

**National Consumers League
Telemarketing Fraud Survey
September 12, 2006**

In June 2006 the National Consumer League (NCL) mailed surveys to more than 300 consumers age 60 and older who had contacted its National Fraud Information Center (NFIC) about telemarketing fraud during the first five months of the year. The purpose of the survey was to ask if the information and advice that the NFIC provides is useful and to learn more about what older people need in order to help them avoid becoming victims of telemarketing fraud. Ninety-five people responded to the survey.

How older people want to get information and advice about telemarketing fraud

Being able to call someone to get information or advice about telemarketing fraud is clearly important to this population. When asked how important it is to be able to speak to someone on the telephone for questions or problems concerning telemarketing fraud, 93 percent of respondents said it was very important, and 7 percent said it was somewhat important. None responded that it was not important. This aligns with the fact that many older people are still not using the Internet. When asked if they had access to the Internet:

- 46 percent said they had access to the Internet at home
- 4 percent said they had access to the Internet at work
- 10 percent said they had Internet access through a library or community center
- 4 percent said they had access to the Internet somewhere else
- 44 percent said they did not have any access to the Internet

In answer to the question about how they would prefer to get information or advice about telemarketing fraud in the future, 15 percent said online, while 75 percent said by telephone, and 10 percent had no preference between telephone or online.

Why older consumers contacted the NFIC

In its public education about telemarketing fraud, NCL emphasizes the value of reporting suspected fraud even if consumers are not victims. It was encouraging to discover from the survey that nearly half (49 percent) of the respondents said they contacted the NFIC not because they had been victimized but simply to report an offer as suspicious. Thirty percent said they contacted the NFIC because a scammer got their money or personal information, 17 percent because they had responded to an offer and want to get advice in the event that it turned out to be fraud. However, only 16 percent said they contacted the NFIC to get advice before responding to an offer, about half as many as those who wanted to report that they had been victimized (the total exceeds 100 percent because some respondents reported multiple reasons to contact the NFIC and chose more than one).

Seventy-nine percent of respondents said they had not contacted the NFIC previously; 21 percent had contacted it before.

Older consumers find information or advice helpful for avoiding future fraud

When asked if they had received other telemarketing calls that they believed might be fraudulent after their most recent contact with the NFIC, nearly half (48 percent) said they had: 52 percent had not.

Of those who had received subsequent calls that they thought might be fraudulent, 83 percent said that the information or advice they had received from the NFIC helped them detect and avoid fraud more easily than they could have before. Only 17 percent said it did not.

Those who said they found the information or advice helpful in detecting and avoiding fraud were asked what specific information was most helpful. Their narrative responses can be grouped into five basic answers:

- Never give personal or financial information to someone you don't know
- Never pay money to get a prize
- It is helpful to understand how frauds work and how to handle calls
- It is OK to hang up
- Beware requests to wire money

As one respondent put it, "A phone call for information saves a lot of heartache."

When asked how the NFIC could improve the information and advice it provides, the most frequently-made suggestion was to make more people aware of the fact that the NFIC was available to help them. Other responses can be grouped into four basic suggestions:

- Reassure older people not to be embarrassed
- Use the media, including television, to get more scam warnings out
- Provide people with information about ongoing frauds
- Publish a newsletter about fraud that people could subscribe to for a modest fee

Some respondents also mentioned the fact that many telemarketing scams originate from foreign countries. One said "You know this stuff basically comes from overseas. Get other governments involved."

What older people would advise others about how to detect telemarketing fraud

It is sometimes hard to distinguish between fraudulent and legitimate telemarketers, since they often use similar tactics such as creating a sense of urgency, attempting to establish a personal rapport, and conveying excitement about the offer. When asked what they would tell others to do when talking to telemarketers in order to detect fraud, the responses fell into four basic suggestions:

- Be wary of requests for personal or financial information
- Ask for information about the offer to be mailed to you
- Be wary of requests for money to claim a prize

- Just hang up if it seems to be too good to be true

One respondent summed it up succinctly: “When they ask for money, it isn’t good.”

Many older people are taking advantage of “do not call” registries

One strategy that consumers can use to reduce unwanted telemarketing calls is to put their numbers in the federal and/or a state “do not call” registry. Many survey respondents have done so, with generally positive results. However, putting their numbers in a “do not call” registry does not necessarily eliminate calls from fraudulent telemarketers. The survey also showed that more work needs to be done to inform older people about “do not call” registries and how to enroll in them.

- 40 percent said they put their number in the federal or a state “do not call” registry and get very few telemarketing calls now
- 17 percent said they put their number in the federal or a state “do not call” registry and were getting fewer calls from legitimate telemarketers but the same number of fraudulent calls as before
- 8 percent said they put their number in the federal or a state “do not call” registry and noticed no decrease in either legitimate or fraudulent telemarketing calls
- 21 percent said they had heard about “do not call” registries and wanted to enroll but did not know how
- 6 percent said they had heard about “do not call” registries but decided not to place their numbers in one
- 8 percent said they had never heard about the federal or state “do not call” registries

Older consumers’ experiences with “phishing by phone”

Based on reports to the NFIC, consumers are increasingly receiving calls from identity thieves who, masquerading as legitimate companies or organizations, request their bank account numbers, Social Security numbers, or other personal information. When asked if they had ever received a call asking to confirm their personal information from someone that they now think might have been falsely claiming to be from a familiar company or organization, 57 percent said yes, 43 percent said no. Of those who received such a call, 15 percent said they had provided the requested information, and 85 percent said they did not.

