim is informed that he or she has received a valuable prize, but the catch is need for up-front money. Also, they are unable to reveal exactly what the prize is because this is

prohibited by law until the money is received. Of course, there is no such law, but the gullible are out there waiting to be taken.

- *Rip-and-Tear schemes.* A fraudulent operation that collects as much money as possible and then skips town before they are caught.
- *Pyramid scheme.* Money is generated by recruiting people rather than selling a specific product or service. The problem is that chances of making any money are nil nearing the bottom of the pyramid.

Funeral R.I.P.-offs

Unfortunately, elements in the funeral industry take advantage of people during a very vulnerable time, when they are mourning the loss of a loved one. The pitch is usually to con the grieving to purchase a top-of-the-line casket. The pitchman claims that the high-priced casket will preserve the loved one's remains. This is jive. The bodily gases decompose the corpse, and an airtight casket will probably accelerate the decomposition. High-priced bronze and copper caskets are no more effective in protecting the remains than a steel or even a pine casket. Funeral homes have been reported as marking up caskets by as much as 300 percent.

The salesperson usually makes a pitch such as, "Well, don't you want the best for your loved one?" As far as caskets go, shop for the best price. The Internet is a good source of reasonably priced caskets. Funeral homes are not happy when you provide your own casket. They may try to levy a service charge, but this is prohibited by the Federal Trade Commission. If you are cremating the deceased, some will still try to sell you a casket to transport the body to the crematorium. Generally, cremation is about a third less the cost of a grave-opening burial.

Funeral homes will pitch for as fancy a funeral as possible. To dress out the deceased, if there is viewing, instead of paying for expensive clothing, utilize a favorite outfit. Viewing is a family option, and it does increase the cost of a funeral. For example, the body must be embalmed if there is a viewing. Taking the body directly to the grave site or to be cremated negates the need for embalming. Embalming costs can run from \$500 to \$1,000.

The Federal Trade Commission (FTC) enforces the national Funeral Rule, enacted in 1984. This rule covers the following:

- The funeral home will not sell unneeded products and services.
- The consumer will be given accurate price information.
- The funeral home will not bill for services not delivered.

The problem with this FTC oversight is that it acted on only about half of the violations reported. Also, most Americans have no idea the Funeral Rule exists. The cold, hard fact is that it is necessary to be alert and cautious when arranging a funeral. Sadly, too many funeral operators try to take advantage of the situation. The average person is racked with grief and not really thinking clearly. Hold on to your wallet if you hear the following when arranging a funeral:

- “Certainly you want the very best for your loved one!”
- “If it were my wife I would select the deluxe casket. It’s the last thing I can do for her.”
- “Do you really want to haggle over a few dollars for such a precious moment?”

A funeral is traumatic, but still you should use common sense when arranging it. The following will help you keep a perspective and not be taken:

- Learn about casket construction and that “airtight” caskets do not protect the corpse. Neither do expensive copper and bronze models.
- Don’t feel obligated to buy the casket from the funeral home. Shop around, as prices fluctuate greatly.
- Buying online from a casket wholesaler can save thousands of dollars.
- Make sure the funeral home gives you a complete written price list.
- If cremation is your choice, do not bury the urn, as this really is an unnecessary expense.

A few web sites that specialize in undertaking are the following:

www.directcasket.com

www.aarp.org/money/funeral.html

www.funerals.org

www.casketstores.com

www.ftc.gov/bcp/rulemaking/funeral/index.htm

The Pity Pitch

One of the most despicable scams is appealing to a person's sympathetic or empathetic nature. In areas in Europe certain groups throughout the centuries have trained their children in begging. In some other areas of the globe, children are maimed so as to be more pitiful. In the United States a class of beggars has emerged in the past ten to twenty years. In major urban centers every freeway off-ramp seems to have a begging "homeless veteran." The cardboard sign printed via a marking pen in block letters has several versions, such as:

"I LOST MY JOB. PLEASE HELP MY FAMILY."

"HOMELESS VIETNAM VET."

"HOMELESS. SPARE CHANGE APPRECIATED."

"WOUNDED VET, PLEASE HELP. GOD BLESS YOU."

"HOMELESS. WILL WORK FOR FOOD."

The "work for food" plea is interesting. Next time you see this sign, pull up and tell him you have some yardwork and upon completion you'll feed him. The beggar will back off from you like you had the plague.

