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The Art of Fortune-Taking

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The Art of Fortune-Taking

People suffering grief or emotional distress turn to many places for comfort, which can make them a target of psychic scam artists. Stigma about falling for scams might prevent victims from seeking help.

By Allie Weintraub

According to a recent study by the Stanford Center on Longevity, scammers use persuasion tactics to elicit strong emotions from potential victims. This altered emotional state can make some targets, especially older adults, more likely to eventually fall for the scam.

“It gets you in this frenzy of emotion,” said Cathy*, a Bedford Hills woman who alleges she was recently duped into giving \$12,000 to a woman who claimed to possess psychic powers and had a history of identity theft and fraud accusations. Cathy, 64, recounted the ordeal after business hours in the law offices where she has worked as a legal assistant for the past 13 years.

Cathy took the position because it was stable and paid enough to cover expenses with some left over to save each month.

However, this year, Cathy began to feel the job wasn’t creative enough. On her days off, she started to explore writing and filmmaking. She had been single since her divorce over 30 years ago. She hoped to get married again. She was thinking about all of it on a drive home from work in late June, when she noticed a new storefront had moved in. It was called “the Bedford Psychic.”

**Last-name withheld*

Laying the groundwork

The next day, Cathy scheduled a reading with the psychic, a woman named Janet Lee. “I thought, well, it might be fun,” Cathy said. “I’ll just go and see what she has to say.”

Cathy said she had consulted several “intuitive people” before, but it was the first time she would visit a storefront psychic. She was nervous. But in the first meeting, Lee lessened any doubts she had by giving off a sense of credibility and affluence.

“She spends the first 10 minutes really laying this groundwork that she’s this very stable, grandmotherly, Catholic, successful psychic,” Cathy said. She said Lee showed her pictures of her grandkids, claimed to be affiliated with St. Patrick’s Cathedral, an historic Catholic church in Manhattan, and boasted a long list of famous clients. (A spokesperson from St. Patrick’s Cathedral did not respond to an email requesting comment.)

“I realize now that Janet Lee was laying the groundwork to trick me into thinking she was a legitimate and successful business woman and psychic,” Cathy said.

A mysterious dark force

According to Cathy, Lee began the first session by asking questions and making guesses about Cathy’s life, possibly using a controversial technique called cold reading used by psychics, along with mediums and illusionists, to give off the impression that they know much more about someone than they actually do.

An expert cold-reader uses high-probability guessing and analyzes subtle cues based on body language, appearance and manner of speaking. Then they reinforce chance connections while downplaying missed guesses.

Experts believe it works, in part, due to the Barnum effect, a psychological phenomenon that causes people to say descriptions of their personality or background are accurate if they think the description is customized solely to them, even though it is general enough to apply to a wide range of people.

In Cathy’s case, she says Lee correctly guessed she felt “stuck,” wanted to move away from New York and had a “dark cloud hanging over family.” Cathy recalls Lee declaring that Cathy’s current unhappiness, along with a childhood tragedy, were caused by a “mysterious, dark force.” Lee, Cathy said, claimed this dark force attached to Cathy in a past life, when she worked as a healer atop a mountain in ancient Egypt.

This intrigued Cathy, because there was a tragedy in her past, which she then relayed to Lee. When Cathy was a child, she said, her birth father molested his stepdaughter, who was Cathy’s older half-sister from her mom’s previous marriage. Eventually, her sister committed suicide. The ordeal caused lasting trauma among her family, including her other siblings.

“I miss her a lot,” Cathy said. “She really took me under her wing, as a little sister. We had so much fun together, so I could never really wrap my mind and heart around it completely and realize that she wasn’t there anymore.”

The sacrifice is monetary

At the end of the reading, Cathy said Lee claimed she could get rid of the dark force, but that it would be expensive. Cathy agreed to pay Lee with a check for \$650—\$150 for the first session and \$500 for the added work.

Over the coming days, Cathy said, Lee wrapped up Cathy into a world of rituals, setting up altars, lighting special candles and saying prayers.

Cathy said it felt like a good deal, because Lee “was working every night on me and my family.” Her reservations dropped away because of how close she grew to Lee. “It’s like you have a new best friend. It’s like she emotionally manipulated me into believing she really cared about me and my happiness,” Cathy said.

