MOAA Annual Meeting

Lead-off Session:

An Overview on Scams and Frauds

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The Case of Helen Anderson

Helen allowed a niece to stay at her home while she traveled

The niece allowed a friend "Sally" to stay in the house with her

Sally stole information from Helen and used it to steal her identity

- **Helen received word from Credit Union of a $300 debit card use**
- **Few days later, credit card had a $5000 charge**
- **$5000 charge was paid with one of her checks from another account**
- **Then another $500 payment was made from another account of Helen's**

Sally was "becoming Helen" with each transaction

- **Sally stole Helen's personal info and used it to crack security questions into accounts**
- **Sally reset user/passcodes/security questions so Helen could not access her own accounts**
- **Sally now had enough Helen info to start a credit monitoring service as Helen allowing access to Helen's credit records**
- **Sally reported Helen's cards stolen and Sally opened all new cards as Helen with Sally's user/passcodes—blocked Helen**
- **Sally had new ID cards made with Helen's info but Sally's picture—Sally *was* Helen to the outside world**
- **Sally forwarded Helen's mail to a post office box**
- **Sally had a driver's license updated; Sally's face, Helen's info**
- **Sally had Helen's SSN and requested a new Medicare card due to the ID theft**
- **Sally used equity in Helen's home (which was paid for) for purchases—placing her home at risk**

Helen did not receive account statements; firms called her but she did not have the security info to verify her accounts

Helen couldn't prove who she was as Sally was able to prove it better and easier

Sally and her accomplices were caught after many months—she made too many mistakes

Helen still deals with the aftermath as the ID theft

It complicates every financial action—her funds were restored but the mental trauma remains

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The Nature of Criminal Activity

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Known Forms of Scams and Frauds

Educating yourself on the specific type of scam is a waste of time

Business Email Compromise Banking Scams Celebrity Impostor Scams Census Scams Charity Scams Credit Repair Scams

Cruise Scams Cryptocurrency Fraud Debt Collection Scams Debt Relief Scams Dietary Supplement Scams Disaster Scams

Email Extortion Scams Funeral Scams Gift Card Scams Government Grant Scams Greeting Card Scams Grandparent Scam

Health Insurance Scams Holiday Scams Home Improvement Scams Identity Theft Impostor Scams Investment Fraud

IRS Impostor Scam Kidnapping Scam Lottery Scam Medical Equipment Scams Medical Identity Theft Medicare Card Scams

Medicare Fraud Moving Scams Nigerian Scams Online Pharmacy Scams Online Shopping Scams Package Scams

Pet Scams Phishing Phone Scams Ponzi Schemes Pyramid Schemes Public Wi-Fi Scams Ransomware Robocalls

Romance Scams Social Media Scams Social Security Scams Spear-Phishing Sweepstakes and Lottery Scams Tax ID Theft

Tax Scams Tech Support Scams Ticket Scams Time-Share Resale Scam Travel Scams 'Update Account' Scams

Utility Scams Vacation Scams VA Pension Poaching Veterans Charity Scam Veterans Scams Weight-Loss Scams

Work-at-Home Scams

There’s a new one everyday

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The Criminal Environment

- **Criminals will do things you can't imagine**
- The criminal technology is cutting edge
  - **Drone hacking**, electronic surveillance of open Wi-Fi
  - **Deep-fake technology**, voice and video counterfeiting
- The criminals will always be ahead of enforcement
  - Always a new scam before an old one is known
- There is no one to protect you
- You are your own worse enemy; our psychology works against us
- Everything is a threat; the threat will get worse

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Identifying a Problem

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To Recognize a Scam, You Have to Think Like a Criminal

Your 'goodness' is your weakness…

- **Trust and desire**: their objective is to get you under their spell. You want what's being pitched and you trust them to make it happen.
- **Humans are emotional creatures**; they appeal to your emotions and your reason goes out the window. You will believe you are talking to a friend.
- **A stranger comes along who solves a problem for you**. They provide all the answers for your situation.

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They Know Your Emotional Buttons

Greed: "Buy these gold coins now and reap the profits!"

Fear: "Investing in this insurance will protect your lifetime income."

Scarcity: "Only four left at this price!"

Urgency: "Of the 10 we had, only four are left!"

Flattery: "Given your expertise, you know the importance of this opportunity."

Intimidation: "If you don't take action now, federal agents will be involved."

A criminal will determine your "buttons" and use the appropriate pitch to push your buttons motivating you to take an action.