As to the "veterans," it is amazing how many must have been twelve years old when they served in Vietnam. Talking with some of these

“veterans” reveals that their lack of military knowledge shows they were never in the service, much less in Vietnam.

I’ve talked to men who say they’ve literally taken classes on how to beg. How to look “hungry.” How to look wistful-eyed. How to dangle your arm so you appear crippled. I’ve seen beggars dropped off at their begging sites. I heard of one beggar who was a successful carpenter. He took his young children, including a baby carriage, and stood by a main intersection. He claimed to have earned more than \$40,000 that year for less than eight-hour days. He was a rather unique entrepreneur who milked the system. A majority of these beggars use the money for alcohol and drugs. Notice how many of these beggars are smoking. What does a pack of cigarettes cost? Certainly you can buy a filling breakfast at IHOP or Denny’s for the cost of a pack.

Contrary to what some politicians preach, America is not hard-hearted and materialistic. One of the tabloids sent an undercover reporter into major U.S. cities posing as a poor person. He never failed to find a soup kitchen where all people were given decent meals. Local government, churches, and charitable organizations all have facilities for free food and, most times, a night’s housing.

New York City, especially Manhattan, was overrun with “squeegee men.” The second a vehicle stopped, they were washing the windshield. Drivers, especially women, were intimidated. Many people refused to drive their own vehicles in New York City because of this horde of beggars. Mayor Giuliani rid the streets of the beggars in his drive to clean up Manhattan, and the Times Square area in particular. He was attacked as a “Hitler.” Once the area was cleaned of the beggars, winos, and street criminals, the violent crime and theft statistics plummeted. Residents and tourists can now walk the streets with a measure of safety and comfort.

Other jurisdictions are beginning to realize that begging or panhandling is a serious problem, and not just a social problem but a public safety concern, as well. The *Los Angeles Times* of March 3, 2000, reported that the California Supreme Court ruled that the city of Los Angeles’s antipanhandling law was not “constitutionally suspect.” A number of California cities tried to pass laws restricting panhandling

but were under attack by lower courts that claimed such ordinances violated the California State Constitution. Naturally, the ACLU has attacked the California Supreme Court's decision. No one is a stronger defender of free speech than I am, but as with yelling "Fire!" in a crowded theater, there are limits. Having some burly beggar in your face, especially if you are female, goes beyond free speech, in my humble opinion.

The sad part is that there are needy people who will be neglected because of this scam. The average person will become rather callous and will look upon any beggar as a fraud. Unfortunately, most are in the fraudulent category. Your money will be far better utilized by giving directly to the needy through your church or local service organization.

Nigerian Scam

The "pitch" letters on the next two pages are versions of the same scam. Apparently some people and some businesses have fallen for this inane swindle. Again, greed obliterates common sense. The United States has not been the only target of the Nigerian scammers, as they have targeted businessmen in numerous countries. Jack Nelson, in the *Los Angeles Times* of January 24, 1998, reported the following: "The Secret Service believes that the scams [Nigerian] net several hundred million dollars a year in the U.S. and represent a serious financial threat. . . . From Nigeria cons mail or fax an estimated three thousand official-looking letters a week according to the London fraud squad. Half the material goes to Britain or the U.S."

Nelson also reported that from 1995 to 1998, fifteen foreign businessmen who traveled to Nigeria to get their money back had been murdered. This grisly toll included one American. Ten American businessmen were reported held against their will in Lagos, Nigeria, and became hostages. The State Department was finally able to get them released. Besides criminal elements, corrupt Nigerian officials also have been involved in these swindles.



NIGERIAN NATIONAL PETROLEUM CORPORATION
FALOMO OFFICE COMPLEX, IKOYI, LAGOS.

FROM THE DESK OF: MR. BABA KUDI,
TEL/FAX: 234-90-408563

TO: THE PRESIDENT/CEO

DEAR SIR,

BUSINESS INTRODUCTION

WE ARE MEMBERS OF THE "TENDER COMMITTEE" APPOINTED BY THE FEDERAL MINISTRY GOVERNMENT OF NIGERIA FOR CONTRACT AWARDS/PAYMENT APPROVAL IN THE NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC). OUR DUTIES INCLUDE EVALUATION, VETTING, APPROVAL FOR PAYMENT OF CONTRACT JOBS DONE FOR THE NNPC ETC.

