

Investigating Elder Fraud Online Scams

Voiceover

00:00

Welcome to *The Beat*—a podcast series from the COPS Office at the Department of Justice. Featuring interviews with experts from a varied field of disciplines, *The Beat* provides law enforcement with the latest developments and trending topics in community policing.

Jennifer Donelan

00:16

Welcome to another episode of *The Beat*. I'm your host, Jennifer Donelan. Today, we're going to be discussing the sometimes scarcely understood discipline of investigating and prosecuting elder fraud and other remote scams. It promises to be both an informative and interesting episode, trust me. Our guest is Felix Salazar. He is an investigator with the elder abuse unit of the San Diego County District Attorney's Office. He has 21 years of law enforcement experience to include his time with the district attorney's office, as well as serving as a detective with the Carlsbad Police Department in California, where he focused on domestic abuse and other crime.

In 2021, Investigator Salazar was recognized as the investigator of the year by the California District Attorney's Investigators' Association, for the cutting-edge work that he conducted on elder fraud cases, and for helping advance fraud investigations and prosecutions throughout the state of California, and even nationwide. Congratulations on that award, Investigator Salazar, and welcome to *The Beat*.

Investigator Felix Salazar

01:19

Thank you, Jen. Thank you for having me.

Donelan

01:21

So, we always start these off with the same first question, usually, and that is: How did you get into the law enforcement business to begin with?

Salazar

01:29

Out of high school, I joined the United States Marine Corp. I served four years, and when I completed my four-year contract, I wanted to start a career in law enforcement. When I exited the Marine Corps, I was in San Diego County and I started my career with the San Diego County Probation Department and went on from there, and eventually attended the police academy and joined the Imperial County Sheriff's Department.

Donelan

01:50

Your work in elder fraud—was there one case that drew your attention, or was it something that you saw wasn't getting the attention that it needed? What drew you to elder fraud?

Salazar

02:02

Good question, Jen. So, in 2018, I considered myself a mid-career law enforcement officer. I had little over 15 years on, and I wanted to become a full-time investigator, so I joined the San Diego County District Attorney's Office. And my assignment, first day I was hired, I was told I was going to the elder abuse unit. I joined the team. I worked with Deputy District Attorney Scott Pirrello, who heads the unit for elder abuse, and I started learning the ins and outs of elder abuse in San Diego County. We started by investigating general cases of neglect, family matters, elders living in skilled nursing facilities, and so on, but after about five, six months on the job, I noticed a large stack of paperwork in Scott Pirrello's office. And I asked him, I said, "That's a big case you're working there. What is that?" And then, that's when he told me. Scott Pirrello's... Part of his duty is to inform the community of elder abuse and prevention and education, and he said he was speaking to members in the community, and the number one question they asked was about scams.

And at that time, he had 10 years with the office, and he had never prosecuted an elder scam case. So, we reached out to a local agency, one of our partners, and they informed them that they do take elder scam reports, but they generally don't investigate them, but they started providing those copy reports to Scott Pirrello, and that was the huge stack that was on his desk.

Donelan

03:27

Let me stop you there, sorry. Why weren't those scams being investigated? What were the challenges?

Salazar

03:32

Another great question. So, we learned all this on the job. The issue is the limited education for our local officers, limited resources, and, a lot of times, the subjects in these investigations are in other counties, states, and even countries. So, our reach as local investigators and local police officers is very difficult to hold the subjects accountable when they're out of our jurisdiction. So, when I started looking into those cases, Scott told me. "Read them through. If you think you can investigate it, let me know." So, I took the top police report, and it was a grandparent scam where our victim lost a couple thousand dollars. Was tricked into purchasing Home Depot gift cards. I investigated the case; I contacted Home Depot; I wrote some search warrants for phone numbers, email addresses—anything that I can find on the subjects. And within our conversation with Home Depot, I was able to identify 20 additional victims in the United States linked to the same group of subjects who were using the gift cards, and that's when we knew we were onto something.

Donelan

04:40

How many victims again?

Salazar

04:42

20 victims in a one-hour phone call. And keep in mind, I had no experience in elder abuse, and this was just eye-opening for us, and that's how we kept going with the cases.

