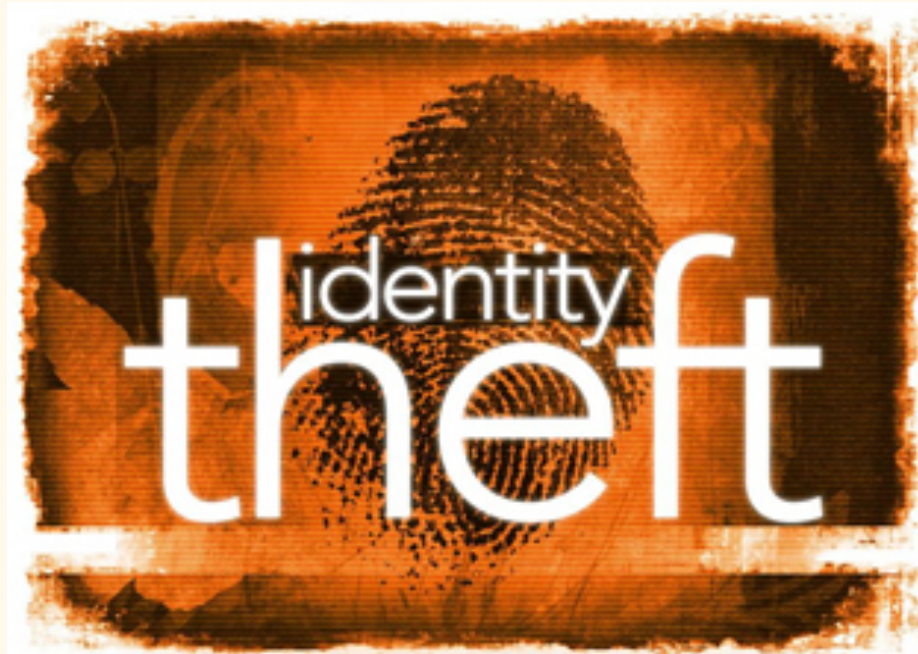


Seniors Identity Theft, Scams and Fraud



SENIORS *Helping* SENIORS®
...a way to give and to receive®



Seniors Helping Seniors Orange County and San Diego

Sue Erskine, CSA, Co-Owner

Mary McFadden, Director, Orange County

Diane Stelling, Community Relations

The Mission of Seniors Helping Seniors® is to provide seniors with the services that allow them to choose an independent lifestyle in their own homes and be treated with the dignity and respect they deserve.



Seniors Helping Seniors

- **Services Offered:**
 - Companionship
 - Dementia Care
 - Light Housekeeping/Meal Preparation
 - Transportation
 - Personal Care
 - Family Respite
 - 24-Hour Care
- **Employ Seniors:**
 - Personally rewarding
 - Flexible Work Schedule
 - Supplement Retirement Income

SENIORS *Helping* SENIORS®
...a way to give and to receive®



This Presentation will cover:

- **Identity Theft**
 - What it is, how it happens, prevention, and actions to take after your identity has been stolen
- **Scams**
 - Types of scams, situations to avoid, at-risk activities, targets, perpetrator's intentions



The Problem

- **15 million Americans each year are victims of ID theft,**
 - average victim's financial loss is **\$3,500**
 - **25 hours** to recover from the ramifications of the theft
 - Seniors are scammed out of approximately **\$2.6 billion** per year (MetLife Mature Market Institute)
- **Why do thieves target seniors?**
 - Most likely to have "nest egg"
 - More inclined to use "Snail Mail"
 - Raised to be polite and trusting
 - Less likely to report fraud
 - Susceptible to products related to health, cognitive functioning, extending retirement funds



What is Identity Theft?

Identity Theft –

- Thief assumes your identity in order to access resources or obtain credit and other benefits in your name
- Thief uses your PID to commit fraud or other crimes



Types of Identity Theft?

