

CONVENIENT TARGETS - WHO CAN YOU TRUST? SENIOR CITIZENS ARE OFTEN FOOLED BY CON ARTISTS <

Syracuse Herald American (NY) - September 24, 1995

- Author/Byline: Jim McKeever Staff Writer
- Edition: Final
- Section: CNY
- Page: AA1
- Readability: 9-12 grade level (Lexile: 1130)

Even if Bill Lutters recovers the \$40,000 that his elderly father was swindled out of, it will be too little, too late.

Carl Lutters went to his grave two months ago knowing he had lost his life's savings in a bogus investment scheme.

"He was so ashamed," Bill Lutters recalled the other night as he sat with his wife, Cheryl, on the sofa of their home in East Syracuse. "He refused to tell me his money was stolen. Months went by and he kept that secret from me."

Bill Lutters just happened to be visiting his parents' home in Camillus two years ago when a state police investigator came by. The investigator showed Lutters a devastating paper trail - checks and other documents that traced how insurance salesman Kevin Boutwell had taken money from his father.

Bill Lutters was stunned. His father had always been so careful, so conservative with his money. Carl Lutters worked 30 years at Crouse-Hinds Co. and saved every penny he could. In retirement, Carl and Madeline Lutters lived off his pension, Social Security and dividends on bank certificates of deposit.

"He was right where he wanted to be in retirement," Cheryl Lutters said of her father-in-law.

But when the banks cut interest rates a few years ago, Carl Lutters wanted a bigger bang for his buck. That's what led him to Boutwell.

"I can't understand anybody being that evil," said Cheryl Lutters.

Boutwell said he never intended to hurt anybody. "The intention was to set something up to help these people, and it just didn't work out," he said.

Dealing with shame

Carl Lutters was one of two dozen senior citizens swindled in the past few years in three separate investment scams. The total take was more than \$1 million.

Two of the three Central New York men who ran the scams are serving time in state prison. The third - Boutwell - is on probation after spending 12 weekends in jail.

Consumer advocates and the American Association of Retired Persons give several reasons older people are a popular target of scams of all kinds.

They were raised in an era when people were more polite and trusting.

They may not be as aware of the intricacies of investments, automobiles or home repair.

They may be lonely, and be flattered by a phone call or visit from a friendly stranger.

They may be reluctant to tell anyone they've been swindled, fearing that their family members will think them incompetent.

A nice enough guy

Corliss Varnum is 72. He has known the value of a dollar all his life.

He didn't learn to be suspicious of Alden Hancock until it was too late.

"I hope they keep him locked up 'til he kicks the bucket," Varnum said.

Last month Hancock, a Liverpool insurance agent, was sentenced to up to 7 years in state prison for bilking seven senior citizens out of

almost \$200,000. Varnum and his wife, Alice, lost about \$50,000.

"I worked all my life to get that much," said Corliss Varnum. "I drove a truck, worked on a farm, cut logs, ran a gas station with a buddy of mine, that kind of hard work."

Several years ago, Hancock - their insurance agent - began to ask some of his clients to lend him money to shore up his private insurance business, offering to pay 10 percent interest.

Hancock had earned the Varnums' trust. He had visited their home several times when they lived in East Syracuse, and seemed nice enough.

"You'd kind of think so, a guy by the name of Hancock," Corliss Varnum said.

The Varnums weren't exactly careless. They kept in regular contact with Hancock, and called him if their monthly dividend payments were late. The last time they called, Hancock told them he had lost his insurance license and was filing for bankruptcy. The Varnums checked, and found nothing to back that up.

So they walked into state police headquarters in Cicero and told Investigator Norman Ashbarry they thought they were being ripped off. Ashbarry subpoenaed Hancock's bank records, which led him to other senior citizens who had lent him large chunks of money in exchange for promissory notes - notes that weren't "worth what they was wrote on," said Corliss Varnum.

Following their paper trail

It wasn't just any golf club that Onondaga County Assistant District Attorney Paul Berry kept in his office on the 12th floor of the Civic Center.

The putter was the top prize in this year's "Embezzlement Open," a golf outing Berry hosts each year to thank the bankers, police investigators, attorneys and accountants who help nail criminals for the district attorney's economic crimes unit.

The unit goes after welfare cheats, chronic check bouncers and the like. Every once in a while, big fish like Richard Lambert, Alden Hancock and Kevin Boutwell come along.

