THE USAA EDUCATIONAL FOUNDATION®

PERSONAL SAFETY

protecting the elderly from fraud and abuse

our mission

The mission of The USAA Educational Foundation is to help consumers make informed decisions by providing information on financial management, safety concerns and significant life events.

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what you should know

Identity thieves and other criminals often target the elderly and the money they have saved for retirement.

As we age, the risk of becoming a victim of fraud and abuse increases. This publication contains information to help you plan for your own care, or advocate for your aging loved ones, by recognizing prevalent types of fraud and abuse, how they occur and how they can be prevented.

Why elders are vulnerable

Preying on the elderly seems unthinkable. But there are many things that make seniors targets for those with criminal intent:

- Older adults are more likely than younger adults to own a home, possess valuable items, have substantial savings and have an established credit rating.
- Elders tend to be trusting and charitable to strangers and more likely to say yes to a solicitation.
- Elders are less likely than younger adults to report fraud or abuse.
- Criminals assume elders who do report a crime will be unable to remember important details that lead to an arrest.
- Elders are more likely to live alone, be socially isolated and have no nearby family members.
- Elders may become overly dependent on a caregiver who takes advantage of them.

recognizing **elder fraud**

Elder fraud occurs when criminals posing as business representatives, government officials or other trusted individuals persuade older adults into giving away money, property or valuable personal information. Fraud can happen over the phone or Internet, by mail, at the doctor's office, or almost any place. That's why it's important to be on the lookout for warning signs.

Although every type of fraud has its own scheme, many use similar, tell-tale tactics:

- Everything is rushed — they demand that you act quickly.
- The promise is for something "Free" …but then you're asked to pay an amount on some pretense.
- The identification required involves a credit card number, bank account, social security number or similar type of private information.
- You are asked to sign a blank form that will be filled in later.
- You've won a prize for a sweepstakes you didn't enter, or an inheritance from someone you don't know.
- Your contact only provides an overseas address (suggesting the "business" is illegal in the U.S.).

frauds & scams

Here are some of the most commonly used scams. Although they can be used against any individual, of any age or income bracket, con artists typically target the elderly.

TYPE OF FRAUD	WARNING SIGNS
TELEMARKETING FRAUD Selling phone products and services or falsely promising “free” or low cost prizes (such as travel) by phone.	• You must act immediately for a one-time offer and aren’t allowed to think about it and call back later. • You have to pay postage and handling or other charges to receive a “free” gift or prize. • You must give money, a credit card or bank account number before receiving a product or service. • The company or individual will not send written information about themselves.
MAIL FRAUD It is a crime to use the U.S. Postal Service® to commit a crime, whether the scheme starts with a mailed letter, or begins over the phone or the Internet. Whenever the U.S. mail is used as part of an illegal operation, it is considered mail fraud.	• Receiving unsolicited sweepstakes or lottery offers asking you to pay a fee to enter. • Receiving unsolicited mail from foreign countries. • Receiving a lottery offer from a foreign country. **NOTE:** *It is illegal to conduct any lottery through the U.S. Postal Service® that involves a foreign country.*

TYPE OF FRAUD	WARNING SIGNS
INTERNET FRAUD Using the Internet to illegally purchase or sell products or services.	• Being asked to pay using an untraceable wire service or an overseas address. • Not receiving a tracking number that allows you to check on an online purchase. • Being offered an expensive item for a very low price (indicating the item may be counterfeit). • Reporting that merchandise you sent was never received. **NOTE:** *Legitimate sellers accept traceable payment options, such as credit cards or electronic payment services, like PayPal.*
IDENTITY THEFT Using someone else's name, address, Social Security number (SSN), credit card numbers or other personal information in a criminal manner.	• You find unauthorized withdrawals from your bank account. • You have unauthorized charges on your credit card statement or long distance phone bill. • A collection agency notifies you about a debt you did not incur. • You discover checks are missing from your checkbook. • Bank and credit card billing statements do not arrive on time, or not at all. • Your request for a credit card, loan or other form of credit is denied because you have unauthorized debts on your credit report.
MEDICAL FRAUD Using someone else's name, SSN or health insurance information to receive "free" medical care, prescriptions or products.	• You are asked to sign a blank insurance claim form. • You are offered free medical products in exchange for your Medicare number. • You receive medical bills for products or services you did not receive. • Your medical records contain incorrect information, such as the wrong age, blood type, medications or drug allergies.

cyberscams

Some scams target people selling items over the Internet, in which criminals falsely claim that the merchandise never arrived. Always require a proof of delivery signature when shipping merchandise to a buyer. FedEx, UPS and the U.S. Postal Service® offer this service as well as tracking systems.