- Financial – true name
- Criminal
- Medical
- Synthetic – fastest growing



Financial Identity Theft

- Thieves gain access to credit card, debit card, or bank account information
- Drain victims funds
- Use credit/debit cards to purchase goods for themselves or for re-sale



Protecting Against Financial Identity Theft

- Run a regular credit report
- Opt-out of solicitations when possible
- Snail mail makes you more vulnerable to identity theft
 - Suspending mail delivery during vacations, using a P.O. Box, shredding mail and utilizing online bill pay and direct deposit options can greatly reduce risk
- Shred, Shred, Shred
 - Do not throw away personal/financial information



Protecting Against Financial Identity Theft

- Limit the information you carry in your purse/wallet
- Protect your home
 - lock information in a safe place and be mindful of who you allow into your home
 - Annually review your information to ensure nothing is missing
- Internet Security
 - “phishing scams” – look at URL
 - unsolicited email requesting your personal information
 - Never click on a link in a phishing email
 - Run a virus scan regularly
 - Clear your “cookies” regularly
- Never Give your credit card number over the phone unless you made the call



Medical Identity Theft

- **Thieves Use Your Identity to Get Medical Services**
 - Very dangerous – causes discrepancies in medical history and you can receive the incorrect treatment
 - You become fiscally responsible for someone else's medical/pharmaceutical bills
 - Denial of insurance claims and coverage when you need them most
- **Protect yourself by monitoring your medical records**
 - Pay special attention to the details on bills and invoices



Criminal Identity Theft

Thieves use your identity to commit crimes and damage your reputation

- Can be difficult to convince law enforcement that it was not actually you who committed the crime
- Victims usually only learn their identity has been stolen when:
 - They are arrested from an outstanding warrant
 - A background check reveals criminal activity in their name



Synthetic Identity Theft

- **Fastest Growing** – 80-85% of all identity fraud
- **Thieves create an entirely new identity using your Social Security number**
 - They combine different biographical information and a different name in conjunction with your Social Security number
 - Very difficult to detect since only “bits and pieces” of your identity has been stolen
- **Warning Signs:**
 - Mail sent to your home addressed to someone else
 - Inflated annual earnings
 - Unexpected denial of credit/loan/fragments your credit record



Scams

- ***Scam artists are criminals*** – it is not your fault or your lack of judgment for falling victim to a scam
- **Remember scam artists are career criminals who practice their craft!**
- **Not just wealthy seniors who are targeted**
- **Landlines cause most problems**
- **Not always strangers**



Can You Name the Top 10 Scams Targeting Seniors??



NCOA Top Ten Scams Targeting Seniors

- 1. Health Care/Medicare/Health Insurance Fraud**
- 2. Counterfeit Prescription Drugs**
- 3. Funeral & Cemetery Scams**
- 4. Fraudulent Anti-Aging Products**
- 5. Telemarketing**
- 6. Internet Fraud**
- 7. Investment Schemes**
- 8. Homeowner/Reverse Mortgage Scams**
- 9. Sweepstakes and Lottery Scams**
- 10. The Grandparent Scam**



***"Please I choose to contact you from this media, for easy communication. I want to invest some capital left behind by my late husband there in your country and I need your assistance to wisely put the capital into a good profit business, under your full control."
Mrs. Alimah Negedo.***



Health Care Scams

Medicare Scams

- Seniors receive offers for free diabetes testing equipment, back braces, arthritis medications, etc.
 - Solicitor pretends they are calling directly from Medicare
 - Try and get you to provide your Medicare ID number (which includes your social security number)
 - Lure you in with free medical supplies/medications
 - Rolling Lab Schemes



Tips for Avoiding Health Fraud

- Never sign blank insurance claim forms.
- Never give blanket authorization to a medical provider bill- Ask your medical providers what they will charge and what you will be expected to pay out-of-pocket.
- Carefully review your insurer's explanation of the benefits statement.
- Do not do business with door-to-door or telephone salespeople who tell you that services of medical equipment are free.
- Give your insurance/Medicare identification only to those who have provided you with medical services.
- Keep accurate records of all health care appointments.
- Know if your physician ordered equipment for you.



