



Beware of Card Services Scams

From the Office of Minnesota Attorney General Lori Swanson

People are being bombarded with scam telephone calls that promise to help lower their credit card interest rates. The recorded calls purport to come from nondescript entities such as “Card Services,” “Cardholder Services,” etc. Due to the nondescript identification of the caller, some people may believe that the calls are from their credit card company. When people return the calls or press their keypad as directed, however, they may be contacting debt assistance scam artists or identity theft crime rings.

Identity Theft. Some “Card Services” calls are made by criminal enterprises whose intent is to obtain personal financial information to commit identity theft. The callers may attempt to gain trust by indicating that they are associated with a bank, or that they only need to “verify your banking information” to help lower your interest rate. In other cases, they may claim to be able to negotiate better terms or conditions on a credit card account, and then pressure the citizen to disclose financial information to take advantage of their “limited time offer.”

Debt Assistance Scams. Other fraudulent callers seek to exploit the fact that many people face mounting credit card bills. The callers make unsolicited phone calls promising to help lower a person’s interest rates. They usually require the consumer to pay high up-front fees of as much as \$2,000 or more. Once the consumer pays the money, however, the companies often fail to deliver the promised services. The end result: the consumer now is \$2,000 more in the hole.

REMEMBER: BANKS AND FINANCIAL INSTITUTIONS DO NOT PLACE RECORDED CALLS TO CUSTOMERS OFFERING TO LOWER THEIR INTEREST RATES OR CHANGE THE TERMS OF THEIR ACCOUNT. IF YOU RECEIVE SUCH A CALL, IT IS VERY LIKELY A SCAM. THE BEST COURSE OF ACTION IS *NOT* TO RETURN THE CALL.

Nuisance Calls. People are receiving a high volume of repeat calls from “Card Services” or similarly-named entities. People who ask the callers to take them off their calling list often run into a host of problems ranging from “spoofed” telephone numbers to third-party telephone companies that are unresponsive. Because “Card Services” callers are scam operators, they do not follow laws like the Do Not Call law, or prohibitions on recorded calls. Citizens report problems with:

- **“Spoofed” Telephone Numbers.** Scammers making unwanted telephone calls use a new technology called “caller ID spoofing” to falsify caller ID information. This means that telephone services such as caller ID, *69 (last call return) and *57 (call trace) are no longer reliable. The use of “spoofed” numbers by fraudsters who hide from the law is spreading due to phone companies’ installation of computer equipment that allows Internet-connected computers to cheaply make phone calls to conventional telephones. This technology allows the scammer to make unidentifiable phone calls to a person’s home. When a person returns a “spoofed” call, they find that the number is disconnected, not in service, or is assigned to someone who is very obviously not the scammer. Report spoofed calls to the Federal Communications Commission and the Minnesota Public Utilities Commission at:

Federal Communications Commission

445 12th Street SW
Washington, DC 20554
888-225-5322
Fax: 866-418-0232

Minnesota Public Utilities Commission

121 7th Place East, Suite 350
121 Seventh Place East
St. Paul, MN 55101
651-296-0406 or 800-657-3782

- **Disconnected Telephone Lines.** Fly-by-night scammers stay on the move and use cheap throw-away technology. Oftentimes, by the time someone returns a call, the phone has already been shut down, and the scammers have moved on. They do this to avoid detection by law enforcement.
- **Telephone Rental Companies.** Some people who attempt to contact “Card Services”-type callers to get the calls to stop report that they are directed to a rental company that purports to rent out telephone numbers to callers. These rental companies provide a layer of anonymity and bureaucracy that hampers a citizen’s attempts to solve the repeated nuisance calls.

File A Complaint. The Federal Trade Commission (“FTC”) has the authority to enforce the Do Not Call law. The FTC has filed lawsuits against and shut down “Card Services”-type callers that placed recorded calls. People who suspect that a caller is violating the Do Not Call law, or using “spoofing” should immediately file a complaint with the FTC as follows:

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
Toll-free helpline: 877-382-4357

For more information, contact:

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