Donelan

04:51

And this is why, to our listeners, I said at the beginning that this is going to be informative and interesting, because this is a subject that I think, given what you just said, the challenges with resources, the challenges with reach and jurisdiction, and the fact that, you know, these can be happening, your perp may be in another country, may not be in your local town, they're out there across state lines—that sometimes it can just be this very frustrating ride to nowhere, right? And there has to be a lot of hopelessness on this. Can you talk about the victims and the sense that you get from them or the families when they reach out? Do they even expect anything to happen?

Salazar

05:29

Honestly, when we speak to these victims, they are just appreciative that someone reached out to them, because, as I said in the beginning, a lot of these cases aren't even investigated. But it's heartbreaking. We've had a lot of witnesses who we've interviewed. A lot of witnesses, when I see family members of the victims who say that their parents have never been the same since they fall victim to these cases. And a lot of them end up passing away, because these cases do take a while. So, it's heartbreaking. It's very important. It's something that we need to educate ourselves and work on.

Donelan

06:02

Heartbreaking. Maddening. Enraging. I mean, all of those things. Because, you know, there are populations within the community who we have to protect because they can't defend themselves—children and the elderly. And when you have them victims, preying on their trust, it's just got to be so enraging. How has this affected you personally, doing this work?

Salazar

06:22

It just motivates me, because we quickly learn that the victims, they're embarrassed. They've worked their entire life; they've raised their family; they had careers; they're in retirement; and then, all of a sudden, they fall victim to what they believe is, like, unbelievable, you know? They all tell me, like, "I can't believe I fell for this." But I always tell them, you know, there's a lot of victims out there, and studies show that one in 25 victims report this to law enforcement. And out of those one in 25, think

about it. When they report it and the police officer or sheriff deputy tells them, “Sorry, sir, ma’am, that there’s nothing we can do about it,” and sometimes they don’t even take a police report, I mean, that’s heartbreaking. And when we first started this project, we met with Summer Stephan, the elected DA in our office, and she gave us her full support, but her number one question was: “Tell me, how many victims and the loss amount in San Diego County, and then I can help provide resources to complete this project and get something going.”

Donelan

07:20

I want to get to that answer that you gave her but let me first return us back to this Home Depot case. The Home Depot gift card case is the first one that you start to look into. You make that one-hour phone call and you discover there are 20 other victims across the country. Take me through that. How does that one end? How did you do it?

Salazar

07:37

Okay. I’m going to break it to you, it’s not going to be a happy ending, but I’m going to tell you the truth.

Donelan

07:42

There’s always lessons to be learned, so.

Salazar

07:44

Right. And that’s exactly what we took from it. So, I wrote about 15 to 20 state search warrants on any information I can identify, on the subjects, and I was able to identify two suspects in the case. One in Massachusetts, and one in Orange County, California, which is a neighboring county of where I’m at. Within a couple of weeks, I received two phone calls from FBI agents in different offices in the United States—one in Wisconsin, one in Kentucky. They told me that my information and my investigation hit on their cases that they’ve had open for over three years each. The two FBI agents flew down to San Diego to meet. We discussed the investigation. They both had U.S. Attorneys assigned to their investigation. And at the time, we did not have any local representation from federal agency or the U.S. Attorney’s Office. So, we continued to work the investigation jointly. At one point, I flew to Manhattan, New York, and met with the U.S. Attorney’s Office, gave a case presentation, and we ultimately moved on with the investigation.

Couple of subjects were interviewed. At the same time, I contacted the local suspect in our neighboring county. We executed a state search warrant at that subject’s residence. We interviewed him. We gained a lot of information, and, at the end of the day, one subject was arrested in this investigation, but it was by one of the other agents that we met with in the beginning. And what we gained from that was that we needed local federal partners. So, after that case, Scott Pirrello and I, we geared up, got all our

information together, put together case presentations and met with our local federal partners. The Secret Service, HSI, FBI, you name it. We were at every meeting, every presentation, and our goal was to get federal partners.

