Chapter 1

Why Our Troops Get Ripped Off

Understanding why troops get ripped off puts the mechanics, the how of the rip-off, into perspective. In fact, the underlying reasons why troops get ripped off in large measure drive the techniques used to do it.

The demographic makeup and everyday circumstances of our troops combine to make the perfect storm of vulnerabilities for commercial predators. The vulnerabilities are not the result of any lack of intelligence; rather, they stem from this toxic brew of circumstances. Predators know of these vulnerabilities and, as a consequence, malevolent thieves and rip-off artists constantly target our troops, often using techniques specifically designed to gouge those in uniform. This chapter discusses those vulnerabilities, many of which stem from a perversion of the very qualities that make our troops a superior fighting force.

Patriotism

Service members tend to be more patriotic than others; how could it be otherwise? Our troops may not believe that the United States is perfect, but they have a deep, abiding faith in their country and its institutions. That faith is reinforced at recruit training, specialty training, and later at the first duty assignment. Training is tough, but people are honest, often brutally so. Military leaders at all levels do their best to ensure that each troop is properly trained, disciplined, and taken care of. The government provides food, shelter, clothing, meaningful employment, and a sense of purpose.
The United States provides troops with medical and dental care, as well as low-cost, government-subsidized life insurance. They receive free, confidential advice from military legal counsel and spiritual counseling from their unit chaplain. Before long weekends, people who care about their welfare warn them not to drink and drive and not to commit other self-destructive acts. Before such extended liberty periods, a service member’s car may even be inspected for defects that may cause him or her harm. And when an active-duty service member or retiree dies, his or her loved ones have the option of putting him or her to rest with a solemn, respectful, dignified military funeral. Our troops are brought up in this ethos of honor, courage, and commitment, while the government, albeit imperfectly, takes care of them. Yes, there are notorious exceptions, particularly at the noncommissioned officer (NCO) and junior officer level, but the overwhelming majority of our military leaders care about their mission and their troops. Training, good leadership, and a beneficent state reinforce service members’ trust in the government and its agents. Troops also generally believe in their military missions, or at the very least that the missions are guided by good intentions.

Rip-off artists turn this patriotic faith against service members. Thus, when a crooked salesman selling second-rate computers claims to be a former or retired military officer and seems to talk the talk, the military consumer is inclined to believe him. Vendors of all kinds constantly wrap themselves up in the American flag, hoping for a halo effect. The salesman tells the young troop, perhaps falsely, that he is a military retiree. Sales showrooms are cluttered with military memorabilia, flags, unit insignia, and Department of Defense logos. Whenever they can manage it, salesmen insinuate themselves into military parties, celebrations, and activities. They snap photos of themselves with military dignitaries or on military installations and post them on their walls to promote the illusion that they are endorsed by one or more branches of the armed forces or by the United States. Any pass or permission to operate aboard the installation may be paraded, falsely, as the armed forces’ endorsement of the product. Salesmen may advertise in the military newspapers, including the newspaper of the military installation. Sometimes salesmen blatantly lie, telling customers that they are endorsed or affiliated with the military. All of these actions
have the intended effect of lulling the customer into believing the seller. The message, sometimes subtle but often not, is “I am endorsed, approved, and trusted by your commanders, and you can trust me, too.”

Sometimes the rip-off artist misleads the consumer to believe that he or she is not merely affiliated with the United States but is in fact a government agent. For years I received letters that appeared to be from the Veterans Administration. The letters were actually from a lender with no affiliation whatsoever to the Veterans Administration, trying to persuade me to refinance my home loan. Organizations may take on official-sounding names and even obtain addresses, Web-site names, or phone numbers resembling as closely as possible the Veterans Administration or other veterans’ organizations.

These hateful techniques, used by businesses to sell their wares, have another adverse effect: dilution of the good impression that ought to be made when individuals, companies, or corporations really do commit some altruistic act to benefit armed forces personnel.

Rip-off artists wrapping themselves up in the American flag are appalling, common, and very effective.

**Special Military-Only Deals**

As previously discussed, service members give greatly to the country and, in return, are entitled to significant benefits available only to them: medical and dental care, government-subsidized life insurance, and educational benefits, to name a few. But it is not only the government that provides special benefits. Sports franchises and amusement parks hold military-appreciation days, which service members may attend free of charge. Restaurants, hotels, and movie theaters sometimes reduce their rates for service members. Troops are therefore susceptible to a salesman’s deceptive or phony offer, which would otherwise be dismissed as too good to be true, because sometimes such offers really are legitimate.
Discipline/Respect for Authority

Service members are taught to follow orders and to respect authority. They salute their military superiors and stand when a senior officer enters the room. Officers are referred to as ma’am or sir, and noncommissioned officers are referred to by their rank. Authorities are almost invariably older and more experienced than the troops. It is a serious criminal offense to disobey the lawful orders of military authorities. In combat, immediate, unhesitating obedience to orders may be a matter of life or death. The maximum penalty under the Uniform Code of Military Justice for failing to obey the lawful order of a commissioned officer during time of war is death. The salesperson, like the military superior, has an office and a title, is older, and knows much more about the product being sold. He or she appears to be an authority, a person to be trusted, respected, and relied upon, even obeyed, especially if the salesperson, with apparent sincerity, claims to be a former service member.