ON THE TENTH OF FEBRUARY, 1995 THIS COMMITTEE AWARDED A CONTRACT OF US\$600 MILLION UNITED STATES DOLLARS TO THE CONSORTIUM OF ABB LUMMUS, J.G.C. CORPORATION OF JAPAN, BOUYGUES OFFSHORE AND A JOINT VENTURE OF SPIEBATIGNOLES AND FOUGEROLLE, FOR ENGINEERING, PROCUREMENT AND CONSTRUCTION IN NIGERIA.

BUT MY COLLEAGUES AND I DECIDED TO OVER - INFLATE THE CONTRACT SUM TO THE TUNE OF \$665M USD WITH THE INTENTION OF SHARING THE REMAINING \$665 MILLION FOR US AS THE CONTRACT SUM, AND THE SUM OF \$332 MILLION HAS BEEN APPROVED TO BE GIVEN TO THE FOREIGN COMPANIES CONCERNED AS THE MOBILIZATION FEE FOR THE CONTRACT. BUT SINCE EACH OF THE COMPANIES IS ENTITLED TO \$60 MILLION, WE INTEND TO TRANSFER THE REMAINING \$32 MILLION ABROAD INTO A SAFE AND RELIABLE ACCOUNT TO BE DISBURSED AMONGST OURSELVES.

MY COLLEAGUES AND I HAVE AGREED THAT IF YOUR COMPANY CAN ACT AS THE BENEFICIARY OF THIS (\$32M) YOU OR YOUR COMPANY WILL RETAIN 30% OF THE TOTAL AMOUNT THAT WILL BE TRANSFERRED WHILE 60% WILL BE FOR US AND THE REMAINING 10% WILL BE USED TO OFFSET ANY BILL (EXPENSES) INCURRED BY BOTH SIDES DURING THE COURSE OF THE TRANSFER.

IT MAY INTEREST YOU TO KNOW THAT, TWO YEARS AGO A SIMILAR TRANSACTION WAS CARRIED OUT WITH ONE MR. PATRICE MILLER, THE PRESIDENT OF CRAINE INTERNATIONAL TRADING CORPORATION, NO. 135 EAST 57TH STREET, 28TH FLOOR, NEW YORK 10022 WITH TELEPHONE NUMBER (212) 308-7788 AND TELEX NO. 6731689. AFTER THE AGREEMENT BETWEEN BOTH PARTNERS IN WHICH HE WAS TO TAKE 20% OF THE MONEY WHILE THE REMAINING 80% FOR US. WITH ALL THE REQUIRED DOCUMENTS SIGNED, THE MONEY WAS DULY TRANSFERRED INTO HIS ACCOUNT ONLY TO BE DISAPPOINTED ON OUR ARRIVAL IN NEW YORK AND WE WERE RELIABLY INFORMED THAT MR. PATRICE MILLER WAS NO LONGER ON THAT ADDRESS WHILE HIS TELEPHONE AND TELEX NOS. HAVE BEEN RE-ALLOCATED TO SOMEBODY ELSE. THAT WAS HOW WE LOST \$27.5M TO MR. PATRICE MILLER.

THIS TIME ROUND WE NEED A MORE RELIABLE AND TRUST-WORTHY PERSON AND A REPUTABLE COMPANY'S ACCOUNT TO TRANSFER THIS MONEY INTO. HENCE THIS LETTER TO YOU.

PLEASE BE INFORMED THAT THE PERSONALITIES INVOLVED IN THIS TRANSACTION ARE TOP AND INFLUENTIAL GOVERNMENT FUNCTIONARIES WHO WOULD NOT LIKE ANY FORM OF EXPOSURE AND AS SUCH WOULD WANT YOU TO KEEP THIS BUSINESS TOP SECRET AND CONFIDENTIAL.

AND BE REST ASSURED THAT THIS TRANSACTION IS 100% RISK-FREE. THERE IS NO RISK INVOLVED ON BOTH SIDES. SIR, IF THIS PROPOSAL SATISFIES YOU, THEN CONTACT US IMMEDIATELY BY INDICATING YOUR INTEREST AND SENDING TO US COMPLETE AND NECESSARY APPLICATIONS IN ORDER TO EFFECT THE TRANSFER IN THE SOONEST POSSIBLE TIME.

YOURS FAITHFULLY,

MR. BABA KUDI.



NIGERIAN NATIONAL PETROLEUM CORPORATION
 7 KOFO ABAYOMI STREET, VICTORIA ISLAND, P.M.B. 12701, LAGOS.
 TEL./FAX: 234-1-7747650

30th March, 2000

Dear Sir,

BUSINESS PROPOSAL

I am making this contact with you on behalf of my colleagues after an acceptable recommendation from an International Business Agency.

