FRAUD OF THE MONTH

Focus of fraudsters shifts to gold, precious metals

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As with most fraud schemes, when the good guys start monitoring for the transaction types used by fraudsters, it decreases the fraudsters' rate of success forcing them to change their tactics.

What's the latest trend? Convince the victim to buy gold and other precious metals.

The below description of this new trend recently posted in CrimeDex.

"The victim, an 80-year-old male, was contacted via email with someone claiming to be affiliated with PayPal. The email stated that the victim owed $562.00 U.S.C. and if the victim felt this was incorrect to contact them.

The victim made contact with a male named Daniel who had a middle eastern accent. During the call, the victim's computer was remotely accessed. The victim was told that the company accidentally transferred $560,000.00 U.S.C. and then mistakenly added another $300,000 U.S.C. to the victim's account totaling approximately $800,000.00 U.S.C.

The victim was then told to get cashier checks from his bank to purchase gold coins and Krugerrands to even out the deposited money into his account. Over the course of a week and a half, the victim obtained multiple cashier checks and purchased the gold coins.

The victim stated that an unknown male with a tan complexion arrived at his residence in a black sedan to pick up the purchased gold on three (3) different occasions. The gold coins and Krugerrand have no distinguishing marks or serial numbers per the wholesaler."

Think about it … the value of gold is constant around the globe and typically there are no traceable serial numbers. A precious metals dealer in Oklahoma recently stated they are working numerous cases of elderly victims of a scam. Most victim purchasers were ordering "kilo gold bars." which are not considered great investments.

Red flags to watch for include:

- Customers age 55 or over.
- Recent credits from personal investment, retirement funds or liquidating CDs.
- Transactions (cashier's checks, wires, ACH) greater than $50,000 to precious metals dealers.

If discussing this new trend with your customers, please remind them once the gold/precious metals are shipped, accepted and handed to a courier or shipped elsewhere, there is no recovery. Nor can the transaction be disputed (customer authorized and received the ordered product). If the fraud is identified when the items have shipped but are not yet received – the consumer can refuse the delivery and contact the seller/dealer to discuss a refund. If the items shipped and are accepted, the consumer can hold onto the delivery and contact the seller/dealer to discuss return and refund options.