

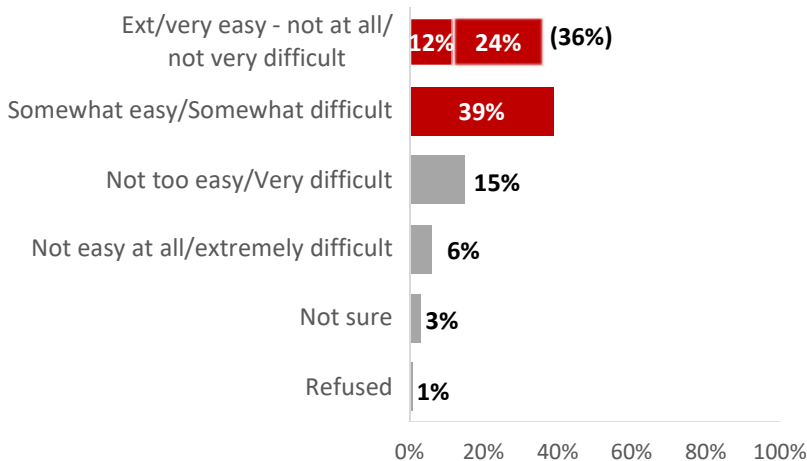
According to the Federal Trade Commission’s Consumer Sentinel Data Book 2017, fraud costs Americans millions of dollars – in 2017 they reported losses of over \$900 million. Imposter scams, which was one of the top three types of fraud complaints in 2017, cost consumers \$328 million. Also, while down from 2016, tax fraud ranked second in types of identity theft reported – over 82,000 reports were made last year.¹ As of May 2017, the Internal Revenue Service (IRS) had identified 195,941 tax returns with more than \$2 billion in fraudulent refund claims and the agency prevented the issuance of approximately 92 percent of those refunds.²

In AARP’s continued efforts to provide Americans with information and resources on how to detect, prevent, and report fraud and scams, AARP commissioned Alan Newman Research (ANR) to conduct a telephone survey of U.S. adults ages 18 and older to gauge their experience and knowledge around three types of fraud: imposter scams, tax fraud, and identity theft. This survey, fielded March 2018, yielded 1,005 completed surveys for a margin of sampling error of ± 3.1 percent.

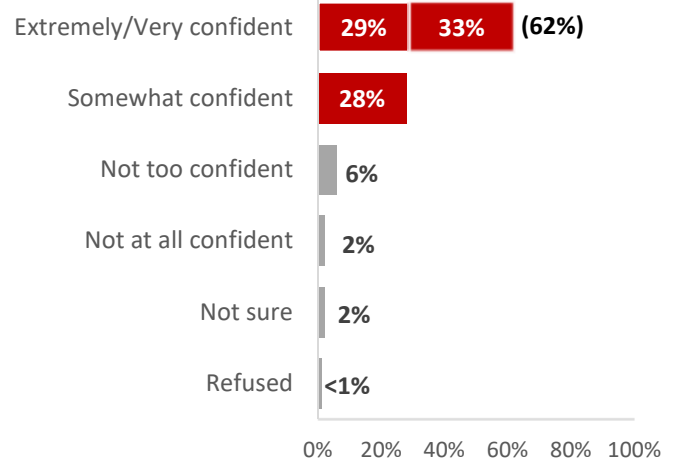
U.S. ADULTS HAVE A FALSE SENSE OF SECURITY ABOUT FRAUD AND SCAMS

Data from this survey indicate that U.S. adults believe they and others can spot a scam or fraudulent offer intended to trick them into providing personal or financial information or to giving or sending money. In fact, three-quarters (75%) say that, in their opinion, it is easy/not difficult for people to recognize a scam, with over one in three saying it is extremely or very easy/not difficult at all. More notable is the majority (90%) of U.S. adults who report they are confident in their ability to detect a scam or fraudulent offer, with almost two-thirds saying they are extremely or very confident.