So when Lee called her up a week after the first reading and told her the darkness would soon be gone, Cathy didn’t hesitate to ask what needed to be done next. During the first reading, Lee had asked subtle questions about Cathy’s finances, so she knew Cathy had about \$12,000 saved in an retirement fund.

“Lee instructed me to divest my IRA,” Cathy said in a written statement. “She wanted to know if I wanted to think about it or if I wanted a contract. At this point she had me so convinced that I needed to get the alleged dark force out of my life, I just agreed.”

According to Cathy, Lee performed a ritual by putting pieces of white cloth, photos and candles into three separate piles, one for Cathy and each of her living siblings. Cathy said she wrote three separate checks equaling her entire savings. Lee recited a prayer, placed the checks on the piles, wrapped them up separately and told Cathy to let her know when the IRA money had transferred to her account so Lee could cash the checks and put the packages into a “lock box at St. Patrick’s Cathedral for safekeeping,” according to Cathy.

The two met in New York City outside of St. Patrick’s Cathedral a few days later, Cathy said. In one last ritual, Lee instructed Cathy to go into the church, kneel and pray before the shroud of Christ and “to leave all the darkness behind.” Once she did that, Lee told Cathy she would experience a rebirth and all of her healing abilities would return.

The next day Cathy went into her work and tried to quit her job. “My boss was shocked and dismayed,” she said. “We aren’t just work associates, we are very good friends. He was visibly upset and wanted to make certain that this was what I really wanted.”

A series of accusations

Cathy had depleted her savings and was about to be unemployed when she started to have doubts about Lee’s abilities. She hadn’t experienced the “rebirth” that Lee had promised. So she turned to the internet, something she now admits she should have done before agreeing to meet Lee in first place.

Cathy learned from online news articles that Lee had previously been arrested in 2017 and later pled guilty to identity theft for trying to rent a \$6,000-a-month apartment in Soho under another person's name. She was sentenced to three years of probation.

Unknown to Cathy, around the same time the two met, Lee was also charged in Manhattan for a similar scenario in which she allegedly rented an apartment on the Upper East Side under a stolen identity and was evicted after failing to pay \$22,000 in rent payments. That case is ongoing, and her next court appearance is Jan. 19.

Lee is no stranger to the press. A [2017 New York Times profile](#) documented her years working as the Greenwich Psychic in the wealthy Connecticut suburb alongside upscale boutiques, before moving to Manhattan. Reportedly, she was even once hired by Saks Fifth Avenue to give readings to customers who spent \$100 or more.

The details of a 2015 lawsuit filed by a woman named Sheila McKiver against Lee are almost identical to Cathy's allegations. Lee allegedly convinced McKiver to drain her 401K, worth \$32,900, which Lee promised to put in a lock box at St. Patrick's Cathedral and cleanse of evil spirits, the New York Times reported.

During her search, Cathy also found online reviews that were written about Lee, some of which were positive, but some which contained warnings about her charging lots of money to remove so-called curses.

"At that moment, my world came crashing down, having come to the realization that I had been conned," Cathy said. "I just sat there stunned and in complete horror. I was now penniless at the age of 64. The humiliation, the shame, the guilt, the grief, the anger and the total loss of self-esteem all overwhelmed me."

Cathy couldn't sleep and her anxiety worsened. She sought professional help. "I have never felt so ashamed of anything in my life," Cathy said.

The PI vs. the Psychic

In one of the articles Cathy read, she learned about Bob Nygaard, a former New York City police officer, who now works as a private investigator. He is contacted by people who have recently gone through negative life events, like death, divorce or illness and end up losing money to psychics who claim they can fix their problems.

When asked how someone could fall for such an outlandish scam, Nygaard cites his experience working with all kinds of victims, even doctors and college professors, who suspend their critical-thinking skills in the face of emotional distress.

“And at the moment the psychic is an expert, a professional con artist who knows how to prey upon that momentary weakness,” Nygaard explained in a recent interview. “They don’t stand a chance. It’d be like me going out on a basketball court and thinking I’m going to beat LeBron James one-on-one. It’s not happening.”

One way they deceive people is by claiming to be affiliated with a reputable organization, like Cathy contended Lee did with St. Patrick’s Cathedral. It’s a common tactic known as “source credibility,” according to the watchdog agency Financial Industry Regulatory Authority.

And it often takes on a religious tone in fortunetelling scams.

