

Protecting Yourself from Scams



Compiled by LIFE's Health Insurance Counseling Program
(918) 664-9000 • www.LIFEseniorservices.org

Protecting Yourself from Scams

Telemarketing and financial scams, fraud and identity theft are all serious concerns for older adults in the United States. In fact, the National Council on Aging considers financial scams targeting seniors the “crime of the 21st century”.

While anyone can fall prey to unscrupulous business practices, it is widely accepted that seniors are often targeted as “easy marks”. This is true for several reasons, including:

- Most of today’s seniors were raised to always be trusting; they want to believe that the people they talk with are truthful and honest.
- Most of today’s seniors were raised to always be polite; they don’t want to seem rude or disrespectful of others, so it may be harder for them to resist a sales pitch, to say no, or to hang up the phone.
- Many seniors today, especially those who have lost their spouses or live alone, are socially isolated and lonely. They may enjoy and even look forward to calls from “friendly” telemarketers.
- Many seniors are worried about their finances and how to manage their current and future needs on a limited income. This concern makes them more susceptible to investment schemes or sweepstakes and lottery scams.
- Health and cognitive issues, or even the effects of some medications, may compromise judgment and the ability to make good decisions.
- Once a person falls victim to one scam, their name and personal information is frequently shared with other scammers on “sucker lists” – setting them up to be victimized repeatedly.

According to the Federal Trade Commission website, the FBI estimates that there are over 14,000 illegal telemarketing operations bilking thousands of people every day. As much as \$40 billion per year is lost to fraudulent telemarketers.

The good news is that you do not have to be a victim! There are things you can do to educate and protect yourself and your assets. We hope that this publication will help you recognize potential scams and fraudulent business schemes, and empower you to resist and stand firm against those who would take advantage of you.



LIFE Senior Services is a non-profit Tulsa Area United Way organization that helps more than 25,000 seniors and family caregivers each year, offering information, education and services that promote independence, dignity and quality of life.

For help with your questions or concerns about aging-related issues, please call SeniorLine at 918-664-9000.

Ten Easy Tips for Avoiding Scams

By following these simple tips, you can go a long way toward protecting yourself from being victimized by a con artist, thief or fraudulent scam.

1. Know that you are at risk when doing business with strangers. Don't believe or trust unsolicited salesmen or callers. If it sounds too good to be true, it probably is!
2. Stay involved with friends, family and community activities. Isolation and loneliness increase your risk of being scammed.
3. Tell unsolicited callers that you do not buy from telephone offers. If it's something you think you might be interested in purchasing, request that the caller mail you the information and offer. Don't be pressured into making a quick, on-the-spot decision.
4. Make a practice of not giving to charities that solicit you by phone. Scammers will often claim to be a charity that sounds like a trusted national charity, but isn't. Even if it is a legitimate charity, if a telemarketing firm is making the calls, the charity is probably actually getting 10% or less of your "donation".
5. Sign up for the "Do Not Call" Registry (www.donotcall.gov or 1-888-382-1222) to remove your phone number from telemarketing lists. You may still legally receive calls from companies you currently do business with and companies to whom you've given your contact information, as well as calls from political and charitable organizations.
6. Do not open your door to people you do not know. Don't buy from door-to-door salesmen.
7. Never give your credit card, banking, insurance or personal information (including birthdate and Social Security or Medicare numbers) over the phone unless you initiated the call. Medicare, Social Security nor your bank will ever ask for you to verify your personal information on a call they initiated.
8. Use direct deposit for benefit checks and mail your payments from a U.S. post office or public mail drop. This protects you from having checks stolen from your mailbox.
9. Shred any credit card offers or applications you receive in the mail, as well as receipts that have your credit card number on them.
10. Be skeptical of any unsolicited offers, and thoroughly research companies you are considering hiring or doing business with. Contact the Better Business Bureau, call references provided by the company, and check out their reputation on the Internet.

Top 10 Scams Targeting Seniors

1. **Health Care/Medicare/Health Insurance Fraud:**

Every U.S. citizen or permanent resident over age 65 qualifies for Medicare, so there is rarely any need for a scam artist to research what private health insurance company older people have in order to scam them out of some money.

2. **Counterfeit Prescription Drugs:**

Counterfeit drug scams operate on the Internet where seniors increasingly go to find better prices on specialized medications. This scam is growing in popularity—since 2000, the FDA has investigated an average of 20 such cases per year, up from five a year in the 1990s.