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Red Flags of Money Frauds

- Guarantees
- Unregistered products
- Unrealistically high and consistent returns
- Complex strategies
- Missing documentation
- A pushy salesperson

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Tactics

- Pose as a trusted bank, favorite retail store, government agency, charities, tax professional, friend of a friend,
- Something wrong with your account
- Violation of a law
- Tell you to open a link in email or download an attachment
- Send you to a fake but real looking website

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You Are In a Scam When…

You are requested to take an action…ANY action

- There is a need to pay an up-front fee
- You are given a guarantee; of anything
- Act now or lose out…
- Requesting personal information
- Written correspondence has grammatical errors
- There is no physical address you can check or visit
- They want a questionable, untraceable payment
- They want access to your computer
- They use an unsecure web site (no 

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Recognize Phishing Emails

An Email used to suck you into a theft

- **Also "Smishing" text messages**
- Looks real; company/government agency (IRS, Social Security)
- They tell a story tricking you to click a link or open atch
- They claim suspicious activity / log-in attempts
- They claim a problem with your account / payment info
- Request you confirm personal information
- May include a fake invoice

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Common Traits of Phone Scams

- You won a prize!
- You Did Something Wrong; You'll be arrested
- You need to decide NOW
- You need to send a payment
- It's a call from a government agency; IRS typically
- It's a sales pitch (insurance, Medicare, mortgages, etc.)
- It's a charity seeking donations
- It's your bank, credit union, broker, etc.
- It's about debt or credit
- Investment opportunity pitch
- Extended car warranties
- Travel or Free trials

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Real or Fake?

IRS

Dear business owner,

A criminal complaint has been filled against your company.
Your company is being accused of trying to commit tax evasion schemes.
The full text of the complaint file (PDF type) can be viewed on the IRS website, by visiting the following link :
http://www.irs.gov/complaints/view_complaint.aspx?complaint_id=312142&hash=194yt8dhui8g42

An official response from your part is required, in order to take further action.
Please review the charges brought forward in the complaint file, and contact us as soon as possible by :

Telephone :
Toll-Free, 1-800-829-4933
Email: complaints@irs.gov

http://[redacted].ru/wp-content/themes/sidious/stylechanges/css/complaint.php

ALERT
Link in fake IRS email goes to malicious code on a hacked website

Thank you,
Internal Revenue Service
Fraud Prevention Department

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The Government Does Not Pitch Products

Sample Letter #1

CMS

You May Be Able To Save $1,608 Or More In Medicare Costs!

If you can't afford Medicare premiums or other medical costs, you may be able to get help. Medicare Savings Programs may help pay Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) premiums, deductibles, coinsurance, and copayments. Extra Help is a Medicare program that may help pay Medicare prescription drug (Part D) deductibles, premiums, and copayments. You need to enroll in a Medicare prescription drug plan to get Extra Help.

If you file an application for Extra Help, you don't have to file a separate application to get help from your State. Social Security will send information to your State to find out if you qualify for a Medicare Savings Program. Social Security won't send information if your Extra Help application shows you're not interested in Medicare Savings Programs.

Am I eligible for a Medicare Savings Program?

To qualify for a Medicare Savings Program, your monthly income and total resources (like money in a bank, stocks, or bonds) must be at or below the amounts shown in this table:

Medicare Savings Programs	
2017 Monthly Income Limit *	
Single	Married (living together)
$1,377	$1,847
2017 Total Resource Limit **	
Single	Married (living together)
$7,390	$11,090

(over)

How do I Apply for Medicare Savings Programs?

Call your State Medical Assistance (Medicaid) office to get more information and apply for a Medicare Savings Program. To get the number for your State Medicaid office, visit **Medicare.gov/contacts** or call **1-800-MEDICARE (1-800-633-4227)**. TTY users can call **1-877-486-2048**.

Your State Health Insurance Assistance Program (SHIP) can help answer Medicare questions. To get the phone number for your SHIP office, see the back of your Medicare & You handbook, visit **shiptacenter.org** or call **1-800-MEDICARE**.

Am I eligible for Extra Help?

To qualify for Extra Help, your yearly income and total resources (like money in a bank, stocks, or bonds) must be at or below the amounts shown in this table:

Extra Help Program	
2017 Yearly Income Limit*	
Single	Married (living together)
$18,090	$24,360
2017 Total Resource Limit**	
Single	Married (living together)
$13,820	$27,600

* Some States, like Alaska and Hawaii, allow you to have more income. If you or your spouse work, you may qualify for benefits even if your income is higher than the amounts shown above.

** Some States allow you to have more resources. Your house, car, and up to $1,500 per person in burial expenses **don't count** as resources.

How do I apply for Extra Help?