Integrity

Integrity—not strength, discipline, or even courage—is the most important quality of a service member, a matter that is particularly drilled into our young officers. When an instructor at the Marine Corps Officer Candidate School asks what the most important trait of a Marine is, the reflexive answer that is supposed to be shouted back is “Integrity, sir!” Our young troops are pushed to develop a sense of honor and personal integrity, and they spend their days among similarly minded compatriots and leaders. Officers and staff noncommissioned officers can be hard-driving taskmasters—they sometimes make bad decisions—but lying is anathema. I am not so naive as to believe that all commissioned and noncommissioned officers tell the truth all the time; twenty years as a Marine judge advocate, much of it in the courtroom, has surely disabused me of any such notion. However, as a whole, our military leaders are an exceptionally law-abiding and honest group. Our troops do not expect others, particularly military leaders with significant authority, to lie, and they are
bewildered and stupefied when salespeople fake sincerity to cheat them out of a buck. When the battalion commander stands in front of a formation and addresses the unit, the troops know they are hearing the straight scoop. Thus, when a service member hears a very sincere-sounding pitch from a salesperson parading as an authority figure, he or she is apt to believe it. (Interestingly, my service as a defense counsel in civilian courts has taught me that the converse is also true. Perennial thieves and liars find it difficult to believe anyone is telling them the truth. They don’t tell the truth and don’t expect anyone else to either.)

**Inexperience with Money**

Consider the prototypical new troop. He or she is young, eighteen or nineteen years old, and like most persons this age, has no life experience. The typical new member is a male high school graduate who may never have held a full-time job. He has held part-time jobs, which put spending money in his pocket and helped him pay for a car or the latest fad in electronic junk. Maybe he gave the money to family members to pay pressing expenses. The point is, he is young, has no financial experience, never had any money and, if he did, probably spent it in short order.

Now the high school graduate is, say, a lance corporal, earning more money than he has ever seen in his life. He lives in the barracks and therefore pays no rent. He is given a meal card that he uses to eat at the base dining facility. These basic needs taken care of, the troop has disposable income to manage, no experience at all with money, and plenty of hucksters to help separate him from his cash. He is particularly apt to be swindled with respect to complicated products: warranties, insurance, loans, or the financing of any purchase.

**Transience**

It is an unalterable fact of military life: service members do not remain in one place too long, particularly at the beginning of their careers, when they
go through various training schools that last only a few weeks or months. Here today, gone tomorrow. Unless you stay in one place for a while, it is difficult to learn the reputations, bad and good, of local businesses. Further, some rip-offs are closely tied to travel, such as wrongful withholding of security deposits, phony online landlords renting property they don’t own, price gouging by airport taxi drivers, distance education rip-offs, or the charging of exorbitant fees to haul or store household goods. Additionally, regardless of the nature of the rip-off, it is far more difficult for the transient consumer to sue the con artist or to take other remedial action.

Impulse Buying

The life of a new troop is composed of periods of intense, mentally and physically strenuous activity, often followed by a short period of release from those activities. Such a schedule may cause, in some, a desire to get all they can out of these periods of release, these free periods when they are able to do what they want. Sometimes, this desire to live in the moment may be manifested in self-destructive behaviors: excessive drinking, drug abuse, overspending, impulse buying, and making rash decisions concerning affairs of the heart.

Consider the life of the young troop. First comes recruit training, where he or she is commanded, watched, and controlled twenty-four hours a day, deliberately challenged physically, emotionally, and mentally almost to the breaking point. Indeed, many are pushed past the breaking point and drop out or are injured or otherwise fail to complete recruit training. The intense pressure then stops for a short period before the next challenge: follow-on training in a military specialty, such as infantry, engineering, communications, or administration. During this follow-on training, the troops may have short bursts of free time—a Saturday morning or perhaps a holiday weekend—long enough to get outside the installation gate for some fun, freedom, and, too often, rip-offs. After completing these training schools, the young trooper is shipped to his or her first nonschool command. He or she experiences the initial excitement and disorientation of going to a new job and new location and meeting new people. He or she will enjoy
significantly more freedom at the first nonschool duty station. He or she will have time on his or her hands and some money, until it is time for deployment preparations, when he or she begins the training and rehearsing for the serious business of war. In the Marine Corps, with which I am most familiar, his or her unit is likely to participate in combat exercises at Twentynine Palms, California, in the Mojave Desert. Then it’s off to whatever hellhole that requires troops to hunt down terrorists, rescue people from natural disasters, engage foreign armies, feed starving people, keep the peace among belligerent factions, or any combination thereof. The service member boards an aircraft or ship and is plunged into the pressures and intensity and horrors of war. Even if not on the front line, the service member knows that death can strike at any time. Then, he or she comes home—hopefully—and goes on leave.