3. **Funeral & Cemetery Scams:**

The FBI warns about two types of funeral and cemetery fraud perpetrated on seniors. In one approach, scammers read obituaries and call or attend the funeral service of a complete stranger to take advantage of the grieving widow or widower, claiming the deceased had an outstanding debt with them. Another tactic of untrustworthy funeral homes is to bank on family members' unfamiliarity with the considerable cost of funeral services to add unnecessary charges to the bill.

4. **Fraudulent Anti-Aging Products:**

Whether it's fake Botox like the one in Arizona that netted its distributors (who were convicted and jailed in 2006) \$1.5 million in barely a year, or completely bogus homeopathic remedies that do absolutely nothing, there is money in the anti-aging business. These scams can drain resources and sometimes a bad batch can have health consequences.

5. **Telemarketing:**

Perhaps the most common tactic scammers use is fraudulent telemarketing calls. With no face-to-face interaction, and no paper trail, these scams are incredibly hard to trace. Once a successful deal has been made, the buyer's name is then shared with similar schemers looking for easy targets, sometimes defrauding the same person repeatedly.

6. **Internet Fraud:**

Internet scams are everywhere on the web. Pop-up browser windows simulating virus-scanning software will fool victims into either downloading a fake anti-virus program (at a substantial cost) or an actual virus that will open up whatever information is on the user's computer to scammers.

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7. Investment Schemes:

From pyramid schemes to fables of a Nigerian prince looking for a partner to claim inheritance money to complex financial products that many economists don't even understand, investment schemes have long been a successful way to take advantage of older people.

8. Homeowner/Reverse Mortgage Scams:

Scammers like to take advantage of the fact that many older adults own their homes, a valuable asset that increases the potential dollar value of a certain scam. For trusted information on reverse mortgages and consumer protections, we encourage seniors to visit <http://www.ncoa.org/independence-dignity/home-equity.html> and www.homeequityadvisor.org or call Consumer Credit Counseling Service of Oklahoma at (918) 744-5611 or toll-free (800) 324-5611.

9. Sweepstakes & Lottery Scams:

Scammers inform their mark that they have won a lottery or sweepstakes of some kind and need to make some sort of payment to unlock the supposed prize. Often, seniors will be sent a check to deposit in their bank account, knowing that while it shows up in their account immediately, it will take a few days before the (fake) check is rejected. During that time, the criminals will quickly collect money for supposed fees or taxes on the prize, which they pocket while the victim has the "prize money" removed from his or her account as soon as the check bounces.

10. The Grandparent Scam:

The Grandparent Scam is simple and underhanded because it uses one of older adults' most reliable assets, their hearts. Scammers will place a call to an older person and when the mark picks up, they will say something along the lines of: "Hi Grandma, do you know who this is?" When the unsuspecting grandparent guesses the name of the grandchild the scammer most sounds like, the scammer has established a fake identity. Once "in," the fake grandchild will usually ask for money to solve some unexpected financial problem, to be paid via Western Union or MoneyGram, which don't always require identification to collect.

Tips for Avoiding Telemarketing Fraud

It's very difficult to get your money back if you've been cheated over the telephone.

Before you buy anything by telephone, remember:

- **Don't buy from an unfamiliar company.** Reasonable businesses understand that you want more information about their company and are happy to comply.
- **Always ask for and wait until you receive written material about any offer or charity.** If you get brochures about costly investments, ask someone whose financial advice you trust to review them. But, unfortunately, beware—not everything written down is true.
- **Always check out unfamiliar companies.** Check them with your local consumer protection agency, Better Business Bureau, state attorney general, National Fraud Information Center, or other watchdog group. Unfortunately, not all bad businesses can be identified through these organizations.
- **Obtain a salesperson's detailed information.** Ask for their 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.
- **Look for a guarantee.** Before you send money, ask yourself a simple question: "What guarantee do I really have that this salesperson will use my money in the manner we agreed upon?"
- **Find out where your money will go.** Before you give money to a charity or make an investment, find out what portion of the money is paid in commissions and what portion actually goes to the charity or investment.
- **Don't pay in advance for services.** Pay services only after they are delivered.
- **Be cautious of companies that want to send a messenger to your home.** Some fraudulent companies want to send someone to pick up money, claiming it's part of their service to you. In reality, they are taking your money without leaving any trace of who they are or where they can be reached.
- **Always take your time making a decision.** Reasonable companies won't pressure you to make a snap decision.
- **Don't pay for a "free prize."** If a caller tells you the payment is for taxes, he or she is violating federal law.
- **Know your limits.** Before you receive your next sales pitch, decide what your limits are—the kinds of financial information you will and won't give out on the telephone.