**Perceived Level of Ease/Difficulty³:
For People, in General, to Recognize Fraud**
(n=1,005 American adults ages 18 and older)



**Perceived Level of Confidence:
Personal Ability to Detect Fraud**
(n=1,005 American adults ages 18 and older)

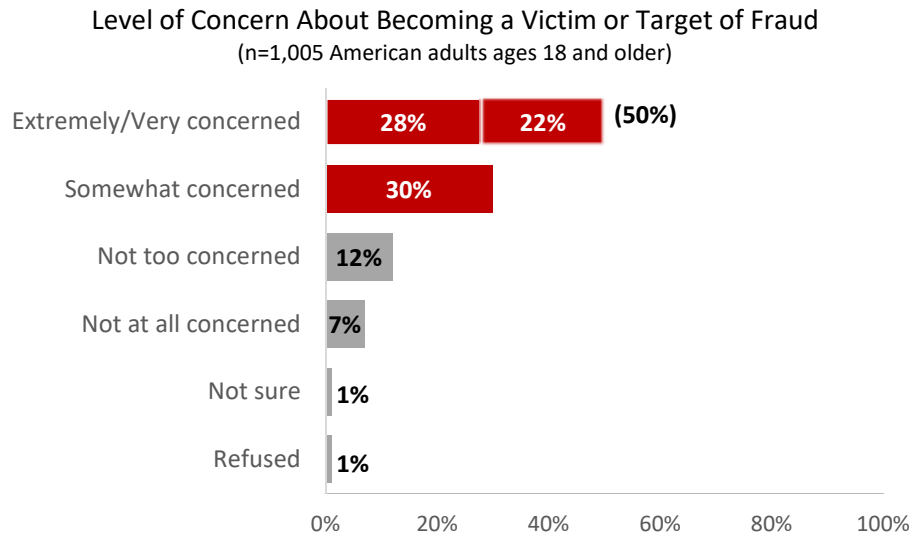


¹ Consumer Sentinel Network Data Book, Federal Trade Commission, March 2018 https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-2017/consumer_sentinel_data_book_2017.pdf

² Treasury Inspector General for Tax Administration, Results of the 2017 Filing Season January 31, 2018 Reference Number: 2018-40-012 p. 22 https://www.treasury.gov/tigta/oa_auditreports.shtml

³ See Q14 in annotated survey. This question alternated every other respondent with a ‘positive’ (easy) and a ‘negative’ (difficult) 5 point scale to reduce satisficing or perceptions of biasing respondents one way or the other.

Despite their confidence that fraud or scams are easy to recognize, U.S adults are concerned about becoming a target or victim of a scam or fraud. Indeed, data from this survey show that most (80%) are concerned, with half saying they are extremely or very concerned about becoming a target or victim of fraud.



Moreover, many U.S. adults say they have been a victim or target of five specific scams listed in the survey: over one in seven say they have been a victim of identity theft, and over a quarter say they have been a victim of a security breach in the past year. More notable, one in four indicate being the target of an imposter scam related to owing back taxes. One in five say they or someone they know received a phishing email claiming to be from the Internal Revenue Service (IRS) promising a refund without penalties if personal information was provided. A similar percentage of U.S. adults report they were targeted by the distressed relative scam in which someone pretending to be a relative is in trouble and needs money urgently.

| Type of Fraud Experienced (Victim or Target) (n=1,005 American adults ages 18 and older) | % Yes |
|---|-------|
| Security breach | 27 |
| Imposter scam – Internal Revenue Service | 25 |
| Distressed relative scam | 20 |
| Phishing scam – personal tax information | 19 |
| Identity theft | 14 |

