

Update: Senior Fraud



Senior Fraud

Know the signs and learn to protect yourself

It used to be that a person was as good as his or her word. Unfortunately, in today's world that's not always the case. Fraud is prevalent throughout our society, from corporations to contractors to caregivers. Older citizens are too often the target of a variety of schemes.

Seniors make good fraud targets for many reasons. Many older people have a lot of assets, or are looking for opportunities to quickly enrich their retirement savings so their money will last for the rest of their lives. Criminals use this to their advantage, targeting seniors with schemes that promise large returns on investments or the chance at big cash winnings.

It is also seniors' manners and attitudes that make them prime fraud targets. Older people tend to be trusting and polite, with a desire to be helpful and friendly – not the type to hang up on a pushy telemarketer. Many seniors are home alone during the day and welcome the company of anyone who seems genuinely interested in them.

Has an older person in your life been the victim of fraud?

These signs may indicate someone you love is at risk for fraud. Talk with them, and encourage them to file a report if they have been a victim.

- Frequent calls or visits from strangers offering “opportunities.”
- Payments being picked up by a courier.
- Unfamiliar phone charges.
- Unexpected changes in bank or investment account balances.
- An unusual quantity of junk mail.
- Sudden home improvement activity.
- Talk of guaranteed investment returns or once-in-a-lifetime opportunities.

In addition, some seniors are vulnerable and have trouble remembering things. Many are hesitant to seek help with their financial matters, and embarrassed to report possible fraud or tell someone they think they've been scammed. These generalizations aren't true for many seniors, but it's easy to see why targeting older people has become big business for thieves.

According to the Federal Trade Commission (FTC), more than 30 million Americans are victims of consumer fraud each year. Consumer Action estimates that seniors 60 and older account for 30 percent of fraud victims. These numbers are expected to increase as the baby boomer generation ages. Studies by the Consumer Law Center found that fraudulent telemarketers targeted nearly 80 percent of their calls to older customers.

Common scams that target seniors:

- **Identity theft** – criminals use your personal information (name, birth date, social security number) to access your accounts or apply for credit or loans in your name.
- **Phishing** – emails that look legitimate – they purport to be from your bank or another reputable agency – but are actually requests for information (bank account or credit card numbers) used to steal your identity.
- **Investment fraud** – phony investments promising unusually high returns
- **Foreign lotteries or sweepstakes** – notices that you've won a foreign lottery you never entered. They ask you to send money for taxes on the winnings or processing fees, or to send your bank account information for verification.
- **Charity scams** – requests from organizations with names similar to the real charities. Check Charity Watch to see if a charity is legitimate – 773-529-2300 or charitywatch.org.
- **Contractor fraud** – traveling contractors, usually not licensed or insured, insist on a large cash payment up front, then never complete the work.
- **Home equity loan fraud** – “easy financing” offers for home repairs or improvements that may not be needed can carry high interest rates and are secured by your home, which you will lose if you can't make the payments.

Common tip-offs can help you avoid being scammed. Be suspicious if an offer tells you that you have won a prize or free gift, are one of only a chosen few selected to receive a special offer, must pay for shipping your prize or free gift, or must act immediately. Never respond to an offer that requires your credit card number, birth date, social security number or bank account information, or says a courier will come to your home to get your payment.

About My Health Care Manager

My Health Care Manager helps older adults and their families understand and navigate the health issues and complex decisions associated with aging. For more information, contact My Health Care Manager, 8520 Allison Pointe Blvd., Suite 230, Indianapolis, IN 46250, 317-598-8921 or 800-499-8020 or visit us on the Web at www.MyHealthCareManager.com.

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Ways to Protect Yourself:

- **Safeguard your property and assets.** Keep financial documents in a safe place and store valuables in a safe deposit box.
- **Avoid credit card fraud.** Regularly check statements for false charges. Shred all credit card statements, receipts and offers.
- **Get your credit report.** It's free to obtain your credit report annually from the top three agencies at the only official site, www.annualcreditreport.com.
- **Check investments** and brokers before investing with the Securities and Exchange Commission (SEC) or National Association of Securities Dealers (NASD).
- **Register for do not call lists** and junk mail registries (see Resources).
- **Beware email scams.** Avoid opening emails from senders you don't recognize. Never send personal or financial information via email.
- **Hang up on telemarketers** who pressure you or ask for credit card or other personal information over the phone.