Donelan

09:38

So, the thing that keeps coming to mind as you're talking is the prevalence of the scams. It's so rampant, right? And then you have the difficulties in prosecuting, investigating, and prosecuting, and bringing people to justice for these crimes. To the point where, until that happens, these scams, one will assume, will persist, because they see no consequences for their actions, right? They have nothing to be afraid of. So, this partnership, I'm hearing that time and time again, you partnered within your office, you partnered within your level of government, and then you went outside and did the federal partnerships. Once you start establishing those partnerships, tell me what starts to happen with the cases and your success, or not.

Salazar

10:21

So, after several meetings in the beginning, our local federal partners, they were very nice, but they told us, and they were being very honest, that there was thresholds in place. When I say thresholds, meaning there had to be several victims per investigation, or a large amount of money loss in the investigation before they can join as federal partners, or open a case with the U.S. Attorney's Office. And when we talk about our local cases, I mean, we have victims that can lose a couple hundred, maybe \$10,000, sometimes up to \$100,000, but nowhere near the half a million, or million-dollar loss that our federal partners generally investigate. So, I took it upon myself to investigate additional cases that we had, and with basic investigative experience, techniques, search warrants, interviews, I was able to bump those cases up to half a million, million-dollar losses.

And finally, the summer of 2020, local FBI office in San Diego County joined forces with us. And we were working a grandparents scam where our victims in San Diego County were made to believe, by phone, that their grandchildren were in danger, they were arrested, and they needed to provide bail money to a bail bondsman, or an attorney, or some sort of person involved.

Donelan

11:42

What happened?

Salazar

11:43

So, what happened is, at the time, I was flying back from Texas on another elder scam investigation where I worked with local partners there. And as soon as I landed in San Diego, I had several voice messages. One from Scott Pirrello, the district attorney in our team, and a couple investigators in San Diego County, who told me that they had the grandparents scam investigation. They had a couple

victims each in their jurisdiction, and they potentially identified the subject who went to the residence to pick up the money from the victims. And at the time, the bail money that the victims provided to the bail bondsman was anywhere between \$10,000 and \$20,000.

Donelan

12:21

The fake bail bondsman.

Salazar

12:23

Yes. And so, my local partners reached out and said, "Hey, we have the subject identified. She is in a neighboring county in California. We plan to knock on the door, interview her, and get her to provide information," or basically flip. You know, that's like, slang term for get her to provide the information to continue the investigation. And at that time, I told my partners, I said, "Hey, I've been investigating these types of cases for about a year now. I know that there's an organized group behind this, and we can go after the entire group if you let me take over the investigation." So, they agreed, and I wrote state search warrants, waited for the information to get back, and reviewed everything, and worked with FBI. We got a full team behind this. We had an analyst, couple FBI agents. And then we started our investigation with our local fake bail bondsman who picked up the money.

So, we took a trip to the neighboring county. We executed a search warrant. We arrested that subject for picking up the money. We filed local state charges against her, and at the same time, we identified a group in Southern California who was part of this scheme, and we executed search warrants as well, and arrested them, and charged them federally. Then we continued the investigation and the case agent was FBI Agent Alex Murray, and he and I flew to Florida, Arizona, and came back to LAX for a final stop, but did that in a couple months. We executed search warrants; we gathered computers, phones, documents. Did a ton of interviews.

And at the end of the day, we wrapped up the investigation and filed charges on eight subjects, and we did a RICO indictment, so racketeering charges. It's the first time it's ever been done for a grandparent or elder scam investigation, so it was a huge accomplishment. The U.S. Attorney that managed the case and filed the charges was Sasha Johnson from San Diego, and also had a team from DOJ, [inaudible], who assisted. So, at the end of the day, it was a huge win for all of us. We recovered approximately \$300,000 for our victims, and we gained a lot of knowledge from this.

Donelan

14:42

That's a huge win for everyone. That's a huge win for the good guys. I mean, if I had a crowd-cheering button, I'd push it right now because that's awesome. That means something can be done, right? I want to go back to something you said earlier because I think it's a key point that I want to dig into a little bit as others' minds are sort of taking this information in and hopefully thinking about how can they manage to do some of this in their particular jurisdictions. But you said, when you were talking about

that threshold, that half million-dollar loss threshold for federal prosecutions, you said you went back and dug up, I guess, enough victims. That's sort of the clarification I'm looking for. What did you go back and do to get that case up to the half-million threshold?