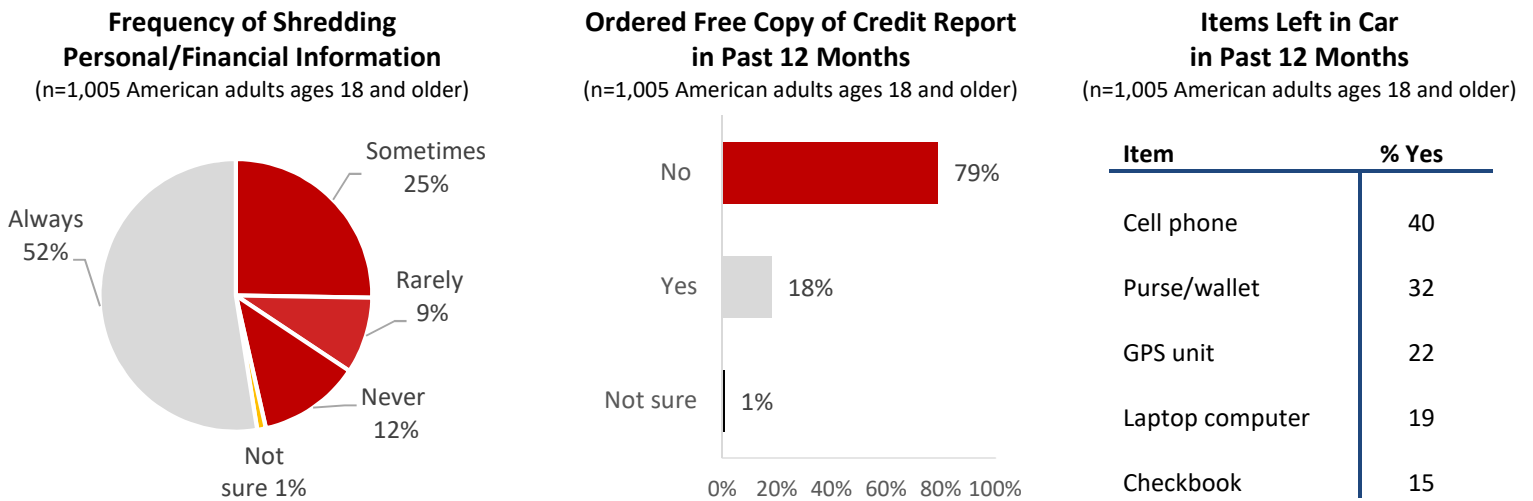
MANY U.S. ADULTS ARE AT RISK OF BEING A TARGET OR VICTIM OF FRAUD AND SCAMS

While scammers are clever, potential victims or targets of scams or fraud can be vigilant in protecting themselves and their loved ones. Consumers can adopt certain prevention behaviors and seek out information and resources to become more knowledgeable about scams and how to protect themselves and their financial assets.

Respondents to this survey indicate that they utilize precautions to deter scams and avoid being defrauded. Still, many are putting themselves at risk for being a target or victim of fraud. While most say it is extremely or very important for people to shred paper copies of financial or personal information, half say they only sometimes, rarely, or never shred these documents – in fact, over one in five indicate ‘rarely’ or ‘never’.

Moreover, eight in ten (79%) say they have not ordered a free copy of their credit report through annualcreditreport.com – an important source of information that can indicate if you’ve unknowingly become a victim of identity theft.

Another way that people put themselves at risk for being a target or victim of fraud or identity theft is leaving valuable personal and financial information in potentially unsafe places, like their car. This survey shows that about one in seven U.S. adults admit to leaving their checkbook in their car, and nearly a third say they left their purse or wallet in their car. Both items are likely to contain personal and financial information that scammers can use to commit fraud or identity theft.



Arming consumers with knowledge on how to avoid being scammed is key to not becoming a victim. This survey included four True or False statements to get a sense of Americans’ familiarity with a few current taxpayer and IRS imposter related scams.

Data from this survey show that many U.S. adults are knowledgeable about the latest tax scams. Still, quite a few indicate uncertainty about how the IRS contacts taxpayers, what the consequences are for owing back taxes, or how their personal information can be used by others to obtain their tax refund. Almost one in three incorrectly believe, or are not sure, if an IRS agent is authorized to call a taxpayer and warn of an arrest if back taxes are not paid immediately (30%). One in four incorrectly dismiss the possibility, or are not sure, if someone can use their Social Security number to file for a tax refund in their name (26%). And similar proportions of U.S. adults incorrectly believe, or are not sure, if the IRS can request personal or financial information via email or text (26%) or if the IRS accepts gift cards as a form of payment for taxes owed (23%).

| Statements (n=1,005 American adults ages 18 and older) ** Percentages shown in red indicate the correct response | True | False | Not sure | Refused |
|---|------|-------|----------|---------|
| If you owe back taxes to the Internal Revenue Service (IRS) and have not been contacted by mail about your balance, an IRS agent is authorized to call and warn you that you could be arrested unless you pay immediately | 16% | 70% | 14% | 1% |
| The IRS may initiate contact with taxpayers by email or text to request personal or financial information. | 15% | 73% | 11% | 1% |
| It is possible for someone to use your Social Security number to file for an IRS tax refund in your name. | 72% | 15% | 11% | 1% |
| The IRS now accepts gift cards as a form of payment for taxes you owe | 5% | 76% | 18% | 1% |