The point is that our troops encounter periods of intense pressure and then short periods to release the tension, to enjoy life, to do what he or she wants to do. This schedule encourages quick, rash, bad decisions and makes the service member more vulnerable to a seller’s pitch that his or her wonder product or service must be purchased right now.

**Sexual Appetites**

Young people everywhere have an intense interest in romantic and sexual relationships. In the case of our armed forces, such sexual longing can be intensified by periods of forced abstinence not only from intercourse but from any opportunity for romantic encounter or even casual contact with a member of the opposite sex. The most obvious exploitation of this aspect of the military life is the plethora of bars, strip clubs, brothels, and prostitutes that so often cling to military towns. Often, installation commanders place institutions that are mere fronts for prostitution off limits to military personnel. The concern is not only that the activities are illegal but also that the “customer” may be robbed and assaulted as well, particularly in out-of-the-way places. The threat of extortion also exists, because such clubs have been known to surreptitiously videotape activities within their confines. This sort of activity is beyond the scope of this book. However,
commercial rip-off artists and salespeople use the young, male, military demographic to good advantage as well, employing attractive women to lure service members into sales offices to purchase life insurance, investments, computers, loans, and of course, cars.

**Ease of Targeting**

Because of the aforementioned vulnerabilities, troops are in the crosshairs of predator villains. They are also targeted because they are easy to target. There is no great secret about the easiest places to find large concentrations of young service members—look for large military installations such as Fort Hood, Texas, or Fort Bragg, North Carolina, as well as clusters of installations, as in the case of the Norfolk, Virginia, area. Nor are individual troops difficult to spot: look for the fit young man with short hair even by military standards.

**Online Targeting**

Troops are also easy to recognize online, increasing opportunities for cyber-fraud. Scammers can send an email purporting to be from the local military credit union, asking for personal and financial information. They can send that email to thousands of people living near a military installation, and a high percentage of recipients will actually possess an account at the military credit union, increasing the likelihood of success of the fraud. Military email addresses are also very predictable, making it easier for the fraudster to pretend to be sending a personal note directed at a single individual. The typical, formulaic military email address is first_name.last_name@branch_of_armed_forces.mil. Further, to an ever greater extent, service members are becoming accustomed to providing information and receiving instructions and orders online. Cyber-crooks exploit these vulnerabilities, sending out electronic mail purporting to originate from military or military-related persons or organizations, or by setting up Web sites that mimic government agencies that troops may wish to contact.
Dissemination of Personal Information

Service members and veterans are required to provide personal information, such as address and social security number, to a variety of databases. This information is collected and stored by the member’s unit administration section; by the orders writing section; by the medical and dental departments; by travel clerks; by the issuers of firearms, uniforms, and equipment; by the office that collects urine specimens for drug testing; by the training office; and by many others. Such data stores are constantly under attack from hackers, and the keepers of such databases are not always especially diligent in protecting the records. Thus, a service member’s personal efforts in protecting his or her own information do not insulate him or her against cyber-fraud, because he or she must rely on so many others to protect his or her information. It is not surprising that some of the biggest breaches of personal data have been from military sources such as the Department of Veterans Affairs and the Government Travel Credit Card.

Paychecks and Allotments

Another reason service members make attractive targets is that they have a steady paycheck. Like clockwork, the military paymaster, the Defense Finance and Accounting Service (DFAS), deposits the military paycheck directly into the financial institution designated by the member. Young troops thus have all the vulnerabilities mentioned above, yet maintain a steady income. The member communicates with DFAS principally through a password-protected Web-site account. Armed with a computer, the troop can direct a portion of his or her salary to provide a monthly sum to a charity, an investment, child support, or a rip-off artist. Many of the predators demand payment through such reliable, monthly pay allotments, sometimes even going so far as to ask for the code that grants access to the account. Some creditors take an additional step, requiring the member to sign an agreement authorizing the creditor to debit the member’s financial account to ensure payment. Thus, even if the allotment is delayed or terminated, intentionally or otherwise, the creditor still gets paid by raiding the troop’s bank account.
Debt Collection

Troops know that they must conduct their personal financial affairs in an honorable, orderly way. They know instinctively that if their chain of command catches a whiff of financial misconduct or mismanagement, it can have an adverse affect on their career.

Dishonorably failing to pay a just debt is a criminal offense under the Uniform Code of Military Justice (UCMJ). Evidence of financial mismanagement or excessive debt can lead to loss of security clearance and, with it, the inability to perform the job for which the troop was trained at great expense to the United States. Furthermore, there need not be a criminal charge, or even enough evidence for an official entry into the military service record, to affect a career adversely. The superior learns that a troop is having “financial problems” and suddenly those subjective proficiency and conduct marks go down, the glowing fitness-report comments about outstanding performance don’t appear anymore, and the service member doesn’t get the choice duty assignments or school seats. Thus, a creditor’s threat, express or implied, to contact a commander carries some real weight, even if the troop committed no crime and even if such a communication to the commander is illegal.

For all these reasons, our junior troops, those most likely to be injured or killed in the nation’s defense, are in the crosshairs of commercial predators at home.