Use of the NFIC Web site

The NFIC’s www.fraud.org Web site is a great resource for consumers. It offers tips on telemarketing and Internet fraud and a special section for seniors. However, only 17 percent of the survey respondents had visited the site, while 83 percent had not.

Of those who did visit the site, two-thirds (67 percent) said that it was very useful, and one third (33 percent) said it was somewhat useful. None said that it was not very useful.

Survey respondents were also asked how the Web site could be improved. Many noted in their answers that they either had no access to or limited knowledge of how to use the Internet. Some who do go online were not familiar with the Web site but were interested in finding out more about it. As one said, “Did not know about Web site, but I will be checking into it.” Others have indirect access to the Internet; one respondent said, “The site is user-friendly according to my daughter.”

- Those who had visited the Web site made suggestions for improving it.
- Put more information on the site about U.S. laws concerning fraud
 - Put more information on the site about frauds that consumers have reported
 - Provide answers to frequently asked questions on the site
 - Create a simple “what to do/who to contact” list for consumers

Conclusions

It is very important for older people to be able to call a credible source such as the NFIC for advice and information about telemarketing fraud. While information on Web sites is helpful, many older people still do not use the Internet. Those who do are looking for practical, “how-to” information and answers to common questions. Older people are interested in receiving alerts and other information about telemarketing fraud by mail. Television is another good way to convey educational information to older people.

Older people are willing to report suspected telemarketing fraud even if they are not victims. However, the relatively low number of those who contacted the NFIC *before* responding to an offer compared to those who contacted the NFIC to report that they *had been victimized* illustrates the need to encourage older people to get advice before paying anything or providing any personal information to potentially fraudulent telemarketers.

The information and advice provided by programs such as the NFIC clearly helps older people detect telemarketing fraud and avoid future victimization. The most important preventive messages are: beware requests for money to claim a prize; beware requests to wire money; guard financial and other personal information; and it is OK to hang up. It is also helpful for older people to learn how frauds work in order to detect them.

By putting their numbers on the federal or a state “do not call” registry, older people can reduce the number of sales calls that they must handle, though fraudulent telemarketers may still call. However, more work must be done to inform older people about this option and how to take advantage of it.

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1. If you have questions or problems concerning telemarketing fraud, how important is it to you to be able to speak to someone on the telephone about them?

Very important Somewhat important Not very important

2. Do you have access to the Internet? Check all that apply.

- I have Internet access at home
 I have Internet access at work
 I have Internet access through a library or community center
 I have Internet access somewhere else (specify _____)
 I don't have any access to the Internet

3. If you need information or advice about telemarketing fraud in the future, which of these ways would you most prefer to get it? Check one.

- online
 by telephone
 no preference

4. What was the main reason you recently contacted our National Fraud Information Center? Check one.

- I wanted to get advice before responding to an offer or request
 I wanted to report that a scammer got my money or personal information
 I responded to an offer or request and wanted advice in case it turned out to be fraud
 I did not respond to an offer or request but just wanted to report it as suspicious

5. Have you contacted our National Fraud Information Center before with other questions or problems? Yes No

6. Since you contacted our National Fraud Information Center, have you gotten other telemarketing calls that you believe might be fraudulent? Yes
 No

7. If yes, did the information or advice you got from our National Fraud Information Center help you detect and avoid fraud more easily than you could before? Yes
 No

8. If yes, what specific information or advice did you find most helpful? Please describe.

9. How could we improve the information or advice we provide? Please provide specific suggestions.

10. It is sometimes hard to distinguish between fraudulent and legitimate telemarketers. What are the three most important things you would tell other people to look for when they are talking to telemarketers to help them detect fraud? Please describe briefly.

11. Have you put your phone number on the federal “do not call” registry and/or a state “do not call” registry? Read these answers carefully and check the one that describes your situation best.

Yes, and as a result I hardly get any telemarketing calls now

Yes, and as a result I get fewer calls from legitimate telemarketers now but I am still getting as many calls from telemarketers that I think are fraudulent as I was before

Yes, and I am getting the same amount of telemarketing calls, legitimate and fraudulent, as I was before

No, I’ve heard about this and would like to put my number on a “do not call registry” but I’m not sure how

No, I’ve heard about this and decided not to put my number on a “do not call registry”

No, I haven’t heard about this

12. Have you ever received a call asking to confirm your personal information from someone that you now think might have been falsely claiming to be from a familiar company or organization?

Yes No

13. If yes, did you provide the information they requested? Yes

No

14. Have you visited our www.fraud.org Web site? Yes

No

15. If yes, have you found the information and advice on the Web site useful?

Very useful Somewhat useful Not very useful

16. How can we improve the Web site to make it more useful for consumers? Please give specific suggestions.