My colleagues and I are members of the Contract Award Committee (CAC) of the Nigeria National Petroleum Corporation (NNPC). I have been mandated by my colleagues to look for a trustworthy company into whose account some funds is to be transferred. We have in our possession instrument of payment for US\$22.5M (Twenty two million five hundred thousand U.S Dollars only) now in a dedicated account with the Central Bank of Nigeria (CBN), Debt Reconciliation Committee(DRC).

The above funds arose from the over invoicing of some Supplies and Engineering Works contracts which have been executed and the contractors paid in full. The fund is therefore free to be transferred overseas without any risk whatsoever.

Due to the nature of accrual of this funds, it has to be applied for by a foreign contractor/company and payment can only be made into a foreign account hence this contact is necessary to accomplish this deal. You (or your company) shall be compensated with 25% of the amount as the account owner, 5% shall be used for the reimbursement of all expenses that will be incurred by both parties during the course of this financial transaction. The remaining 70% is for us.

We shall require of you the following urgently by fax:

1. *Name, Telephone and/or fax Numbers of Beneficiary*
2. *Name and full address of the Company*
3. *Complete particulars of the bank account where you wish the funds to be transferred.*
This should include the account Number, Bank Address, the Telephone, Fax and Telex numbers of the bank.

My colleagues and I have had some fruitful discussions with relevant top officials of both the Federal Ministry of Finance (FMF) and the Central Bank of Nigeria (CBN) and they have agreed to cooperate in the transfer. An application for funds transfer shall be made at the appropriate Ministries in favour of the beneficiary (you or your company). Thereafter, your company shall be officially regarded as having executed the contract for the Nigerian National Petroleum Corporation (NNPC) for which payment is being made. This process make the operation legal according to the laws of the Federal Republic of Nigeria.

Please treat this transaction as STRICTLY CONFIDENTIAL as we are Civil Servants who would not want any exposure. Do not go through the International Telephone Operator or (AT&T) when lines are busy at any time in the course of this operation. Always dial direct. It's very difficult to get telephone access to Nigeria. So you must persist even when the telephone says subscriber not available or the number does not exist. This answers are always given when there is no access. Thanks for your anticipated cooperation. Best Regards,

DR. IDRIS SHAIKU

*Please all contact should be directed to my tel/fax number: 234-1-7747650.

There are also reports of a variance of the swindle that targeted U.S. churches and charities. The twist here is that a wealthy Nigerian has died and left the organization millions of dollars, but there is a need of an “advance fee” to procure the inheritance. These “fees” have cost organizations hundreds of thousands of dollars.

If you receive a letter on official-looking stationery from Nigeria, report it to a postal inspector.

Collection Notice Scam

This is another type of scam that is very convincing at first glance. An official-looking document arrives in the mail from a collection agency notifying that your unpaid account has been turned over to them for collection by a nationally recognized publisher. They urge you to send a check to end this matter forever and they will promptly notify the publisher of the magazine, the publisher will reinstate your subscription, and your account will be clean. My wife received such a notification after choosing not to renew a magazine subscription. When I confronted the collection agency with questions of why this notice was sent, the agency sheepishly responded with “Forget this notice.” This is a strong-arm tactic of both collection agencies and magazine subscription departments to coerce subscribers into continuing the subscription when in fact the customer is under no obligation to renew.

Chain Letters

Americans are a nation of caring people, and when the average Joe hears or reads of a plea for help, will to the utmost of his ability respond. A word of caution: Before responding, conduct your own due diligence to determine if the cause or request is actually legitimate. I received a form letter from a business associate that stated that a young boy was suffering from a terminal illness and expressed a desire to the Make-A-Wish Foundation to be entered in the *Guinness Book of World Records* for the largest collection of business cards by an individual. The letter asked that a business card be sent to the young boy as well as passing

this request on to ten business associates. With just a little time and effort I discovered that the Make-A-Wish Foundation was not involved and that the young man had reached his goal nine years prior to the receipt of my form letter! Civic duty is a most rewarding experience; just be certain that it is also legitimate.

Multilevel Marketing

Multilevel or network marketing is big business. We've all been pressured by friends, neighbors, and acquaintances to attend an Amway, Shacklee, or other company's multilevel "party." Companies such as Amway operate in a legitimate manner, but others are on the edge. The basic premise of a multilevel operation is to recruit distributors who in turn recruit distributors. Commissions are paid on each distributor recruited plus a percentage of product sales from each distributor. Any network resembles a tiered pyramid, with those who are in the earliest on the top tiers. The key word here is "pyramid." Many states outlaw the practice of paying commissions for recruiting new distributors. This is commonly known as "pyramiding."