The paper trail these guys generate - bank statements, canceled checks, promissory notes, deposit slips - fills folder after folder, box upon box, in Berry's cramped office. Housekeeping woes aside, Berry takes some satisfaction from the current status of those three men.

Lambert, 32, formerly of Fayetteville, was sentenced last year to three to nine years in state prison for cheating 10 people - most of them senior citizens - out of nearly \$1 million. One of them, Concetta Bonanno of Oswego, lost more than \$40,000. She died last year at age 88. Lambert is on a work-release program at Fishkill Correctional Facility downstate.

Hancock, 44, was sentenced last month to 2 1/3 to seven years in state prison for taking seven senior citizens for \$186,000. At his sentencing in Onondaga County Court, Judge J. Kevin Mulroy told Hancock, "If it were up to me, I'd chain you in a room for about 20 years."

Boutwell, 40, was sentenced last year to 12 weekends at the Onondaga County Correctional Facility and five years' probation for ripping off several elderly investors of more than \$100,000. Like Lambert and Hancock, he has been ordered to make restitution.

"I've found that if you make the criminal pay back, make the economic part hurt, he's less likely to steal again," Berry said.

Lambert and Hancock couldn't be reached for comment. Boutwell says he's sorry for what happened. "If there was anything I could do to change it, I would," he said.

It's not just for seniors

Investment scams - many of them targeting senior citizens - have increased in the last few years, said Berry, after banks took a big bite out of the interest they pay on savings accounts and certificates of deposit.

While most investment plans are on the up-and-up, the industry has attracted its share of con artists who put their own spin on the idea that a fool and his money are soon parted.

And as far as the swindlers are concerned, there's no fool like an old fool.

"When a senior citizen gets taken, they're afraid to tell the kids or call the police," Berry said. "They don't want their children to think they're foolish, or stupid, and can no longer take care of their own affairs."

Boutwell's scheme came to light almost by accident, while Ashbarry was looking into another insurance fraud case.

Lambert's scam unraveled when an investor - a woman in her 40s - became suspicious and called the district attorney's office, Berry said. Most of Lambert's victims were senior citizens, including four siblings who lost almost \$450,000.

But older people are not the only ones who fall for such scams.

Most, but not all, of those swindled by Hancock, Lambert and Boutwell were senior citizens. Their common denominator was not age, but that they invested in things they knew little or nothing about - international credit vouchers, 900 telephone numbers and the like. And they put their trust into a person, rather than a product.

Bill Lutters - a salesman himself - said of Boutwell, "Maybe he would have got me, too."

Sophisticated con artists get to know their investors, Berry said, to build a level of trust. Then they pitch the investment, dangling high rates of return. They'll even drive older clients to the bank - a sure sign of trouble, Ashbarry said. And they back up the investment with paperwork that looks slick and official.

"In all these situations, people got a piece of paper," Berry said. "It was good for recycling, nothing else."

Restitution is the hardest part

Often the hardest part of his job, Berry said, is sitting down with senior citizens who have lost tens of thousands of dollars. He tells them he's about to do something to hurt them - put the con artist in jail, which delays restitution.

"Those are difficult conversations to have," Berry said.

Some local victims have recovered a percentage of their losses, with more money trickling in. Victims in such cases usually recover only pennies on the dollar.

The Varnums have recovered about \$2,000. Corliss Varnum doesn't expect to recover any more. He and his wife now get by on \$1,500 a month in Social Security.

"I guess we just would've been better off if we left it at the bank," Corliss Varnum said. "We'd still have it. There's a little left now, not much."

As for Hancock, Varnum said if he ever sees him again, "I'll tell him to go jump in the ocean."

Bill Lutters was more philosophical about those who target senior citizens.

"It's almost like these people feel they deserve any buck they can get," he said. "And if they weren't doing it, somebody else would be."

• **Caption:** PHOTO Dennis Nett/Staff Photographer Jane Lynde listens as a Better Business Bureau official talks about frauds and scams aimed at senior citizens. The American Association of Retired Persons say seniors are a popular target of scams of all kinds. Color. Dennis Nett/Staff Photographer Bill and Cheryl Lutters of East Syracuse pose with a photo of Bill's late father, Carl, who lost his life's savings in a bogus investment scheme. Color. Frank Ordonez/Staff Photographer Onondaga County Assistant District Attorney Paul Berry has mounds of files that are instrumental in nailing white-collar criminals for the district attorney's economic crimes unit.

• *Record:* 9509250227

• *Copyright:* Copyright, 1995, The Herald Company