



**FAKE
LOCKSMITHS,
REAL
PROBLEM***

* WHAT'S BEING DONE TO ADDRESS THIS NATIONWIDE PROBLEM — AND WHAT YOU CAN DO TO HELP. BY DON SADLER

The issue of locksmith scams has clearly hit a nerve, both in the general public and within the locksmith industry. Dozens of articles and news segments have been published and broadcast about the problem since it first reared its ugly head several years ago, and their frequency has increased in the past few months.

“The problem is nationwide and it’s growing worse,” says Tim McMullen, ALOA legislative manager. “I’ve even spoken with our counterparts in the United Kingdom, who are experiencing the same problems. As I told them, the locksmith’s scammers have ‘jumped the pond.’”

McMullen says the locksmith scam problem is one of the biggest threats facing the industry today. “Not only are consumers being ripped off to the tune of tens of millions of dollars, but legitimate locksmiths are losing big money, too.”

HOW LOCKSMITH SCAMS WORK

While each locksmith scam is unique, most follow what has now become a familiar pattern. It starts with out-of-state scam artists (most frequently based in New York) duplicating and hijacking the names and even street addresses of legitimate local locksmiths. That enables the fraudsters to pose as local locksmiths in cities all across the country, using local phone numbers and addresses and advertising in the local Yellow Pages as well as in online directories. They also buy up a disproportional large amount of local phone numbers so the consumer will more than likely get one if calling 411.

Calls to the local phone numbers are routed to an out-of-state call center with operators who are skilled at posing as trustworthy locksmiths. These operators will typically quote customers a reasonable price for lock-out services over the phone and tell them a locksmith is on the way. Once the so-called “locksmith” arrives — usually in an unmarked vehicle — the story quickly changes. Locksmith scammers use

one or more of several different approaches, including:

- Telling customers that the actual price for services will be much higher than what was quoted over the phone
- Demanding payment up front and/or cash only
- Insisting that additional products and services beyond those customers called about are needed to fix a problem
- Damaging locks, doors, windows, etc. themselves and then insisting that customers pay them to have the damage fixed
- Tacking on extra fees for such bogus services as “breaking in” and “uninstalling” old locks.

“Locksmith scammers have grown increasingly sophisticated since they first started their scams a few years ago,” McMullen says. In particular, they’re using the local search features of Google and other online search engines and directories to troll for new victims. They’re growing increasingly brazen as well: In one complaint registered with the Better Business Bureau, a locksmith scammer actually offered to drive a customer to an ATM to get the cash to pay his bill.

TROUBLE MOVES IN

ALOA President Ken Kupferman, CML, CPS, owner of Affordable Lock in Tampa, FL, says that locksmith scammers recently moved into the Tampa Bay area. “They’ve taken over the phone book,” he says. “The phony display ads outnumber the legitimate locksmith ads at least three to one, and there are hundreds of locksmith scammer line listings. I can tell the difference, but consumers can’t.”

One of the biggest obstacles to dealing with the problem is that consumers often don’t report locksmith scams to the proper authorities, Kupferman says. “They just figure they’ve learned their lesson and won’t get ripped off again. We’re trying to get locksmith licensing passed in Florida,

but some legislators don’t see the need for it because not enough people report it.”

Kupferman says that recently, while eating at a restaurant (that’s also one of his clients), an employee recognized him and complained that his company had charged them \$1,700 to rekey the store. “I told her sorry, but it wasn’t us,” he says. “Sure enough, I pulled the receipt from our most recent job for them, and it was just \$200.”

One of the biggest challenges in combating the problem is the locksmith scammers’ ability “to move their operations, change their business tactics and refine their practices on a dime,” McMullen says. “Catching them is like playing whack-a-mole. And when they are caught, often they can just pay the fine and keep right on doing business.”

The scam companies may have a greater impact on the industry than most locksmiths will admit, says James Mullins, CPL, a co-owner of Sure-Fit Lock & Safe Company in Silver Spring, MD. “We need to aggressively challenge their methods of operation and advertising and educate consumers as to who we are, what we do and why they should use a local locksmith.”

