

The Tavares Police Department

Frauds and Scams


Detect, Deter and Prevent




Sgt. Joseph Kellan



Elder fraud

- ✓ **Seniors aged 60 and older account for about 15 percent of the population in the United States**
 - ✓ **According to some estimates, seniors comprise 30 percent of fraud victims**
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Overview of topics

- ✓ **Recognizing senior scams**
 - ✓ **Protecting yourself from fraud**
 - ✓ **Steps to take if you become a victim**
 - ✓ **Resources and referrals**
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Why are seniors targeted?

- ✓ Seniors can be more vulnerable
- ✓ Some seniors are very trusting
- ✓ Older people often believe the pitches they hear
- ✓ Seniors have trouble spotting fraud
- ✓ Older victims find it difficult to end unwanted telemarketing calls
- ✓ Seniors are often reluctant to seek advice about financial matters


Generalizations about seniors

- ✓ **Have a lot of assets**
- ✓ **Open to claims of quick profits to bolster their retirement savings**
- ✓ **Have trouble remembering things**
- ✓ **Isolated socially and desire company**
- ✓ **Have strong values about politeness in dealing with others**
- ✓ **Often avoid reporting that they've been scammed**


Sucker lists

- ✓ If you often respond to sweepstakes or contests, your name might be added to lists sold to con artists
- ✓ A sucker list contains the names of people who have been, or are good candidates to be, victims of fraud
- ✓ People on the lists may hear from crooks who claim they can help recover, for a fee, money lost to a con artist


Phishing

- ✓ **A term is used for emails that claim to be from your bank, a reputable business or a government agency**
 - ✓ **Criminals ask for personal information such as Social Security numbers or account numbers to steal funds and/or steal identities**
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Nigerian letters

- ✓ **E-mails that ask recipients to provide their bank account number to help them share in a big pot of money**
 - ✓ **If you respond to these letters you will lose your money**
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Sweepstakes and lotteries

- ✓ **You're told that you've won a sweepstakes or the Canadian lottery**
 - ✓ **You're asked to pay for processing, taxes or delivery, or provide a bank account number to verify your identity**
 - ✓ **No one ever receives a penny except for the thieves**
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Charities

- ✓ **'Sound-alike' names can be tricky**
- ✓ **Nonprofit and charitable groups must file IRS Form 990**
 - Check 990s at GuideStar www.guidestar.org
- ✓ **Before you donate, check to see if the charity is legitimate**
 - www.charitywatch.org: 773-529-2300


Work-at-home scams

- ✓ **Do not respond—these offers are scams**
 - ✓ **If you respond, you'll be asked to pay for supplies upfront**
 - ✓ **Might ask you for your credit card, bank account or Social Security numbers for fraudulent uses**
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Credit card fraud

- ✓ **Keep an eye on your credit cards at all times**
 - ✓ **Unscrupulous employees might steal the information from your credit card and use it to make counterfeit cards**
 - ✓ **Shred all credit card statements, receipts and solicitations before throwing them away**
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Dumpster diving

- ✓ Crooks look in garbage cans and elsewhere for discarded credit card statements and receipts to obtain the card numbers
 - ✓ These papers can be used to steal your identity and set up credit in your name
 - ✓ Shred sensitive papers
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Contractor fraud


- ✓ **Traveling contractors are rarely licensed or insured and often take a large cash payment up front**
- ✓ **They will probably never return to complete the work**
- ✓ **When you need a contractor for a home improvement job, get at least 3 estimates from reputable local contractors**

Fly-by-night lenders


✓ **Phony lenders**

- **set up offices in low income and minority neighborhoods**
- **Get homeowners' signatures on loan documents**
- **Disappear with the loan money**
- **Loans may be resold to another lender who then forecloses on the homes**

Investment fraud

- ✓ **Everyone would like to see his or her money grow faster**
 - ✓ **Crooks try to convince people to buy phony investments with promises of unusually high returns**
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Avoid investment fraud

- ✓ **Do your homework about investments**
 - ✓ **If you are targeted with questionable investment offers, notify the U.S. Securities and Exchange Commission (SEC)**
 - ✓ **Call your state attorney general's office to file a complaint**
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Checking investments

- ✓ **Check with the SEC before investing**
- ✓ **Has the offering has been cleared for sale in your state? Call your state securities department**
- ✓ **Check disciplinary actions against brokers with the Central Registration Depository (CRD)**
- ✓ **Financial Industry Regulatory Authority (FINRA) may provide a disciplinary history on a broker or firm.
FINRA BrokerCheck: 800-289-9999 or www.finra.org**

