

# WHEN FRAUD HITS AGAIN AND AGAIN

## 'Rebound' scams target recent crime subjects

BY SARI HARRAR

Famous for her sparkly gowns and sharp tongue, Jen Shah—a star on the Bravo reality TV show *The Real Housewives of Salt Lake City*—had a hidden side hustle. She ripped off thousands of people, many of them older, reportedly for up to \$100,000 each, in a telemarketing scam. She then raked in extra cash selling lists of her victims to other scammers.

She was sentenced this year to 6½ years in prison and ordered to pay \$6.6 million in restitution. Neither of the crime tactics Shah used is unusual. Rebound scams that specifically target people recently cheated—often older, lower-income and not always aware they were ripped off the first time—are a common danger, fraud analysts warn. The scammers' top tool: "lead lists" of victims that are carefully updated, reused and sometimes sold.

"Crime syndicates use customer-relationship management systems just like a legitimate business does," says elder fraud researcher Marti DeLiema, an assistant professor at the University of Minnesota who's studying four large victim list databases seized from psychic, sweepstakes and lottery scams by the U.S. Postal Inspection Service. "Like any business, they keep track."

How they do that can vary. "A lead list could be a big database or a sheet of scratch paper," says Amy Nofziger, director of victim support for AARP's Fraud Watch Network. "Typically, they contain victims' phone numbers, addresses, bank account information and personal facts a scammer can use to build a relationship—like that Mr. X lives alone or has a white dog. These lists are very valuable. Scammers have gotten killed over them."

The lead lists DeLiema is analyzing contain names and addresses of 1.3 million U.S. residents who together lost \$347 million to mail



scams over 20 years. Her research team has discovered that 62 percent of those on the lists were scammed more than once—and some were scammed more than 20 times.

"For those folks, the average number of times scammed was 59," DeLiema says. Most of the money they lost to the scammers was in small increments of \$20 to \$40. "But if you're scammed 50 times, that could be \$1,600," she says. Odds of being hit in a rebound scam were highest for those 60 and older.

Rebound scam targets had a slightly lower income and reported higher losses than those scammed just once, a new study of 664 fraud reports from the National Crime Victimization Survey shows. "It could be that these individuals feel more financial strain from the first victimization and are more likely to attempt to recoup the money through risky avenues," says lead study author Jamie A. Snyder, an associate professor at the University of Wyoming.

Once you're on a lead list, "you can't really do anything to get your name taken off," DeLiema says. But taking these steps can help you avoid becoming a repeat scam victim:

► **Tell a loved one.** After an 86-year-old Brooklyn man lost \$9,500 in a notorious grandparent scam last year (scammers asked for "bail money," claiming his grandson caused a car

accident), he said no when new scammers called the next day, promising to get his money back—for a fee. The man had talked with his family after the first scam and realized he had been cheated. Turns out this is a powerful way to protect yourself, Snyder says. People who'd let family members know they had been scammed were 50 percent less likely to report repeat scams in Snyder's study. Sharing the news may help your relatives recognize signs of a scam and take steps to protect you, she says.

► **Don't respond to phone calls or text messages from unknown numbers.** "If you get a call or text out of the blue trying to sell you something, ignore it and delete it," says Will Maxson, assistant director of the Federal Trade Commission's Division of Marketing Practices. Inundated with calls and texts? Maxson says this happens to many who were scammed. He suggests blocking calls. As a last resort, consider changing your phone number.

► **Take scam prevention seriously.** Some repeat victims may not have realized they were scammed the first time, Snyder says. So know the signs. Don't respond to unsolicited email offers, suggests Melanie McGovern, spokesperson for the International Association of Better Business Bureaus. Don't give your credit card, bank account or Social Security numbers out over the phone—legitimate businesses or government offices never ask for such info by phone, McGovern notes. Say no to anyone who wants to do any transaction via a gift card, cryptocurrency or by sending money through a financial transfer app to someone you don't know.

► **Be alert to recovery scams.** If someone calls you promising they can track down and recover money you lost recently in a scam, hang up. These calls often come from people impersonating consumer advocates or law enforcement; typically, they will ask for a payment up front, then disappear, Nofziger says. ■

*Sari Harrar is a contributing editor at AARP who writes frequently about health issues and fraud.*

**Have questions related to scams? Call the AARP Fraud Watch Network Helpline toll-free at 877-908-3360. For the latest fraud news and advice, go to [aarp.org/fraudwatch](http://aarp.org/fraudwatch).**