Apply for Extra Help at **socialsecurity.gov/extrahelp** or call **1-800-772-1213** to get an application. TTY users can call **1-800-325-0778**. You can also apply at your local Social Security office. To get the address for your local Social Security office, visit **socialsecurity.gov/locator** online.

Get more information about Medicare prescription drug plans, visit **Medicare.gov** or call **1-800-MEDICARE**.

/s/
Nancy A. Berryhill
Acting Commissioner
Social Security Administration

/s/
Seema Verma
Administrator
Centers for Medicare & Medicaid Services

Form SSA-L448 (5-2017)

Prevention

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Don’t Trust Anyone

- Never have conversations with strangers about personal info
- Don’t reveal ANY personal info…ever
- You owe nothing to a stranger; be strong and cut off the communication
- Phone calls, hang up
- Emails, delete
- Never click on a link or attachment
- Don’t talk to people at the door unless you know them

90% of elder abuse is committed by a family member or friend

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Avoid the Hooks

- **Go To The Source**. Some scams are VERY REAL. Call the real company to verify
- A contact from a place where you don't have an account
- The message is missing your name, has bad grammar, spelling
- You're asked for personal information
- You won a lottery, prizes, or vacations! **No, you didn't**
- There is no problem with your accounts, Social Security, or taxes
- "Spoofing", fake telephone caller IDs

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Protect Your Identity

- Use Strong Passwords and PINs
- Note status of wireless connections
- Note status of downloading files
- Read your statements
- Secure your confidential paper documents: secure, place, dispose, shred

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Take Action to Prevent Damage

- Freeze credit
- Clear browsing history on your internet browser
- Use credit cards not debit cards, checks
- Use the two-level authentication process for accounts
- Lock your smartphone
- Read the fine print
- Get second opinions
- If you become a victim, own-up and report it
- Change compromised user/passcodes immediately

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Your Defense

- End the conversation. Practice saying "No" or hang up
  - Simply saying, "I'm sorry, I'm not interested. Thank you." is not good enough
- Don't get smart thinking you'll turn the tables on them
  - Don't. Just hang up. If you stay on the line for any reason, they win
- Talk to someone before investing
  - Discuss with a family member, investment professional, lawyer or accountant. Get a sanity check

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Your Financial Adviser Can Assist

- 2017 law allows financial firms/your adviser to:
  - Place temporary holds on accounts where exploitation is suspected
    - Designed to allow the financial industry to intervene to protect seniors
  - Make reasonable efforts to collect "trusted contact" information
- The Financial Industry Regulatory Authority (FINRA) Helpline:
  - FINRA is authorized by Congress to protect America's investors by making sure the broker-dealer industry operates fairly and honestly
  - https://www.finra.org/investors/have-problem/helpline-seniors
  - **Call 844-57-HELPS (844-574-3577), M–F, 9 a.m. – 5 p.m. EST**

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Actions as a Victim

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Need to Speak Up…But Some Won't

- Embarrassment
- Might lose your independence
- Fear of losing the connection if perp is a loved one
- Can't due to cognitive issues
- Don't recognize the scam
- Feel threatened, pressured, vulnerable
- Don't know what to do

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What to Do If ID is Compromised?

ACT FAST:

- **Change your User, Passcodes, and PINs**
- **Notify Police and get a report**
- **Notify your banks and financial firms**
  - Contact your lenders, banks, and insurance companies and let them know the situation. Ask to close accounts. Open new ones with new personal identification numbers (PINs) and passwords
- **Notify your credit cards**
- **Notify the DMV**
- **Notify your health insurance**
- **Enroll in fraud alert with credit agencies**
- **Notify Social Security**

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The Credit Agencies

Equifax Fraud Department
Call 1-800-525-6285
Visit www.equifax.com

Experian Fraud Department
Call 1-888-397-3742
Visit www.experian.com

TransUnion Fraud Department
Call 1-800-680-7289
Visit www.transunion.com

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What to Do If ID is Compromised?

How to file a complaint help at:

www.identitytheft.gov

IRS action:

https://www.irs.gov/identity-theft-central

Social Security scams:

oig.ssa.gov

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Helpful Web Sites

- **National Council on Aging**: www.ncoa.org
- **AARP**: www.aarp.org/money/scams-fraud
- **Federal Trade Commission**: www.consumer.ftc.gov/features/scam-alerts
- **Consumer Financial Protection Bureau**: www.consumer.ftc.gov/features/scam-alerts
- **Social Security**: www.ssa.gov/antifraudfacts
- **USA Gov**: www.usa.gov/stop-scams-frauds
- **IRS**: www.irs.gov/newsroom/tax-scams-consumer-alerts
- **FBI**: www.fbi.gov/scams-and-safety/common-fraud-schemes

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