METHODOLOGY

In March 2018, AARP engaged Alan Newman Research to conduct a national research study among U.S. adults ages 18 and older on the issues of identity theft, security of personal information, and experience with tax fraud and imposter scams. A total of 1,005 telephone interviews (300 via landline telephones and 705 via cell phone) were completed between March 14 and March 17, 2018. Survey length averaged 12 minutes.

The total sample of 1,005 respondents yields a maximum sampling error of $\pm 3.1\%$ at the 95% level of confidence. (This means that in 95 out of 100 samples of this size, the results obtained in the sample would be within ± 3.1 percentage points of the results obtained if everyone in the population were interviewed.)

| Final | |
|----------------------------------|-------|
| NUMBER OF FULL COMPLETES | 1005 |
| TOTAL NUMBERS RELEASED | 22500 |
| COOPERATION RATE (COOP3) | 54.5% |
| REFUSAL RATE (REF3) | 6.0% |
| RESPONSE RATE (RR3) ⁴ | 5.3% |

⁴ This response rate formula (RR3) requires the calculation of 'e' which is the proportion of cases of unknown eligibility that are estimated to actually be eligible. The following formula was used to determine 'e': $e = \text{Complete} + \text{Terminate Early} + \text{Confirmed Household No Answer, Busy, and Answering Machine} + \text{Callbacks} + \text{Language Barrier} / \text{Complete} + \text{Terminate Early} + \text{Confirmed Household No Answer, Busy, and Answering Machine} + \text{Callbacks} + \text{Language Barrier} + \text{Government/Business} + \text{Non-Working} + \text{Screened Out} + \text{Over Quota}$.

2018 AARP SURVEY: EXPERIENCE AND KNOWLEDGE OF TAX FRAUD

Market: National

Screening Criteria: 18+

70% cell phone/30% landline

n=1,005

All data have been weighted by age and gender according to national 5-year 2015 Census estimates from the American Community Survey (ACS) and U.S. Census Bureau.

S1. Our study is interested in the opinions of certain age groups. Could you please tell me your age as of your last birthday?

| % | n=1005 |
|----|----------|
| 0 | Under 18 |
| 13 | 18-24 |
| 18 | 25-34 |
| 17 | 35-44 |
| 8 | 45-49 |
| 10 | 50-54 |
| 16 | 55-64 |
| 9 | 65-74 |
| 9 | 75+ |
| 0 | Refused |

S2. [RECORD GENDER. ASK ONLY IF ABSOLUTELY NECESSARY: "To ensure it is recorded accurately, could you please state your gender?"]

| % | n=1005 |
|----|---------|
| 49 | Male |
| 51 | Female |
| 0 | Refused |

S3. Do you currently have or own...?

S3_A. A telephone landline in your household

| % | n=1005 |
|----|----------|
| 55 | Yes |
| 43 | No |
| 1 | Not sure |
| <1 | Refused |

S3_B. A smartphone (cell or mobile phone that can access the Internet)

| | |
|----|----------|
| % | n=1005 |
| 86 | Yes |
| 14 | No |
| <1 | Not sure |
| 0 | Refused |

S3_C. Another type of cell or mobile phone such as a flip-style phone that is not a smartphone

| | |
|----|----------|
| % | n=1005 |
| 18 | Yes |
| 80 | No |
| 1 | Not sure |
| 1 | Refused |

S3_D. One or more email addresses

| | |
|----|----------|
| % | n=1005 |
| 81 | Yes |
| 18 | No |
| 1 | Not sure |
| <1 | Refused |

IDENTITY THEFT

Q1. How important do you think it is that people shred their paper copies of financial statements or other personal information that may contain, for example, birthdates, addresses, account codes or numbers, or Social Security numbers, after they've reviewed it? Would you say it is extremely important, very important, somewhat important, not that important, or not important at all?

