

## **A New Kind of Grandparent Scam**

For years, con artists have preyed on the elderly, claiming to be their grandchildren and in trouble with desperate need for money. This is the traditional grandparent scam and it dates back to as long as grandparents have had home phones. Scammers know that grandma will do anything to help out, and they also know members of “the greatest generation” are excellent marks for phone scams. In the traditional version of this scam, someone calls and tells the grandparent their grandchild has been jailed for a minor offense in a foreign country or has had a medical emergency befall them. Of course, other situations that would present an immediate need but be very hard to quickly verify are also used, so there is no one sure tell based upon circumstance.

In reality, the grandchild is not under arrest, in the hospital or in trouble at all. At the very moment the scammer says the grandchild is in the middle of an emergency, he or she is probably just staring at a cellphone screen, possibly while they’re in class, oblivious to the whole situation.

A new version of the scam has been making the rounds this summer and it has a 21st century hook. The FTC, the BBB and various news organizations are reporting that scammers are now claiming to be debt collectors and getting older Americans to fork over credit card information or wire money to the scammers. Sometimes the collectors claim to be after young people, threatening that if grandma doesn’t come through with the cash, the grandchild will be arrested, have their license revoked or lose their job. Other times, the scammers claim the grandparents are on the hook for the debt and use their fear of losing their credit rating to finagle some easy money out of a frightened victim.

The debt collection angle is new to the grandmother scam, but hardly a new scam in itself. Con artists have been calling with fraudulent debts and fabricated threats for years, often claiming a long-forgotten payday loan or other non-traditional debt has been turned over to the police. But as people have gotten wise to phony debt collection scams, they’ve combined the routine with grandparent scams to make a new scenario that feels very real.

With student loans and credit card debt through the roof, it’s easy to believe a loved one could have all sorts of debt we don’t know about. With the pressure on, it’s difficult to find out if it’s true. But, if you didn’t co-sign a loan, you can’t be held responsible for paying it, no matter what someone tells you over the phone. In fact, it’s illegal for a debt collector to tell you if someone else has a debt at all. If you’ve ever called a credit card company on behalf of your spouse, you’ve probably experienced the privacy laws in action, because the credit card company won’t even talk to you.

If you feel pressured to make a payment or provide personal information over the phone, try to get off the line as quickly as possible. Offer to call them back, if necessary. The more they try to keep you on the phone, the more likely it is that they're fraudsters who are after a quick buck. If you think you might be a potential victim of such a scam, let the FTC know immediately, at [www.ftccomplaintassistant.gov/](http://www.ftccomplaintassistant.gov/).

Then, let MembersAlliance credit union know so we can make sure your accounts are safe, issue new information if necessary, and prevent any fraudulent charges. We can also show you how to go through your credit report and find out if you have any debts you don't know about.

When someone pressures you on the phone, it's always a good idea to take a break and figure out what's really going on.

**Sources:**

<https://www.ftccomplaintassistant.gov/#crnt&panel1-1>

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