Counterfeit Prescription Drug Scams:

- Most commonly these scams operate on Internet
- Growing in popularity – FDA investigating 20 + per year
- Danger – paying money for something that will not help but more importantly purchasing substances that inflict harm
- Discount but the catch is “Membership” or other fee involved

If purchasing medication over the Internet –

- Closely examine the packaging and lot numbers of prescription drugs and be alert to any changes from one prescription to the next.
- Consult your pharmacist or physician if drug looks suspicious.
- Alert your pharmacist and physician immediately if adverse side effects or condition does not improve.
- Do not use unlicensed online distributors or those who sell medications without a prescription
- Look for **Verified Internet Pharmacy Practice Site (VIPPS)**, provided by the Association of Boards of Pharmacy in the United States.



Funeral and Cemetery Scams

- Scammers read obituaries and attend funerals to take advantage of those grieving – extort money for fake debts
- Disreputable funeral homes – prey on unfamiliarity with the considerable cost of funeral expense
- Be an Informed Consumer – shop around before buying
- **FTC – The Funeral Rule**
 - Price lists must be provided
 - Secure approval before embalming
 - Casket not required for cremation
 - No false claims about preservative value of caskets
- **Good resource Funeral Consumer Alliance – www.funerals.org**



Fraudulent Anti-Aging Products

- If it sounds too good to be true it probably is
- Don't be afraid to ask questions – see research
- Be wary of products that claim to cure everything
- Testimonials and celebrity endorsements often misleading
- Be careful if marketed as “No side effects”
- Always consult Doctor before starting anything



Telemarketing Fraud – If it sounds too good to be true it probably is!

- **Telemarketing scams often involve offers of free prizes, low-cost vitamins and health care products, and inexpensive vacations.**
- **There are warning signs to these scams: If you hear these—or similar—“lines” from a telephone salesperson, just say “no thank you,” and hang up the telephone:**
 - “You must act now, or the offer won’t be good.”
 - “You’ve won a free gift, vacation, or prize.” But you have to pay for “postage and handling” or other charges.
 - “You must send money, give a credit card or bank account number, or have a check picked up by courier.” You may hear this before you have had a chance to consider the offer carefully.
 - “You don’t need to check out the company with anyone.” The callers say you do not need to speak to anyone, including your family, lawyer, accountant, local Better Business Bureau, or consumer protection agency.
 - “You don’t need any written information about the company or its references.”
 - “You can’t afford to miss this high-profit, no-risk offer.”



Tips for Avoiding Telemarketing Fraud

- Don't buy from an unfamiliar company – ask them to send information and wait to you receive it.
- Obtain a salesperson's name, business identity, telephone number, street address, mailing address, and business license number before you transact business. Some con artists give out false names, telephone numbers, addresses, and business license numbers. Verify the accuracy of these items
- Charity – find out how much goes to commissions/ admin costs BEFORE donating (www.charitynavigator.org)
- Don't pay anything for a "free prize"



Internet Scams

- Scam artists often use “phishing” scams to retain your personal information
 - Dropping viruses – “free anti-virus check or software”
 - Tricking you to providing them with the information they need – may even have some personal info – last 4 of social
 - Legitimate companies/financial institutions will not ask for sensitive information via email
 - Go to company site if you think may be legitimate – look at URL



Financial/Investment Scams

- Variety of types – Bernie Madoff Pyramid schemes, Nigerian Prince, complex financial products, loan modifications, free lunch seminars (Fed and state investigators - 50% exaggerated or misleading claims and 13% fraudulent)
- Be wary of “opportunities” that involve bringing in others
- Always independently verify legitimacy of any franchise or investment before you invest
- Red flag phrases –
 - *A chance to get in on the bottom floor*
 - *Need to make a decision right now*
 - *Guaranteed profit or minimal risk*
 - *Deal based on Insider information*
 - *Offer based on classified information*