Salazar

15:23

Great question. So, what I did is I continued to investigate these elder scam cases. So, for example, after those meetings, after we found out that the threshold was so high, first case I picked up was a computer scam case where an elder victim was made to believe that they purchased an anti-virus scamware for their computer. They paid \$500 with a gift card, and that was the case that we had. So, I started writing search warrants on the phone number that called them. They were acting like they were from the Geek Squad, Best Buy Geek Squad, so I wrote a warrant for them. And after about a month investigation I was able to identify several hundred victims tied to this group. I identified a subject who was in Florida at the time on a student visa, from India, who, I had all the information on his phones, computers, his communication with the call centers in India, and our loss amount was already above the half a million threshold.

But at the time, we did not have the federal partners, so I had to call the local jurisdiction in Florida to try to get them to knock on the door or to confirm that the subject was still living in that address, and I missed that subject by two days because they delayed to call me back, and he flew back to India. So, that showed that we can investigate these small amount victim cases. This one was a \$500 one, and behind every \$500 or \$1,000 case, it can turn into million-dollar loss if you investigate it the right way.

Donelan

16:52

If you do the work. Sound like there's a lot of work involved. Is that fair?

Salazar

16:58

Yeah. It's a lot of complex work, and a lot of times you will hit dead ends, but you learn from it. So, that was the next thing. After we were successful with our RICO indictment, we met with management from FBI in D.C. We flew up there for a meeting. They supported us 100 percent and allowed our North County Carlsbad office to create the first elder justice task force with our local partners. So, FBI formed a task force with the San Diego District Attorney's Office and all our local partners. I quickly put together some training material. We teamed up with our adult protective services unit, which are social workers in our county who get these cases before law enforcement does, and deal with their elder victims. We had a representative, a really great investigator, Nancy Phan-Klinger, who joined me to put together training classes for every single law enforcement officer in San Diego County. We taught over 1,000 officers. We attended their briefing trainings. There was weekend nights, early morning, or late briefings. And at the same time, I put together some pocket cards which had information on what

questions to ask, my contact information, and the patrol officers can keep that in their equipment when they're on patrol. And several of them have reached out, because what we noticed is the reports were not always being taken in our county.

So, once we rolled out that training, we were inundated with a lot of victim reports. And so, that was the first step, was educating our local partners, getting them to take the police reports, and getting the information filtered to us. The next task that we had was there was no way to deconflict this information. There was no one place that all this information was being evaluated or gathered. So, at the time, it was a FBI supervisor, Brady Finta, started the partnership with our local law enforcement coordination center, and they had a team of analysts who agreed to take on this project, who started analyzing every single police report, either from APS or a local police department, would get filtered to their analytical team. They would input the information in one database, or one program, and then distribute whatever information they found after they deconflicted and analyzed it, and sent it back to a local agency, and also sent a copy to our task force. And that's how we started documenting all our losses, all our evidence.

We started linking cases, open cases with other FBI or other federal agencies all over the United States, and it's been so successful. In the first six months of the year, we netted about \$40 million in loss, just in San Diego County alone.

Donelan

19:41

Oh, my goodness. \$40 million in six months in just your county alone.

Salazar

19:47

That's correct, Jen. And keep in mind, one in every 25 victims actually report it to local law enforcement.

Donelan

19:54

Right. So that's not even the sum total of all of the fraud that's gone on, all of the victims, all of the money lost.

Salazar

20:00

Exactly.

Donelan

20:01

Which now begs the question, it seems like you're so far ahead of the eight-ball, right? As a county, as a jurisdiction, and you had all the buy-in that was needed in order to make this happen. It does not sound like that was necessarily easy thing, but it certainly sounded steady, and when you presented it people

said yes and it kept going and growing from there. I'm thinking about the rest of the country. I'm thinking about where I live. And not to have you speak out of turn, but do you get any sense of where this issue and this type of investigation and prosecution sort of lies nationwide?

