

Your Monthly Money

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Don't Be Fooled by These 6 Government Impostor Scams

Government impostor scams decreased in 2021 after peaking during the pandemic, but scam victims still lost twice as much money that year to fake government agents, according to new research from the Better Business Bureau (BBB).

With government impostor scams, someone claims they're with a government agency so they can swindle money or personal information from unsuspecting victims.

Individuals aren't the only ones getting fooled by government impersonators, either. Government impostor scams were the second-most common scam reported by businesses to the BBB Scam Tracker in 2021.

How do government impostor scams work?

Government impostor scams typically begin with a phone call. The person on the other end claims to be with a government agency such as Medicare, the IRS or the Social Security Administration (SSA), the most commonly impersonated agency used for impostor scams.

Sometimes the scammer scares you by threatening arrest if you don't send gift cards or provide personal information. An SSA impostor may tell you that your identity was stolen. Then they ask you to verify your Social Security number and other personal information.

Government impostors may even find you through your friends' social media hacked accounts. The most common scam is one where the government faker tells you about a lucrative grant program. To receive the grant, however, you must first pay a small fee.

Once you pay it, the scammer adds on even more fees. Of course, after paying all those fees, you never receive the "grant" or any of your money back.

In 2021, total reported losses for government impostor scams topped \$103 million, according to the Federal Trade Commission's (FTC) Consumer Sentinel Network. Social Security government impostor scams alone exceeded \$21 million. IRS impostor scams totaled more than \$1 million.

Just because government impostor scammers are so convincing they fool plenty of people doesn't mean you must become their next trusting victim. Here are six tips for outsmarting government impersonator scammer...

1. Don't trust unsolicited calls

The first clue that a call is probably from a government impersonator is the fact that they called you out of the blue. "Government agencies like the Social Security Administration, IRS or FBI do not call people with threats or promises of money," says the BBB.

2. Ignore text messages and emails

Unless you're already corresponding with a government agency that's supposed to get back with you, be suspicious of text and email messages. Never click on links in messages from supposed government agencies, warns the BBB.

3. Don't rely on caller ID

Scammers can use "spoofing" technology to fool you into answering a call because your caller ID displays the call is from the Internal Revenue Service, Medicare, the SSA or another government agency.

4. Know that Social Security numbers are never suspended

If a purported agent from the SSA calls to tell you that your Social Security number has been "suspended" and you may be arrested, hang up immediately. That's a government impostor trying to con you.

"The Social Security Administration will never threaten to arrest you because of an identity theft problem," says the BBB.

5. Beware of calls asking for tax information

If an official-sounding caller claims to be with the IRS and wants bank account numbers or other personal information, don't fall for it. "The IRS generally makes its first contact with people by regular mail – not by phone – about taxes," says the BBB.

6. Don't be enticed by "free" grants

The thing about free grants is that you don't have to pay for them. So, if someone contacts you to let you know you're eligible for a "free" government grant, don't get too excited. It's just a government impostor trying to swindle you out of your hard-earned money.