| | |
|----|----------------------|
| % | n=1005 |
| 56 | Extremely important |
| 24 | Very important |
| 12 | Somewhat important |
| 3 | Not that important |
| 3 | Not important at all |
| 2 | Not sure |
| <1 | Refused |

- Q2. About how often do you shred your personal and financial information after you've reviewed it? Would you say you always shred it, sometimes shred it, rarely shred it, or never shred your personal and financial information?

| % | n=1005 |
|----|-----------|
| 52 | Always |
| 25 | Sometimes |
| 9 | Rarely |
| 12 | Never |
| 1 | Not sure |
| 1 | Refused |

- Q3. Identity theft is where someone wrongfully obtains your identity and intends to use it, typically for economic gain. These may include opening new credit accounts, such as credit cards, loans, or utilities in your name; purchasing merchandise or gift cards with your existing credit or debit cards; withdrawing cash from an ATM; creating fake checks and cashing them against your account, or getting medical care or medications as if they were you. In the past 12 months, or since last March, has this happened to you?

| % | n=1005 |
|----|----------|
| 14 | Yes |
| 82 | No |
| 4 | Not sure |
| 1 | Refused |

- Q4. How concerned are you, personally, about becoming the target or victim of a scam or fraud—are you *extremely concerned*, *very concerned*, *somewhat concerned*, *not too concerned*, or *not at all concerned*?

| % | n=1005 |
|----|----------------------|
| 28 | Extremely concerned |
| 22 | Very concerned |
| 30 | Somewhat concerned |
| 12 | Not too concerned |
| 7 | Not at all concerned |
| 1 | Not sure |
| 1 | Refused |

Q5. In the past 12 months, since last March, have you been notified by any business or government agency that your personal information may have been compromised or that you may be a victim of identity theft because of hackers or some other security breach?

| | |
|----|----------|
| % | n=1005 |
| 27 | Yes |
| 70 | No |
| 4 | Not sure |
| <1 | Refused |

Q6. During the past 12 months, since last March, have you ordered a free copy of your credit report through annualcreditreport.com?

| | |
|----|----------|
| % | n=1005 |
| 18 | Yes |
| 79 | No |
| 2 | Not sure |
| 1 | Refused |

Q7. During the past 12 months, since last March, which of the following items have you left in your car, even if only for a short time? Have you left...? [RANDOMIZE ORDER OF Q7_A THROUGH Q7_F]

| n=1005 | Yes % | No % | Not sure % | Refused % |
|---|----------|---------|---------------|--------------|
| Q7_A. A purse or wallet | 32 | 67 | 1 | 1 |
| Q7_B. A checkbook | 15 | 84 | 1 | 1 |
| Q7_C. Personal mail, including bank or credit card statements | 31 | 67 | 2 | 1 |
| Q7_D. A cell phone | 40 | 59 | 1 | <1 |
| Q7_E. A GPS unit | 22 | 76 | 2 | 1 |
| Q7_F. A laptop computer | 19 | 79 | 1 | 1 |

Q8. Now I'm going to read a short list of some personal identification information people use for things like credit or debit cards, health care services, registering online accounts, or online shopping. After I read the list, please tell me how you would rank them in order of importance as information that should be private and hidden from scammers. Let's begin – here is the list.

| n=1005 | Rank 1 % | Rank 2 % | Rank 3 % | Rank 4 % | Rank 5 % | Rank 6 % | Don't know/ refused % |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------|
| Q8_A. Birthdate | 5 | 25 | 27 | 20 | 18 | 4 | 2 |
| Q8_B. Social Security number | 83 | 8 | 2 | 2 | 3 | <1 | 2 |
| Q8_C. Driver's license | 4 | 44 | 32 | 13 | 5 | 1 | 2 |
| Q8_D. Cell phone number | 2 | 6 | 11 | 28 | 47 | 5 | 2 |
| Q8_E. Home address | 4 | 11 | 23 | 34 | 24 | 3 | 2 |
| Q8_F. (IF AGE 65+; n=185) Medicare supplement number | 4 | 20 | 21 | 15 | 13 | 17 | 10 |

TAX/IRS KNOWLEDGE QUIZ

Now I'm going to read a few statements to you and after each, tell me if you think the statement is true or false. If you don't know or aren't sure, just tell me you are not sure.