“They’ll say, ‘And now that we’re going to remove this curse, we need to work with money because it is the devil and the root of all evil,’” Nygaard said. “They use a lot of religious terminology, such as ‘I have to take your money to the altar. I have to talk to Father John and I have to talk to Sister Mary. I have to go consult with my superiors at the church about your case. I’m doing God’s work.’” This kind of deception works especially well on people who observe a religion or practice spirituality, he said.

Along with the emotional manipulation, Nygaard suspected there is often another psychological principle at play: the sunk cost fallacy.

“People would rather sink more money into something than admit what they have already put in is gone,” Nygaard explained. “So when a victim is dealing with a psychic, now they’re \$25,000 or \$50,000 in. The psychic has been telling them they’re going to get the money back. They’re also worried if they confront the psychic and say, ‘Hey, you know something? You scammed me. You’re a scammer,’ the psychic is going to take off on them and they’ll never get their money back.”

Psychic services industry

According to Pew Research Center, an estimated 15 percent of Americans have consulted psychics or fortunetellers in the past year. The psychic services industry, a catch-all term for astrology, palm reading and mediums, is expected to rise to \$2.2 billion by the end of 2018, according to a report from IBISWorld.

“As more individuals opt to enter the industry, several scams have spurred city officials to create industry-specific regulation,” the report noted. It went on to cite a 2013 California case in which a psychic was charged with grand theft and extortion for swindling \$1 million from a man by claiming he was under a love curse.

New York has a statewide law against fortunetelling, a misdemeanor punishable by 90 days in jail or a \$500 fine. The statute prohibits people from claiming to lift curses or possess occult powers in exchange for money.

It exempts people who operate “for entertainment purposes,” which may explain the number of psychic storefronts that seem to dot every other block in midtown Manhattan. Many of them offer \$10 crystal ball reading—relatively harmless compared to reports of scammers who swindle people’s entire life savings.

Yet Nygaard believes that even these storefronts may allow con artists to prey on people whom they deem as easy targets. He is frustrated when people blame the victim, don’t take fortunetelling seriously and when officials refuse to prosecute certain cases. That can allow psychics to keep operating, he said, even after they’ve been charged with theft or fraud.

A trial looms

Bedford police arrested Lee for her alleged scam against Cathy at the end of November. Lee was also arrested in July for a similar accusation by a woman in Mount Pleasant. In these cases, she was not charged with fortunetelling, but with third-degree grand larceny, a felony punishable by up to seven years in prison. After her November arrest, she was released and is now awaiting trial.

In response, Lee sued Nygaard for \$44 million. The lawsuit, filed Dec. 5 in Westchester County Supreme Court, claims Nygaard has repeatedly defamed her and ruined her business by finding her past clients and convincing them they had been scammed.

“Mr. Nygaard has slandered my client,” said Gary Jenkins, an attorney who represents Lee in the case. “He said things that are not true to third parties, unless Mr. Nygaard can prove that my client does not possess psychic powers.” Jenkins claimed Lee’s fortunetelling business is protected speech under the first amendment.

When asked if Lee had ever claimed to be affiliated with the church or claimed the ability to lift curses in exchange for money, Jenkins said, “I have no knowledge of that,” and said to contact Lee’s criminal defense attorney, John D. Pappalardo. Pappalardo did not answer subsequent phone calls requesting comment.

On Dec. 7, a judge ordered Nygaard not to defame Lee on social media, but did not go as far as granting Jenkins' request to bar Nygaard from communicating with Lee's previous clients or contacting law enforcement about Lee.

Nygaard declined to comment on the lawsuit.

Cathy describes what happened to her as "emotional abuse," and speaks openly about her case in the hopes of helping other victims. "I refuse to suffer in silence like many fortunetelling crime victims do," she said. Cathy reportedly recovered about half of the money she lost to Janet and is working to get the rest back.

According to a report by the Federal Trade Commission, U.S. consumers reported losing a total of \$905 million to fraud in 2017—\$63 million more than in 2016. Tax fraud, identity theft and imposter scams were among the top categories, although it's unclear how much money is lost in fortunetelling scams, alone.

The FTC encourages anyone who has been a victim of fraud, identity theft or deceptive business practices to file a complaint online, or by calling the FTC's Consumer Response Center at 1-877-FTC-HELP (1-877-382-4357).