COMMON SCAMS

WARNING SIGNS

ADVANCE FEE SCHEMES

A criminal asks victims to pay in advance for an item or service …which they never provide.

- Advance fee schemes may offer products, services, prizes, lottery winnings, investments or loans.
- They may also offer to help you claim fake inheritances or other money supposedly belonging to you.

CHARITY FRAUD

Someone who seems honest (but is in fact a criminal) asks for contributions to a fictitious charity supporting a sympathetic cause, such as helping homeless children or disaster victims.

- The criminal generally pressures you for an immediate cash contribution.
- The name of the false charity may closely resemble a legitimate one.

NOTE: *Legitimate charities will provide an annual report and financial statement about their costs and how your contributions will be used.*

INHERITANCE FRAUD

Victims pay the criminal to help them "recover" a supposed inheritance.

- You receive a letter or e-mail message about an unclaimed family inheritance that may be yours.
- In return for a fee, the criminal (often posing as a law firm or other respectable person) promises to settle the estate or provide information about how you can claim the fake inheritance.

NOTE: *Legitimate law firms, executors of wills and others who distribute estate funds generally do not charge rightful heirs a fee.*

COMMON SCAMS

WARNING SIGNS

SWEETHEART SCAMS

Confidence artists woo people and use or abscond with their wealth.

- A con artist befriends you, wins your affection and trust (may even become engaged to you) and takes over your estate or financial affairs.
- You willingly give this criminal money or control of your finances.
- When your money is gone, or switched to their account, the “sweetheart” abandons you.

WORK FROM HOME SCAMS

A variety of scams require the victim to accept a deposit into their account and then forward part of it on. The deposit is phony, but the liability to the victim is real.

- You receive a letter or e-mail message soliciting you to work from home.
- You are asked to provide your bank account information to a third party and advised that you will receive money into your account.
- In return, you are asked to keep a percentage of the money as a service fee and send the remaining money to a third party.
- You later discover that the deposit is declared invalid and you are required to pay back the money you withdrew and forwarded to the criminals.

NOTE: *Legitimate companies will send you employment documentation prior to hiring you, including IRS forms for federal income tax purposes.*

FORECLOSURE RESCUE SCAMS

Preys on the desperation of people in danger of losing their home by promising help and instead stealing their home.

- You are solicited by an unknown individual promising to help avoid foreclosure on your home.
- You are asked to transfer your deed of trust to the individual.
- You are then asked to send your mortgage payments to the individual.
- You later realize that the ownership of your home was transferred to that person.

important **precautions**

When faced with any request involving money, exercise caution. Scams can happen in the security of your home, at the ATM machine, in your car, out in public, and at any time of the day or night.

Take these steps to protect your assets, personal information and physical safety.

At home

- Use a secured postal mailbox.
- Open the door only if you recognize the individual.
- Use caller identification (ID) to screen incoming calls. Be suspicious of calls from unknown businesses or individuals. Report unwanted solicitation calls, particularly persistent callers.
- Always compare rates for home repairs or services. Do not pay cash in advance. Request a receipt for your payment, preferably on letterhead of the business providing the service.
- Register your phone number with the free National Do Not Call Registry at (888) 382-1222 or *donotcall.gov*
- Reduce unsolicited mail and e-mail. For instructions on removing your mailing address and e-mail address from promotional lists, visit the Federal Trade Commission (FTC) website at *ftc.gov/bcp/edu/pubs/consumer/alerts/alt063.shtm*
- Review your credit report at least annually. To request free copies of your credit report from each of the major consumer reporting agencies visit *annualcreditreport.com* or call (877) 322-8228.