Homeowner Mortgage/Reverse Mortgage

- Legitimate reverse mortgages increased greater than 1300% 1999-2008 – scammers taking advantage of popularity – do your research before considering
- Unsecured reverse mortgages can lead to owners losing homes
- Property tax scam – official looking letter offers to lower taxes for a fee



Sweepstakes and Lottery Scams

- We want to win, spend the money in our minds – no such thing as a free lunch
- Scammers inform of “winning” but require money be sent to collect prize (attorney fees, taxes, etc.)
- May be sent a fake check – will take days to clear meanwhile money collected quickly by scammers
- San Diego priest recently lost life savings
- Shred offers – illegal for companies to ask for money to get winnings or to buy something to enter



Grandparent Scam

- Devious because it uses the victim's love of their grandchildren (could be other family/ friends as well)
- Get a call – "Hello Grandma, do you know who this is?"
- Once "in" "grandchild describes financial problem (overdue rent, car repairs, accident, bail) to be paid via Western Union or MoneyGram
- "Don't tell my parents"



Home Improvement/Contractor Scams

- Appear legitimate: trucks with company information, equipment, uniforms, etc.
- Show up claiming to have extra materials from a nearby job
- Often appear after a major storm or disaster to provide relief
- Promise a large scope of work, way below the cost an actual contractor could or would do
- May appear as they are really working
 - Bringing materials
 - Moving things from one place to another
 - Doing minimal work to make it appear as though a real job was done
 - Have a friend who needs to access your house



IRS Tax Fraud

- Applies to both living and non-living victims – growing problem – recently featured on 60 Minutes
 - The family of the non-living victim should take immediate action when they learn it is taking place
- Criminals will try to file taxes under your name to receive your tax refund
- It is a federal crime and must be reported both to the IRS and to your local police department
 - After reporting, keep in mind that if you owe taxes, you are still subject to penalties if your taxes are not paid on time
 - You must re-file your taxes which must be done through direct postal mail for 1-3 years, and it will take longer to receive your return (if you are owed one)
 - Be sure to talk over investments with friends, family or trusted advisor – especially ones that come by phone!



Romance Scams

- **Users of relationship/dating websites (especially faith based and older adult sites) are especially targeted by criminals**
- **Perpetrators take on very empathetic roles:**
 - Widows/widowers
 - Soldiers/Veterans
 - Recovering from a medical condition
- **The relationship starts out perfect – they appear as though they are your soul mate**
- **You fall in love, and suddenly the scam artist becomes desperate for your help and needs your money to:**
 - Come see you
 - To get out of a bad situation
 - Get home while stranded
- **When you refuse to give money, or stop giving money the relationship becomes threatening and verbally abusive**
- Victims have been known to cash in investments and have even lost their homes or retirement savings in order to provide for their new “love”



Remember:

- You are not the winner of a contest, especially one you did not enter
- If you really win a contest the taxes will be paid out of the winnings – you don't need to send money to get what you supposedly won.
- Your loved one is not stranded and in need of money to get home
- Your grandchild has not been arrested
- The soldier does not need your assistance to get home
- Wiring money to and from is not a legitimate "work from home" job
- You are not the relative of royalty in a country you cannot find on a map, and no you are not entitled to any inheritance from that country



- If you owe money on a loan you will not be arrested for non-payment
- Charities do not actually need your social security number to accept your donation – they do not have to report that to anyone for tax purposes
- If a business is legitimate they will send written documentation
- Wiring money to Nigeria will not help bring a dog home from Afghanistan



What to Do once Victimized

- **Seek Help!**
 - Dealing with ID Theft, Fraud, Scams and Abuse is difficult for anyone at any age
 - Turn to a professional to help assist you with the necessary steps
 - Report the crime – typically \$50 limit of risk but Federal law requires reporting within 60 days
 - Address damages
 - Restore your good name and safety
- **If left unreported the situation will only get worse**



Check Our Website for More Information:

www.HomeCareBySeniors.com

Thank You!

SENIORS *Helping* SENIORS®
...a way to give and to receive®