The reason why pyramiding is often illegal is that the structure eventually collapses when the recruit pool is exhausted. Only those who were in very early and are at the top of the pyramid make money; the rest lose. How do you know if a multilevel program is legal and profitable? It is a fine line, and you must use intelligence and, above all, common sense to make that judgment. Experts recommend that you consider the following tips before putting money and effort into a multilevel program:

- The primary cautionary note is to avoid any plan that pays commissions for recruiting new distributors.
- Avoid a plan that touts you will make big money from your "downline" growth of distributors recruiting commissions instead of sales of the product.
- Stay away from plans whose products offer "miracles" especially in the nutritional and health areas—miracles that are not based on sound medical research and peer review.

- Be wary of a plan that requires you to buy expensive inventory up front. This can well indicate an illegal pyramid that could collapse suddenly, leaving you with a garageful of very high-priced herbal remedies or similar esoteric products on which you are not going to be able to recoup your investment by reselling.
- Be very leery of plans that will make you “very rich” in a relatively short time. Ask for statistical “hard” proof of such claims.
- All plans use “testimonials” of people just like yourself who have made fortunes. Buyer beware! Just like Vegas, some of these plans use shills who breathlessly describe how they were able to buy matching Mercedes convertibles in just three months, thanks to the fantastic sales of “Uncle Don’s Nail Polish Remover and Liquid Aphrodisiac.”
- Many plans use “pep” rallies to generate zeal for the product and the plan. These are carefully orchestrated, and it is easy for the novice to be swept up in the almost evangelical fever. This tactic really defines high-pressure selling.
- Never get pressured into signing a plan contract, but take your time to study the written agreement, and research the organization and the product line. Look for people who have left the plan and find out why.
- It is intelligent to check with consumer web sites, the Better Business Bureau, and other resources. This is especially true if you’re not familiar with the plan and the claims are “too good to be true.” Odds are good that they aren’t!

Phone Scams

Businesses and individuals have been victims to this simple scam. A call is received, and the caller identifies himself as an AT&T service technician.

TECH: I’m testing your phone line. I need your cooperation.

VICTIM: Of course.

TECH: Please touch 9, then 0, hit the pound sign [#], and hang up.

VICTIM: Okay.

The problem is that by punching in 9-0-#, the scammer has full access to your telephone line. They can make long-distance calls that are billed to your home number. There are reports that some of this scam activity has originated in jails and prisons. If called by a phone “technician,” ask for a call-back number and confirm.

Telecommunications Frauds

With the considerable deregulation of the telecommunication industry, there has been a growth of competition. With that growth have arisen a number of phone frauds. The California Public Utilities Commission has noted the following as the most common:

- *Cramming*. This is the unauthorized addition of charges or services to a phone bill such as for voice mail, Internet service, or 900 numbers.
- *Slamming*. This is when a customer’s designated long-distance provider is changed without permission.
- *Sliding*. A customer’s designated local toll carrier is changed without permission.

If you notice any of the above charges on your bill, notify your phone company immediately and demand an explanation. If you receive no satisfaction, call your state public utilities commission.

It is obvious that the scams are alive and well. I have been able to give you a brief overview of some of the more common frauds. Trust me, there are dozens more out there. The rapid growth of technology, and the Internet in particular, has produced an opportunity for a myriad of sophisticated swindles. How do you defend yourself? Use common sense! There is no substitute in this rapidly growing cyberworld for good, old-fashioned horse sense. Remember, greed blinds. To repeat, live by the maxim that if it’s too good to be true, it probably is!

The 1991 Telephone Consumer Protection Act allows consumers to block future calls from live operators by requesting placement on "do-not-call" lists.



The Phonex Easy Hang Up

The EASY HANG UP is a telephone accessory that allows the user to hang up on unwanted calls without waiting through a lengthy sales presentation. Simply push the button to hang up the phone. A brief polite message notifies the caller that calls of this type are not accepted, then disconnects the line. The device connects easily to your phone.

The pre-recorded message says: *"I'm sorry, this number does not accept this type of call. Please regard this as your notification to remove this number from your list. Thank you."*

To order, contact:

Customer Service
Security Oriented Systems, Inc.
800-509-3371
www.pi4stars.com