At the ATM

- Never store your personal identification numbers (PINs) in your wallet or purse.
- Never disclose your PINs to anyone.
- Change your PIN at least every 6 months or when you are reissued a new debit card.
- Consider using a security “token” if provided by your financial institution. (This is usually some sort of physical device — such as a key fob — provided to secure the authentication process.)
- Monitor activity on your bank, credit card account and other financial accounts and review transactions often for unexplained charges or withdrawals.
- Always guard your information when using ATMs:
- Use ATMs only in familiar, well-lit locations where you feel safe.
- Do not use an ATM that appears to have been tampered with. Report it to the bank.
- Have your ATM/Debit card in hand and ready to use.
- When entering your PIN, shield the screen and keypad from onlookers, as well as microcameras that may be installed on the ATM to record your PIN.
- Cancel the transaction and leave if you sense suspicious activity.

In your vehicle

- Do not open the window or door for unknown individuals.
- Keep valuables out of sight, in a locked glove box or in the trunk.
- Keep your vehicle locked while driving.
- Do not drive on unfamiliar roads alone or at night.
- If you are being followed, drive to a safe public location for help, such as a police or fire station.

In public

- Carry a small wallet in a front pocket.
- If you must carry a purse, keep it in your possession at all times. Never place it in a shopping cart.
- Protect ATM/Debit cards and credit cards as carefully as you protect cash. If you keep financial information on your mobile device, treat it like cash as well.
- Park in a visible, well-lit area close to your destination's entrance.
- When returning to a parked car, don't linger outside the car, or inside with the door unlocked, while checking your phone for messages. (This makes you a likely target, because you are distracted and trapped.)
- Lock the doors immediately upon entering and exiting your vehicle.

All the time

- Resist high-pressure sales tactics. It is never rude to ask for more time to think about an offer.
- Consult several individuals you trust (such as a family member, trusted friend and a financial planning professional) before sharing personal information.

Remember, if an offer sounds too good to be true, it probably is.

FBI tips for avoiding telemarketing fraud

Telemarketing fraud is easy to fall for, but very difficult to prosecute. It's virtually impossible to get your money back if you've been cheated over the telephone. Before you buy anything by telephone, the FBI urges elderly people, who are prime targets, to remember these tips:

- Don't buy from an unfamiliar company. Legitimate 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 with your local consumer protection agency, Better Business Bureau, state attorney general, the National Fraud Information Center, or other watchdog groups. Unfortunately, not all bad businesses can be identified through these organizations.
- Obtain a salesperson's 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.
- Before you give money to a charity or make an investment, find out what percentage of the money is paid in commissions and what percentage actually goes to the charity or investment.
- Before you send money, ask yourself a simple question. "What guarantee do I really have that this solicitor will use my money in the manner we agreed upon?"
- Don't pay in advance for services. Pay services only after they are delivered.
- Be wary of companies that want to send a messenger to your home to pick up money, claiming it is 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. Legitimate 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.
- 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.
- 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.
- Never respond to an offer you don't understand thoroughly.
- 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.
- Be aware that your personal information is often brokered to telemarketers through third parties.
- If you have been victimized once, be wary of persons who call offering to help you recover your losses for a fee paid in advance.
- If you have information about a fraud, report it to state, local, or federal law enforcement agencies.

reporting **fraud**

take action!

If you suspect or discover that you have become a victim of fraud, write down every detail you can remember about the fraudulent event and report it to the authorities immediately. Even if you can't recover your own loss, you may be able to thwart the criminal before they victimize someone else.

Keep a record

Do your best to remember important details such as:

- Date of the incident.
- Name of the criminal and the organization he claimed to represent.
- Number of times the criminal contacted or attempted to contact you.
- Details of each transaction or contact with the criminal.
- Methods of contact (such as in person, phone, mail or Internet).
- If contact was made in person, provide a physical description.

