

Other Common Scams

Seniors are also targeted for other financial scams—common ones include:

Charity Scams

Con artists often try to take advantage of the generosity of others. Be wary of any solicitations from charities you don't already know, as well as those you do. Verify that a charity (also known as an "exempt" organization) is legitimate before making a donation. Contact the **Internal Revenue Service** (see page 22) and the **CA Department of Justice** (see page 19).

Also note: be wary of invitations to invest in reconstruction bonds (especially after a well-publicized disaster such as a hurricane or fire).

Foreign Letter Fraud

You receive a letter (or e-mail) from a foreign government, foreign "official," or "widow," or someone claiming to be a U.S. service member, asking for your help to move money out of the country. (These are sometimes referred to as "Nigerian Letters.") Watch out! This is a ploy to get cash or your personal account information.

Home Repair Fraud

Door-to-door offers for "great deals" on yard work, roof repair, paving, chimney sweeping, house painting, and appliance replacement, etc., are not always a bargain. Many times such door-to-door contractors are not licensed. Their work may be incomplete or not up to building code standards, and you may be charged for inferior materials or unnecessary repairs or replacements. Workers may pressure you into making a decision on the spot without a written contract.

Before beginning any home repair projects, be sure to verify a contractor's license and liability insurance. Contact the **California Contractors State License Board** (see page 18) to verify a contractor's license.

Always obtain at least three written bids, and get references from previous customers. Never pay with cash, and California law allows you to initiate work by paying no more than 10% down or \$1,000, whichever is less. Don't make a final payment until you are satisfied with the job and all debris is removed from your property.

Impostor or Distraction Burglary

Sometimes scamsters impersonate utility, government, or commercial reps to gain access to your home, cash, or personal property. If you didn't call for service, don't allow them in. Always verify their legitimacy before allowing entry. Occasionally, someone may try to engage you in conversation at the front door so an accomplice can burglarize your home while you are distracted (these teams may even use children or lost pet tactics to gain your trust). Also, it is a good idea to keep your doors and garage locked while you are working in your yard.

Medicare Fraud

Medicare fraud takes several forms and costs taxpayers hundreds of millions of dollars per year. Sometimes patients get charged for services that Medicare already covers, so verify that all charges, including co-payments, are rightfully yours to pay. Don't carry your Medicare card unless you need it for a medical appointment. **NEVER** give your Medicare number to anyone except your health care providers, even at health fairs and "free" screenings. Be cautious—avoid health care providers who tell you something is **not usually** covered, but **they** can get Medicare to pay for it.

Medicare is often billed for services that you never received. Later, you may not be able to receive necessary care as the annual allotment was used up. Always review your Medicare Summary Notice, and report errors and concerns to the Medicare Administrative Contractor listed on the Medicare Summary Notice. Report suspected Medicare fraud to the **U.S. Department of Health and Human Services** (see page 21).

Also, safeguard your own medical privacy by never allowing anyone, except appropriate health care professionals, to review your medical records or recommend medical services. Also be aware that scamsters may try to steal your personal information from your medical records, so ask about data security.

Know your Medicare options—The Health Insurance Counseling and Advocacy Program (HICAP) assists individuals and families with Medicare problems, Medicare supplement insurance, managed care, long-term care planning and health insurance (see page 20 for **HICAP** listing).

Mortgage and Foreclosure Fraud

Predatory mortgage lending involves a wide array of abusive practices and usually impacts borrowers with weak or blemished credit records. Abuse includes pressuring consumers into signing loan agreements they cannot afford, and convincing consumers to sign loan agreements without reading them. Fraud may also include undisclosed or excessive interest, fees, prepayment penalties, balloon payments, bait and switch tactics, repetitive offers to refinance, or other inappropriate practices.

If you are having difficulty making mortgage payments, immediately contact your mortgage company and ask for help. Due to the subprime loan situation, companies may be willing to renegotiate loan terms. For information about mortgages and other credit-related issues, contact the **Federal Trade Commission** (see page 22).

Foreclosure fraud can occur when homeowners facing foreclosure are tricked into believing that they can save their home by transferring the deed to a third party, who promises to pay the up-front costs and sell the house back to the original owners when they can afford it. The third party profits by re-mortgaging the property, and sometimes then allows the property to go into default a second time. The original owners lose everything. If you are facing foreclosure, investigate payment options with your loan company and don't sign your property away.

Online Purchases and Online Escrow Fraud

Be cautious when making online purchases. Online scams include phony auctions, phony online escrow companies, and phantom merchandise. Don't give personal or financial information over the web (or phone), unless it's via a secure site and **you** initiated the contact. Secure websites have an "s" at the end of the **http** in their web address, displayed as **https**

Also, use a credit card for mail orders, phone orders, and online purchases. Credit cards provide better consumer protection than cashier's checks, debit cards, or checks, which draw cash directly from your account.

Phishing

Phishers create authentic-looking e-mails, text messages, and Internet pages that look exactly like the real thing in order to entice unsuspecting people into disclosing personal or financial information (such as credit card details or passwords). **Do not** respond to the e-mail or call the phone number listed, which might be bogus.

If you did not initiate the contact, **do not** provide any personal information via e-mail or by telephone. If the contact appears to be legitimate, verify the company's customer service telephone number by checking your most recent billing statement, and then call.

Sweepstakes and Lottery Winners

A call, e-mail, or letter (sometimes with an attached "check") proclaims that you just won a sweepstakes (for example, the Canadian or El Gordo lotteries), even though you never bought a ticket! Usually, the recipient is asked to transfer funds or send a cashier's check to pay taxes, legal fees or to submit bank information before the winnings can be claimed. Don't respond. It is ILLEGAL for legitimate sweepstakes to require funds, other than ticket purchase, before paying winnings.

"Sweetheart Swindle"

A senior is befriended by a younger person who pretends to truly care or expresses romantic interest, and then needs cash for various expenses. Don't fall for it! This can lead to financial devastation.