ALOA’S THREE-PRONGED STRATEGY

According to McMullen, ALOA is attacking the problem with a three-pronged strategy: raising awareness of the issue, both in the locksmith community and among the general public; working with law enforcement agencies to combat the problem; and pushing for locksmith licensing in each state. Currently, only 10 states have licensing requirements for locksmiths, while three more have locksmith registration.

“Education is the only way we can teach people to be wary if there are thousands of locksmith listings in the phone book for a city of just 400,” he says. ALOA has created a Web site, www.findalocksmith.com, dedicated exclusively to helping consumers find legitimate locksmiths. “This is a great way

for consumers to locate legitimate security professionals," McMullen says.

ALOA also has created separate Web sites explaining the problem to both consumers and locksmiths. The sites also offer resources for notifying the proper authorities when confronted with locksmith scams. "These must be working," McMullen says, "because I get at least two or three calls or e-mails a week from consumers who have been ripped off and saw the information on our website."

On the law enforcement side, McMullen says he speaks at the National Association of Attorneys General Consumer Protection Seminar twice each year (including this May) about locksmith scammers. "Attorneys general or the licensing agency are the best people at the state level for attacking the problem," he says. In addition, he has met with the Federal Trade Commission, the FBI and the Department of Homeland Security to discuss the problem.

LICENSING: THE LONG-TERM SOLUTION

Long term, ALOA believes that the ultimate solution lies in locksmith licensing. Mullins — who is working closely with ALOA and McMullen in trying to get legislation requiring licensing passed in Maryland — relates how a local television station was trying to do a sting exposing scam locksmiths but couldn't find any in Virginia, which has locksmith licensing. "However, they didn't have any problem finding them in Maryland. Fortunately, we're closer than ever to having a license requirement passed this year, and we appreciate ALOA's support."

The basics of any licensing requirement should include criminal history background checks of locksmiths and uniform standards of training, although the challenges of licensing are multifaceted, McMullen says. "It costs money and requires compromise, energy and involvement from dedicated people. However, the opportunity is there for

us to clean out the scammers, increase our knowledge base, raise our visibility and level of professionalism, and make more money."

McMullen says states that have implemented locksmith licensing, including California, Alabama, Oklahoma, Texas, Louisiana, Tennessee, North Carolina, New Jersey, Illinois, and Virginia, have had more success combating the problem.

"Many of these states are changing their advertising requirements and fine structures to deal with the issue of false addresses," he notes, adding that locksmith licensing bills are currently being considered in four more states: Florida, Georgia, Maryland and Oregon. Presently, locksmith registration is required in Nevada, Nebraska and Connecticut.

ATTACKING THE ONLINE PROBLEM

ALOA is also taking action to limit the damage caused by locksmith scammers advertising online. "We realize that online advertising and listings have been the vehicles for these companies, so we've been working with various directories to combat it," McMullen says. "An ALOA member is working directly with Google, I'm working with Verizon/Yellow Pages.com, and locksmiths in Illinois are working with AT&T. We've gotten favorable responses from them; they understand the issues and are willing to work with us."

In the meantime, McMullen says, all locksmiths can get involved by helping

educate their customers about the problem. ALOA is in the process of producing a public service announcement and brochure that members can distribute to their communities. For example, A-1 Safe & Lock in Hamilton, NJ, recently ran a newspaper ad with the warning, "Don't let phony locksmiths rip you off!!" prominently featured above its name.

Richard's Locksmiths & Safes, in Coral Springs, FL, posted a video on YouTube that encourages customers to check for their logo on the uniform, truck and bill of the locksmith who arrives for a service call. The video begins with the words, "Richard's has been the victim of identity theft!" in bold letters before advising customers on how to avoid being ripped off by the locksmith scam.

"There are many different components from many different parts of the country working on the problem, which is a good thing," McMullen says. "There isn't one thing any one person can do, but there are many things we can all do to help lift up the industry." 🗝

See ALOA's update on locksmith scams, page 38.



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