Salazar

20:31

We're headed in the right direction, but I feel like this is a problem nationwide, and FBI understands that. And the goal of the FBI is to eventually roll out these task forces in other jurisdictions as well. We put together what we believe is a good working manual on how to get this started, and at the same time, I've traveled quite a bit to present and teach on this topic. FBI sent myself and Alex Murray to Houston for conference last summer, and we taught several hundred FBI agents. I recently was sent to the International Police Chief Conference in Dallas and taught there. At one point, I taught in Orlando, Florida, for the Regional Gift Card Association, and that was eye-opening because that was every single retail store that has gift cards was present at that conference. I mean, I still talk to those partners. At one point, we flew up to Bentonville, Arkansas, and we met with Walmart headquarters. We presented there. They backed us 100 percent and even created an investigator position in San Diego County to assist with these cases.

So, like I said, we're headed in the right direction. It's not going to happen overnight. I truly believe that the message is getting out. There's other FBI agents and other federal agents in United States who are working these cases, and we collaborate or learn from each other. But it's evolving. We've also learned that a lot of the subjects that are behind this, like you said early on, they don't really get caught. So, they feel brave and they continue to do it, and our goal is to hold them accountable. Early on, we learned one area in Paterson, New Jersey, there was a local Puerto Rican gang who was known for selling drugs, and they shifted their work to scamming elders because they were making a lot more money and it was easier, and the chances of them getting caught was very low.

So, I think this is a shift; this is the future. Just like 20, 30 years ago when drugs was rampant and we built thousands of drug task forces to take care of this problem, I think this is the direction that we're headed now. Because now, we're falling into currency being exchanged into cryptocurrency before it goes overseas to the call centers, and, you know, that's just another dynamic that's evolving every day.

Donelan

22:47

So, you've left me with a lot of hope, but that little forecast there. You know, that's scary but dead-on, you know? This is a lot easier for the gangs. You start hitting this crime, you start affecting a lot more than I think one might assume. You know, when I think about these perpetrators, I think of the saying "comfort the afflicted, afflict the comfortable." These perpetrators are extremely comfortable because they don't think anyone's coming for them. For those who are listening to this and want to learn more information from you, because it's clearly evident that the work that you guys have done is serving as a model, and will serve and continue to serve as a national model for others—how can people get in touch with you or learn more about this?

Salazar

23:24

Yes, please reach out through email, that's the best way to reach me, at felix.salazar@sdcca.org. So, Felix, F-E-L-I-X, dot Salazar, S-A-L-A-Z-A-R, at S as in Sam, D as in dog, C as in Charles, D as in dog, A as in Adam, dot O-R-G.

Donelan

23:53

And then, lastly, if you could send one other message. As you mentioned, only one in 25 come forward. You've mentioned the embarrassment, the shame. Here I am, someone who's been in this upstanding, had amazing career, I'm, you know, smart individual, raised my families, and I fell victim to these jerks, and they just don't come forward. Or, they may just think that nothing's going to happen. This sounds like it also needs a real big messaging campaign from law enforcement across the country, aimed at these victims, to tell them we're here for you, and to empower them to speak up.

Salazar

24:25

Yes. Please report this to your local law enforcement agency. You are not alone. We educate people all over the United States, and we have not met one person who has known someone that has fallen for this. So, just please reach out, and we can make a difference.

Donelan

24:43

And then, to the law enforcement leadership and those in the law enforcement community who are, I hope, taking notes. They can do something about this. I mean, that's what I'm walking away from this conversation, is something can be done. Yes, you may need to get creative. Yes, you may need to put resources in it, resources that I'm sure you're already struggling to deal with, but it works. It can work.

Salazar

25:06

Yes, for sure. Like I said, I did not have a background in elder abuse or in fraud, and basic investigation techniques will work for these cases, and it will make a difference. So, please put resources into this issue.

Donelan

25:20

Investigator Salazar, Felix, I cannot thank you enough for spending time with us and for sharing your story. We are going to cheer you on, keep fighting the good fight.

Salazar

25:28

Thank you. Thank you so much for having me.

Donelan

25:30

Thank you. And thank you to our listeners for joining us here on *The Beat*.

Voiceover: *The Beat* Exit

25:35

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Voiceover: Disclaimer

26:33

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