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- **Wait, think, and discuss before you decide.** Be sure to talk over big investments offered by telephone salespeople with a trusted friend, family member, or financial advisor. It's never rude to wait and think about an offer.
- **If you don't understand, don't respond.** Never respond to an offer you don't understand thoroughly.
- **Know who you're dealing with.** Never send money or give out personal information such as credit card numbers and expiration dates, bank account numbers, dates of birth, or Social Security numbers to unfamiliar companies or unknown persons.
- **Realize your information is shared.** Be aware that your personal information is often brokered to telemarketers through third parties.
- **Be cautious of help with losses.** If you've been victimized once, be wary of persons who call offering to help you recover your losses for a fee paid in advance.
- **Always report fraud.** If you have information about fraud, report it immediately to state, local or federal law enforcement agencies.

Having Fun with Telemarketers

1. If they start out with, "How are you today?" say, "Why do you want to know?" Or you can say, "I'm so glad you asked, because no one seems to care these days and I have all these problems, my back is acting up, my eyelashes are sore, my dog just died..." When they try to get back to the sales process, just continue on with telling about all your problems.
2. Insist that the caller is really your buddy Leon, playing a joke. "Come on Leon, cut it out!! Seriously, Leon, how's your momma?"
3. Tell them you are hard of hearing and that they need to speak up...louder ...louder...
4. Tell them to talk VERY SLOWLY, because you want to WRITE DOWN EVERY WORD.
5. Tell the telemarketer you are busy and if they will give you their phone number you will call them back. If they say they are not allowed to give out their number, then ask them for their home number and tell them you will call them at home (this is usually the most effective method of getting rid of telemarketers). If the person says, "Well, I don't really want to get a call at home, say, "Yeah! Now you know how I feel." (smiling, of course...)

Ways to Stop Telemarketer Calls

1. The best way to get rid of a telemarketer call from multiplying into more calls is to politely interrupt and ask "Can you place me on your "Do Not Call List? Thank you and have a good evening." You would have taken control and stopped that company from the phone calls. It is important that you say these words - "Please place me on your Do Not Call List." By law any company that hears these words will have to oblige or risk being fined. Telemarketers calls are recorded to further enforce this policy.
2. If you have registered your home phone and mobile phone with the Do Not Call Registry, you should not be receiving telemarketing calls after 31 days. If you do receive calls, you can go to www.donotcall.gov and file a complaint or you can call them at **1-888-382-1222**. Multiple complaints are taken seriously and companies found in violation can be fined.

Tips for Protecting Your Identity

Many people don't realize how many different ways identity thieves can obtain personal information, nor how easy it is for them to do it. Here's how to protect yourself:

- **Monitor your bank and credit card statements.** Check your accounts regularly, so you can catch any purchases made on your credit card by persons other than yourself. The same goes for cash withdrawals.
- **Do not fall for Internet scams.** Understand what Internet scams are and don't respond to any attempts. Do not click on the links in the emails.
- **Beware of telephone scams.** Never give out personal information over the phone to someone who claims to represent your bank, credit card company, or other organization. People are not always who they claim to be.
- **Be careful with your mail.** Sometimes identity thieves will steal your mail right out of your mailbox in order to obtain your personal identifying information. To reduce this threat, try not to let incoming mail sit in your mailbox for a long time. If you're going to be away for extended periods of time, have the post office hold your mail for you. When sending out sensitive mail, consider dropping it off at a secure collection box or at the post office.
- **Be careful when using account information in public.** Whether punching in your PIN number at an ATM or filling out forms with personal information on it, be sure to cover the keypad or complete paperwork in as private a setting as possible. Also, don't give out credit card information over the phone in a public place when, for example, making travel reservations. Make those calls in private.
- **If you suspect that you have been a victim of identity theft:**
 1. Contact your bank(s) and credit card companies immediately.
 2. File a report with the police. The police may not be able to do very much themselves, but companies you work with to clear up identity theft issues may want to see a copy of this report.
 3. Put out a fraud alert to the credit-reporting agencies:
 - a. Experian: 1-888-397-3742 (TDD 1-800-972-0322)
 - b. Equifax: 1-888-766-0008 (TDD 1-800-255-0056 and request connection to Auto Disclosure Line at 1-800-685-1111)
 - c. Transunion: 1-800-680-7289 (TDD 1-877-553-7803)

Protecting Your Loved Ones

You may be interested in not just protecting yourself, but also protecting a parent or other older loved one from being scammed as well. Unfortunately, most seniors who become victims are embarrassed and reluctant to admit that they have been scammed. Very seldom do they report their situation to authorities, much less to their friends or family.