Q9_A. If you owe back taxes to the Internal Revenue Service (IRS) and have not been contacted by mail about your balance, an IRS agent is authorized to call and warn you that you could be arrested unless you pay immediately.

| % | n=1005 |
|----|----------------------|
| 16 | True |
| 70 | False |
| 14 | Don't know/ not sure |
| 1 | Refused |

Q9_B. The IRS now accepts gift cards as a form of payment for taxes you owe.

| % | n=1005 |
|----|----------------------|
| 5 | True |
| 76 | False |
| 18 | Don't know/ not sure |
| 1 | Refused |

Q9_C. It is possible for someone to use your Social Security number to file for an IRS tax refund in your name.

| | |
|----|----------------------|
| % | n=1005 |
| 72 | True |
| 15 | False |
| 13 | Don't know/ not sure |
| 1 | Refused |

Q9_D. The IRS may initiate contact with taxpayers by email or text to request personal or financial information.

| | |
|----|----------------------|
| % | n=1005 |
| 15 | True |
| 73 | False |
| 11 | Don't know/ not sure |
| 1 | Refused |

IMPOSTER SCAMS

Q10. Who prepares taxes for you and your household? [OPEN END – DO NOT READ LIST]

| | |
|----|---|
| % | n=1005 |
| 38 | Me/ use TurboTax/ Quicken/ software program |
| 36 | Professional- accountant, financial, CPA |
| 7 | Other family member |
| 6 | Spouse/ husband/ wife/ partner |
| 2 | Friend/ neighbor |
| 1 | AARP tax aide |
| 1 | Volunteers at senior center |
| 7 | Other (specify) |
| 0 | Don't know/ not sure |
| 3 | Refused |

Q11. In a tax scam, someone claiming to work for the Internal Revenue Service (or IRS) calls you and says that you owe the IRS money. They tell you that in order to avoid criminal charges or penalties, you need to send them money immediately or you could go to jail or be fined. In the past 12 months, or since last March, have you received a call from anyone saying they were from the IRS and telling you that you owe money to the IRS?

| | |
|----|----------|
| % | n=1005 |
| 25 | Yes |
| 72 | No |
| 3 | Not sure |
| <1 | Refused |

Q12. A tax phishing scam is when a scammer sends an email message that looks like it came from the IRS and asks for your personal and financial information in order to provide you with a tax refund or help you avoid penalties if you owe taxes. Any personal information that you send through the email can be used to steal your identity for their economic gain. In the past 12 months, have you or anyone you know received an email offer similar to this? [ACCEPT BOTH 'YES, ME' AND 'YES, SOMEONE I KNOW']

| % | n=1005 |
|----|---------------------|
| 9 | Yes, me |
| 10 | Yes, someone I know |
| 77 | No |
| 5 | Not sure |
| <1 | Refused |

Q13. In the distressed relative scam (also called the grandparent scam), someone pretending to be a relative contacts you and claims they need you to send them money to help get them out of some sort of trouble. In the past 12 months, since about last March, have you or anyone you know been contacted with a message like this? [ACCEPT BOTH 'YES, ME' AND 'YES, SOMEONE I KNOW']

| % | n=1005 |
|----|---------------------|
| 9 | Yes, me |
| 11 | Yes, someone I know |
| 78 | No |
| 3 | Not sure |
| 1 | Refused |

Q14. In your opinion, how [ALTERNATE EVERY OTHER RESPONDENT: EASY SCALE / DIFFICULT SCALE] is it for people to recognize a scam or fraudulent offer that tricks people out of their money or personal information? Would you say it is...?

| % | n=1005 |
|----|--------------------------------------|
| 12 | Extremely easy/ not difficult at all |
| 24 | Very easy/ not too difficult |
| 39 | Somewhat easy/ somewhat difficult |
| 15 | Not too easy/ very difficult |
| 6 | Not easy at all/ extremely difficult |
| 3 | Not sure |
| 1 | Refused |

Q15. How confident are you that you could detect a scam or fraudulent offer intended to trick YOU out of your money or personal information? Would you say you are...?

| % | n=1005 |
|----|----------------------|
| 29 | Extremely confident |
| 33 | Very confident |
| 28 | Somewhat confident |
| 6 | Not too confident |
| 2 | Not at all confident |
| 2 | Not sure |
| <1 | Refused |

DEMOGRAPHICS

The following questions are for classification purposes only and will be kept entirely confidential.