Notify authorities

Report the fraudulent activity to the following organizations:

- Your local police or sheriff's department.
- Your state attorney general.
- Consumer reporting agencies.
- Fraud department at each bank or financial institution of accounts that have been compromised, if applicable.
- Federal Trade Commission (FTC) at *ftc.gov/ftc/contact.shtm*

CONSUMER REPORTING AGENCIES

EQUIFAX®

Equifax Inc. • Atlanta, GA • USA • www.equifax.com

(800) 685-1111 | *equifax.com*

Experian℠

(888) 397-3742 | *experian.com*

TransUnion®

(888) 909-8872 | *transunion.com*

FEDERAL RESOURCES

National Do Not Call Registry
donotcall.gov | (888) 382-1222

Federal Trade Commission (FTC)
ftc.gov/ftc/contact.shtm

FTC Bureau of Consumer Protection
ftccomplaintassistant.gov

National Center on Elder Abuse
ncea.aoa.gov

recognizing **elder abuse**

Elder abuse occurs when someone — often a caregiver or otherwise trusted individual — causes an elder harm, or creates the risk of harm, either intentionally or through neglect. The World Health Organization calls elder abuse "a violation of human rights and a significant cause of illness, injury, loss of productivity, isolation and despair." The abuse can involve physical harm or intimidation, psychological or emotional hurt, or even theft or financial manipulation owing to the victims' inability to protect themselves or stand up for their own rights. Everyone should be vigilant about protecting vulnerable elders from predators.

TYPE OF ABUSE	DEFINITION	WARNING SIGNS
PHYSICAL	Using physical force in a way that injures, impairs or causes pain. • Striking, beating, pushing, shoving, shaking, slapping, kicking, pinching, burning or other acts of violence. • Inappropriate use of drugs or physical restraints. • Forced feeding. • Physical punishment of any kind.	• Untreated injuries, such as bruises, welts, lacerations, sprains and fractures. • Broken eyeglasses. • Over- or under-use of prescription medications. • A sudden change in behavior. • A caregiver's refusal to allow the elder to be alone with visitors.
EMOTIONAL	Inflicting anguish, pain or distress through verbal or nonverbal acts. • Verbal insults, threats, intimidation, humiliation and harassment. • Treating the elder as an infant. • Keeping the elder isolated from family, friends or social activities.	• Seeming unusually withdrawn and uncommunicative or unresponsive. • Being emotionally upset or agitated. • Exhibiting unusual behavior, such as sucking, biting or rocking. • Indications that the elder is being ignored.

TYPE OF ABUSE	DEFINITION	WARNING SIGNS
SEXUAL	• Nonconsensual sexual contact of any kind. • Unwanted touching. • All types of sexual assault or battery. • Coerced nudity. • Sexually explicit photographing.	• Bruises around the breasts or genitals. • Unexplained sexually transmitted diseases. • Unexplained vaginal or anal bleeding. • Torn, stained or bloody underclothing.
NEGLECT OR ABANDONMENT	• Refusing or failing to fulfill caregiving or fiduciary obligations. • Not paying for needed home care services. • Not providing essentials, such as food, water, clothing, shelter or medication. • Not providing personal hygiene, comfort or safety.	• Dehydration, malnutrition or untreated bed sores. • Poor personal hygiene. • Unattended or untreated health problems. • Unsafe or unsanitary living conditions.
FINANCIAL	• Using the elder's money, property or assets illegally or improperly. • Unauthorized use of money or property. • Forging the elder's signature. • Coercing or deceiving the elder into signing a contract or will.	• Sudden change in finances and accounts. • Unexpected alterations made to the power of attorney status, will and trust document. • Unusual bank withdrawals or checks written as loans or gifts, or to "CASH." • The transference of property titles. • Loss of property.

SOURCE: *National Center on Elder Abuse (NCEA)*

risk factors for abuse

Many factors can affect the risk of abuse for infirm elderly people who rely on caregivers for their basic needs. Watch out for such signs as caregivers who exhibit stress or violent outbursts. And scrutinize the facility to ensure that it is safe, clean and well managed.

