

CREDIT AND DEBIT CARD CHIPS – NOT POTATO CHIPS

In the last week, I received two new credit cards in the mail. These are not replacement cards like we are accustomed to getting every couple of years, as the cards expire. These cards differ in a fundamental, technical way from the old cards. Previously, credit and debit cards contained the billing information within the magnetic strip on the reverse side of the card. That is no longer the case. Instead, the billing information is contained within a small, square metallic chip embedded in the front of the card.

The credit card industry is in the midst of a major re-issue of cards. Pretty much all the old style cards will be replaced within the next year. If you haven't received any yet, you will. While this may be new technology to us, it is not really all that new. Most foreign countries adopted this technique years ago. US companies were slow to come around, probably because it costs several dollars per card now, compared with pennies to produce the old style card. And many retail outlets have yet to install new card readers, although the new cards will still work in old style readers at the cash register.

The use of this card is also a little different. Instead of swiping the card, you will insert it into a chip reader, which assigns a unique code to each transaction. The code changes with each transaction. You might need to provide a personal identification number, or PIN for each transaction.

So, is there an advantage to this new system? Yes. It pretty much makes it impossible to counterfeit the cards. The old style cards made it possible to counterfeit cards using stolen credit card numbers. The new cards make it much more difficult to do this.

Using the new cards online or on the phone does not change, however. So someone still can steal your credit card number and use it to make an online purchase. You still need to guard your credit card numbers carefully. Don't give them out over the phone unless you are sure you know the other party. Keep checking your statements with a hawk's eye, to look for unauthorized charges.

CREDIT CARD CHIP SCAMS

Almost anytime something new comes around, scammers try to work some angle to defraud people. The issuance of new credit cards with embedded

chips is no exception. The Federal Trade Commission reports scammers already are emailing people, or sending out emails, posing as credit card company representatives. They want you to “update your account” before issuance of the new chips. If you fall for this, and give up the requested information, scammers will use it to commit identity theft, or perhaps install malware on your computer, which will lead to the same result.

Credit card companies will not call you, or email you, EVER, and ask you to update or verify information. If you are contacted for such information, and you don't feel right about it, contact your credit card company at the phone number on the card.

SCAM TRENDS – Fake Checks

Within the last week, I received seven counterfeit checks turned into me. That's a definite uptick. Those receiving the checks tell me they got them in the mail, usually postmarked in Canada or South Africa. The checks, which are all different, are included with a letter. The letter explains the check. In most of these seven cases, the letter tells the recipient they won a sweepstakes, and need to pay a “processing fee” to claim the prize. The check is included to pay the fee. Instructions in the letter tell the recipient to cash the check and contact someone for further details. The “further details” will include instructions to send the money received from the check via Western Union or Moneygram. Well, the checks are counterfeit. If you can convince your bank to cash one, and send off the money as instructed, you will get a surprise in about a week, when your bank bounces the counterfeit check back at you. You will stand the loss, not the bank.

Besides the letter informing of the sweepstakes winning, a couple of the letters instruct the recipients to act as mystery shopper, testing out the service at Western Union or Moneygram. The result will be the same. The check is phony. Any money you send off will be lost.

MORE SCAMS – Door to Door Meat Sales

A woman from Erie, Illinois, let's call her Maggie, called me about door to door meat sales. I've written about this several times this year, but this story is pretty educational, so I will tell it.

Maggie received two women visitors at her rural home. They said they worked for Rancher's Pride Meats. They offered to sell frozen shrimp and

crablegs. They quoted a price of \$60 for two pounds of each. This sounded tempting to Maggie, so she bought this package, and the two women left. The next day, Maggie decided to cook up some of the shrimp. She opened up the bag, thawed it out, and went to prepare a meal. To her disgust, she saw the shrimp looked "like bait", not fit for human consumption. She had a phone number for one of the saleswomen, and called that number. The saleswoman answered, but said she no longer worked for the frozen meat company. It figures. If you get a visit from someone selling frozen meat, show them the door. Or better yet, don't let them inside.

Maggie's problem is a prime example of what is wrong with dealing with door to door sales people. Most often, they are not local, or their product is not local. If you run into a problem, like Maggie finding her shrimp "looked like bait", you really have no one to complain to, or no place to go for a refund.

CONTACT SENIORS VS. CRIME

Let me know about scams, fraud, or other crookedness you run across. Most of what I learn, I learn from you. Contact me at Seniors vs. Crime, Clinton County Sheriff's Office, 563-242-9211 extension 4433, or email me at randymeier@gapa911.us

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