Here are some signs to watch for, however, that may indicate your loved one has been victimized by a scam or con artist.

1. Your loved one is bouncing checks or bills are going unpaid when there should be enough money to cover their basic needs (housing, groceries, utilities, medications, etc.).
2. Your loved one is making unusual or unnecessary purchases, such as new golf clubs or expensive jewelry.
3. Your loved one is making unnecessary or unplanned home repairs, such as new windows or siding.
4. You notice piled up sweepstakes mailings, magazine subscriptions, or “free gifts” in their home.
5. Unusual withdrawals or debit drafts are made from their banking or other cash accounts. Or, a large check is written to someone you don’t know.
6. Your loved one becomes close to a “new friend” or much younger person, especially if your loved one begins distancing himself from other friends or family members.
7. Your loved one’s caregiver becomes overly interested in your loved one’s finances, or doesn’t allow other friends or family to visit or talk with him/her.
8. A change is made in your loved one’s power of attorney or the beneficiaries listed on their insurance or investment accounts.
9. Your loved one becomes more secretive or uncomfortable talking about their finances with you.

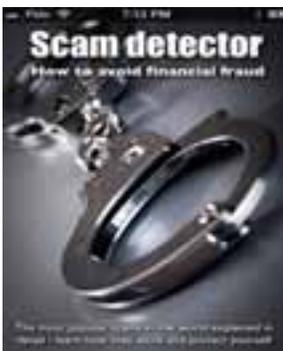
Steps to Take If You Are Victimized

If you think you've become a victim of fraud or a telemarketing scam, please don't be afraid or embarrassed to tell someone. Waiting, or worse yet, not reporting the incident, can only make matters worse.

- Immediately, call your bank and/or credit card company. Often your funds can be restored if you report promptly.
- Report fraudulent telemarketers to:
 - Federal Trade Commission (FTC) at www.ftc.gov or by calling 1-877-FTC-HELP (1-877-382-4357)
 - Oklahoma Attorney General's Office at www.oag.ok.gov/consumer
- Report suspected Medicare fraud to the Oklahoma Insurance Department at www.smp.oid.ok.gov or by calling 1-888-967-9100

If you are still unsure about how to report the incident, then call LIFE Senior Services at 918-664-9000 or toll-free (outside Tulsa) at 866-664-9009 and we'll be glad to help.

There's an App for That!



If you are an I-Phone user there is an app you can download to help you search for potential scams. The app is called Scam Detector. The free version that offers information on 90

scams, or for 99 cents you can download the full app and access information about more than 500 scams.

Stamp Out Identity Theft



The ID Guard Stamp can be found at Office Depot, Staples, Sears, Amazon.com and Overstock.com. You can use it to hide your name

on mailings you throw out. Price: \$7.50+

Helpful Resources

Adult Protective Services:

Oklahoma Hotline –
1-800-522-3511

Credit Reports:

www.AnnualCreditReport.com

Federal Trade Commission:

www.ftc.gov/idtheft
www.ftc.gov/phonefraud
www.ftc.gov/moneymatters

Protection against Fraud:

www.OnGuardOnline.gov
www.DoNotCall.gov
1-888-382-1222

Identity Theft:

1-877-ID-THEFT
My Medicare Matters:
www.mymedicarematters.org

National Foundation for Credit Counseling:

www.nfcc.org
1-800-388-2227

Medicare, Senior Medicare Patrol:

www.smpresource.org
1-800-Medicare

BenefitsCheckUp®:

www.BenefitsCheckUp.org
1-888-268-6706

Social Security Fraud Hotline:

1-800-269-0271

FBI's Internet Crime Complaint Center:

www.ic3.gov

Better Business Bureau:

www.bbb.org
918-492-1266

Useful Links

Aging and Disability Resource Centers (ADRC):

www.adrc-tae.org

**Administration on Aging's
National Center on Elder Abuse:**

www.ncea.aoa.gov

Food Bank Search:

www.feedingamerica.org

IRS Volunteer Income Tax Assistance Program:

www.irs.gov
Home Equity Advisor:
www.homeequityadvisor.org

National Council on Aging:

www.ncoa.org/savvyseniors

**Senior Community Service
Employment Program:**

www.dolta.gov/seniors

**Supplemental Nutrition Assistance Program
(Food Stamps):**

www.fns.usda.gov

Information for this handbook prepared in part from information provided by:

National Council on Aging
www.NCOA.org

Federal Trade Commission
www.ftc.gov/phonefraud



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