Tips for dealing with offers from telemarketers, mail or the Internet:

- Offers too good to be true usually are. Ask for the offer in writing so you can read it carefully before making a commitment.
- Resist the urge to act now. An offer that's good today will still be good tomorrow.
- Only do business with companies that provide their name, street address, and phone number.
- Read the fine print before paying any money or signing any contracts.
- Never give out personal information over the phone or Internet unless you initiated the contact and you are sure the company is reputable.

What to do if it happens to you

What should you do if you do become a victim of fraud? Call the police – you may need to file a police report to help you prove that you were a victim. Report fraud to the Federal Trade Commission at 1-877-FTC HELP or ftc.gov. You can also contact state or local officials such as your district attorney or state attorney general. You can report fraudulent businesses to the Better Business Bureau, Chamber of Commerce, and service rating agencies such as Angie's List.

Medical fraud is cause for concern

Medical fraud is an area of special concern to seniors. It can take many forms, including false health claims, caretaker crimes, and insurance and Medicare fraud.

Health scams are becoming more prevalent as the population ages. A magazine or TV offer may promise a "miracle cure" or "secret" treatment, with testimonials from people who have been "cured." Often these treatments are bogus, and you end up with a jar of worthless placebos. Or worse, you end up with "medicine" that could cause dangerous side effects, especially in combination with other legitimate prescriptions you take. Always talk to a professional before trying one of these remedies.

As more and more families use outside assistance in caring for their aging loved ones, caretaker crimes are a concern. Be alert for caregivers who try to isolate you from your friends and family, inquire about your will or investments, request power of attorney, or try to control or influence you. If this happens, call a family member or your state's Adult Protective Services.

Insurance fraud is often easier to commit against an older person who is juggling many kinds of medical care, physician visits, and prescriptions. Someone could use your insurance to pay for their medical care or a fraudulent salesperson might steal your information while offering to file paperwork for you. The FBI advises against signing blank insurance claim forms, giving blanket authorization to medical providers to bill for services, or giving insurance or Medicare information to anyone who has not provided medical services. Keep track of your appointments and treatments, and routinely check your explanation of benefits (EOB) forms from your insurer for accuracy.

Medicare fraud can involve agents misrepresenting fee-for-service Medicare Advantage plans (which replace traditional Medicare coverage) or solicitations from companies offering Medicare drug cards (which is prohibited). For the benefits available to you, visit Medicare's web site (www.medicare.gov) or call 800-MEDICARE (800-633-4227).

Though most people are still honest and trustworthy, you and your loved ones must be aware of fraud that target seniors. By protecting yourself and watching for the warning signs of a scam, you can protect yourself ... and your money.

Resources

- **National Crime Prevention Council** publishes *Seniors and Telemarketing Fraud 101*, 1-800-WE-PREVENT or <http://ncpc.org/topics/by-audience/seniors/publications-1>.
- **National Consumer League's Fraud Center** offers information on many types of scams and a fraud victim complaint form at <http://www.fraud.org>.
- **Consumer Action** provides advice and referrals on consumer problems, 415-777-9635 or <http://www.consumer-action.org>.
- **Do Not Call Registry** – sign up at 1-888-382-1222 from the phone number you want to register or go online to <http://www.donotcall.gov>.
- **Federal Trade Commission** provides information on how to opt out of credit card offers and junk mail, <http://ftc.gov/bcp/edu/pubs/consumer/alerts/alt063.shtm>.
- **Securities and Exchange Commission**, 1-800-732-0330 or <http://www.sec.gov>, or **North American Securities Administrators Association**, 1-202-737-0900 or <http://www.nasaa.org>, can verify investment offers. NASAA's Senior Investor Resource Center includes an investor's bill of rights, top 10 investor traps and other valuable educational materials.
- **AARP** offers links to examples of investment scams, http://www.aarp.org/money/wise_consumer/investment_fraud.
- **National Center on Elder Abuse** has contacts for state Adult Protective Services, 800-677-1116 or <http://www.ncea.aoa.gov>.
- **My Health Care Manager**, 800-499-8020 x 1 or <http://www.myhealthcaremanager.com>.

This information is meant to complement the advice of your health care providers, not replace it. Talk to your doctor if you have any health concerns.

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