THE RISK OF ABUSE INCREASES WHEN THE FOLLOWING FACTORS ARE PRESENT:

CAREGIVER STRESS

Caregiving is difficult, even for the most loving and dedicated individual. The following circumstances can lead a caregiver to neglect or lash out at an elder:

- Having little or no help from family members or other caregivers.
- Overwhelming responsibilities that increase as the elder's abilities decline.
- Caring for an elder for long periods with no breaks or time off.
- Having the added burden of managing the elder's finances, property and assets.

NEGATIVE BACKGROUND

Caregivers who possess these traits are more likely to become abusers:

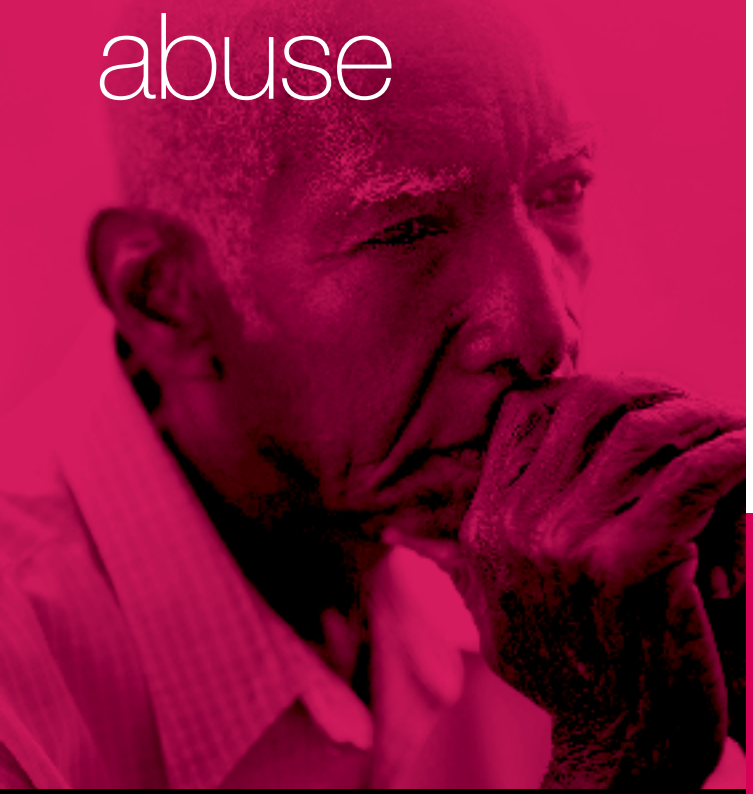
- A tendency toward verbal or physical aggression.
- A history of depression, mental illness or substance abuse.
- A history of domestic abuse.
- Previous criminal history.

SUBSTANDARD FACILITY

If you or a loved one lives in a residential care facility, it's critical to make sure that it is licensed and well managed. Abuse is more likely to occur in unlicensed and poorly managed residential care facilities. Here are some warning signs of a substandard facility:

- Lack of registered and licensed professional nurses.
- Too few employees working long hours.
- High staff turnover.
- Limited visiting hours.

prevent & **report** abuse



You are never responsible for becoming a victim of fraud or abuse. But you and your family members can take important steps to protect yourself or a loved one in your care from harm, and to secure personal finances in a way that discourages criminals.

Stopping fraud & abuse before they occur

Whether the elder you seek to protect is yourself—or you are an advocate for an aging parent or loved one — it's a good idea to learn the warning signs of fraud and abuse listed in this publication.

It's also important to work to support health and fitness. The more independent elderly persons remain — physically and mentally capable — the less vulnerable they are to abuse. If you are an elderly person, it's important to remain close to family members, friends and professionals who can help you with financial decisions.

There are a number of agencies to which you can and should report fraud or abuse.

Act immediately

If you know of or suspect elder abuse, report it immediately. Follow these instructions from the National Center on Elder Abuse (NCEA):

- Call 9-1-1 if you or someone you know is in immediate danger.
- Notify the police or Adult Protective Services (APS) to file a report.
- Call the elder abuse hotline for your state of residence. Find the appropriate number at *nccafv.org/state_elder_abuse_hotlines.htm*
- Call the national Eldercare Locator at (800) 677-1116 for additional referrals and information.

State laws protect the confidentiality of your report. Some states will allow you to file a report anonymously.

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