D1. What is your current marital status?

| % | n=1005 |
|----|----------------------------------|
| 44 | Married |
| 10 | Not married, living with partner |
| 2 | Separated |
| 10 | Divorced |
| 6 | Widowed |
| 25 | Never married |
| <1 | Not sure |
| 3 | Refused |

D2. [IF AGE 50+] Are you or your spouse a member of AARP (formerly known as the American Association of Retired Persons)?

| % | n=448 |
|----|----------|
| 37 | Yes |
| 61 | No |
| 1 | Not sure |
| 2 | Refused |

D3. What is the highest level of education that you completed?

| % | n=1005 |
|----|--|
| 4 | 0-12 th grade (no diploma) |
| 24 | High school graduate (or equivalent) |
| 15 | Post-high school education (no degree) |
| 16 | 2-year college degree |
| 20 | 4-year college degree |
| 4 | Post-graduate study (no degree) |
| 15 | Graduate or professional degree |
| 1 | Not sure |
| 2 | Refused |

D4. Which of the following best describes your current employment status? Are you...?

| % | n=1005 |
|----|---|
| 11 | Self-employed full-time |
| 5 | Self-employed part-time |
| 35 | Employed full-time |
| 8 | Employed part-time |
| 21 | Retired and not working at all |
| 8 | Unemployed and looking for work |
| 10 | Or are you not in the labor force for other reasons |
| 1 | Not sure |
| 2 | Refused |

D5. Do you currently or have you ever served in the United States military?

| % | n=1005 |
|----|-------------------------|
| 2 | Yes, currently serve |
| 11 | Yes, served in the past |
| 86 | No, never served |
| 1 | Not sure |
| 1 | Refused |

D6. Are you of Hispanic, Spanish, or Latino origin or descent?

| % | n=1005 |
|----|----------|
| 14 | Yes |
| 83 | No |
| 1 | Not sure |
| 2 | Refused |

D7. What is your race?

| % | n=1005 |
|----|---|
| 71 | White or Caucasian |
| 14 | Black or African American |
| 2 | American Indian or Alaska Native |
| 4 | Asian |
| 1 | Native Hawaiian or other Pacific Islander |
| 5 | Other |
| 1 | Not sure |
| 3 | Refused |

D8. Which political party do you tend to identify with? ...Would you say Independent, Republican, or Democrat ...or none of these?

| % | n=1005 |
|----|-------------------|
| 33 | Democrat |
| 25 | Republican |
| 22 | Independent |
| 10 | None of the above |
| 4 | Don't know |
| 5 | Refused |

D9. We realize income is a private matter and so rather than ask you anything specific about your income, I'd like you to please stop me when I get to the category that includes your household's income before taxes in 2017. Was it [INSERT AND READ EACH ANSWER CATEGORY]?

| % | n=1005 |
|----|----------------------------------|
| 8 | Less than \$10,000 |
| 8 | \$10,000 to less than \$20,000 |
| 10 | \$20,000 to less than \$30,000 |
| 9 | \$30,000 to less than \$40,000 |
| 7 | \$40,000 to less than \$50,000 |
| 8 | \$50,000 to less than \$60,000 |
| 6 | \$60,000 to less than \$70,000 |
| 6 | \$70,000 to less than \$80,000 |
| 4 | \$80,000 to less than \$90,000 |
| 4 | \$90,000 to less than \$100,000 |
| 6 | \$100,000 to less than \$125,000 |
| 4 | \$125,000 to less than \$150,000 |
| 3 | \$150,000 to less than \$200,000 |
| 2 | \$200,000 or more |
| 4 | Don't know/ not sure |
| 13 | Refused |

About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. With a nationwide presence and nearly 38 million members, AARP strengthens communities and advocates for what matters most to families: health security, financial stability and personal fulfillment. AARP also produces the nation's largest circulation publications: AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.



For more information on this issue, please contact Eugenia Wright at ewright@aarp.org or call 202-434-3735. For more information regarding the survey and methodology, please contact Jennifer Sauer, AARP Research at jsauer@aarp.org or call 202-434-6207