Pyramid schemes

- ✓ Promoters recruit investors and use them to recruit more investors
- ✓ Investors are promised a fabulous return, such as 20% a year
- ✓ Some investors might receive money but eventually, the organizers run off with everything
- ✓ Pyramid schemes are often called “investment clubs” or “gifting circles,” and can involve the sale of products or distributorships

ID theft

- ✓ **ID theft criminals use your personal information to apply for credit or government benefits**
 - **Your name**
 - **Your birth date**
 - **Your Social Security number**
 - **Your address**
 - **Your bank account or credit card numbers**


Fake cashier's checks

- ✓ **Crooks scan want ads looking for victims**
- ✓ **Answer ads and offer to pay by “cashier’s check” for more than the sales price**
- ✓ **Ask you to wire the remainder of the money back to them or to give the extra money and the merchandise to a “shipper”**
- ✓ **Check turns out to be a fake and you lose the merchandise and the money**

Caretaker crimes

- ✓ **Be alert for caregivers**
 - **who try to isolate you from your friends and family**
 - **who ask about your will and investments**
 - **who ask to be given power of attorney**
 - **who try to dominate or influence you**
- ✓ **Tell family members or call adult protective services**

Protect your property and assets

- ✓ Financial exploitation is often committed by a person that is trusted by the victim
 - ✓ Keep all important financial documents under lock and key in your home
 - ✓ Store valuables in a bank safe deposit box
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Health fraud

- ✓ **Signs of health fraud include:**
 - **Promoters of cures who claim that the medical establishment is keeping information away from consumers**
 - **Testimonials from people who supposedly have been cured**
 - **“Secret formulas” that no one else has**
 - **The use of infomercials—programs that look like news, but are just lengthy ads paid for by the promoter**

Living trusts

- ✓ **Living trusts are a legitimate estate-planning tool**
- ✓ **Typically, consumers with low income and small estates do not need them**
 - **Consider a living trust only if your estate's value is higher than the state's minimum limit for probate**
 - **These are called “small estate” limits and vary by state**

Warning signs of fraud

- ✓ **Be suspicious if you hear**
 - **You've won a prize or free gift**
 - **You've been selected to receive a special offer**
 - **You must act immediately or lose out**
 - **You must pay for shipping your prize or free gift**
 - **Give us your credit card number and expiration date to verify that you are a credit cardholder**

Current area trends

✓ Be suspicious of...

- All online romance asking for money. Usually portrayed as a service member that needs money to get home.
- Family member involved in an accident or some type of legal trouble. Generally portrayed as a “grandchild”.
- Anyone trying to keep you on the phone for what they deem as a urgent reason. Will ask for gift cards or bitcoin deposits.

Current area trends

✓ Be suspicious of...


- **Windows / Microsoft calling to let you know they have gotten an error on their server from your computer. Can start with a pop-up saying to click on it or call a phone number.**
- **Anyone asking to remote into your computer or screen share and then ask to see banking information.**
- **Emails or text messages saying a package is being held up or an account needs attention with a link to click on.**

Current area trends

✓ Be suspicious of...

- The IRS will never call you to let you know you have a warrant. The IRS does not accept payment via gift cards or bitcoin.
- These scams will attempt to tug at the heart strings and take advantage of your trust or overall greed.
- **IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS.**

More warning signs of fraud

- ✓ **You're asked for personal information**
 - ✓ **You're asked to donate to an agency whose name sounds like a well known charity**
 - ✓ **You're one of only a chosen few to receive this offer**
 - ✓ **A courier will come to your home to get your payment**
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Protect your assets

✓ Never

- reveal your financial information to someone who calls you on the phone
- allow strangers to come into your home
- believe that a stranger will use your money for a good purpose
- assign power of attorney to people you don't know very well
- sign contracts that have any blank lines in them

If you become a victim...

- ✓ **Call the police**
 - You may need a police report to help you prove that you were a victim
- ✓ **Contact your state and local law enforcement agencies such as your district attorney's office or the state attorney general**

State Elder Abuse Prevention

- ✓ **Directory of Elder Abuse Prevention Resources**
 - **The National Center on Elder Abuse**
www.ncea.aoa.gov
 - Click on “Find State Resources”
 - **Call 800-677-1116**

U.S. Administration on Aging

- ✓ **The federal agency that advocates for older persons**
 - www.aoa.gov

Consumer Action

- ✓ **Consumer Action provides non-legal advice and referrals on consumer problems**
 - **Web site: www.consumer-action.org**
 - **E-mail: hotline@consumer-action.org**

Visit www.tavares.org
for additional information

Any Questions???