



# Identifying and Avoiding Scams

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# What is Identity Theft?



Identity theft is using another person's identity for economic gain. Thieves tend to use your identity in one of two ways:

1. Use existing accounts to make purchases, pay for services or withdraw money
2. Open new accounts or service agreements with stolen information

## How Does Identity Theft Happen?

- **Opportunistic**  
e.g., stolen or lost wallets or purses, misappropriated credit or debit cards, re-approved credit applications that you've discarded
- **Intentional schemes**  
e.g., asking for personal information in emails, calls or letters (called *phishing*), pretending to be you to use your benefits, applying for loans in your name

## Warning Signs of Identity Theft

- ATM or bank withdrawals you didn't make
- Credit card charges you don't recognize
- Bills from medical offices you haven't visited
- Mail you're expecting that doesn't arrive
- Calls from debt collectors
- Notices from the IRS about unreported income or multiple tax returns

## Protect Your Identity

- Don't share personal or account information on social media or emails
- Shred documents others could steal
- Check your credit reports routinely
- Report any suspicious financial transactions immediately to limit losses

## What to Do If Your Identity Is Stolen

- Don't be embarrassed—act!
- Call your bank and credit card issuers immediately so they can close your accounts
- Put a fraud alert on your credit reports to prevent opening of new accounts
- File reports with police and Federal Trade Commission
- Follow up with the IRS, Social Security Administration, and the Centers for Medicare & Medicaid Service for theft of benefits
- Keep a record of who you contacted and when

# What is a Scam?



A scam is a trick a con artist plays on an unsuspecting victim to extort money. If the scam succeeds, the victim's money is gone, and the scammer will move on to the next victim.

## **A scammer is the ultimate salesperson with a tempting offer or a skilled liar with a plausible story**

- Easily pinpoints a victim's vulnerabilities and appeals to emotions: sympathy, fear, loneliness
- Quickly gains trust
- Insist on secrecy
- Shows no mercy, e.g., doesn't take "no" for an answer

## **Know the Red Flags of a Scam**

- Immediate action required
- Insistence on secrecy
- Money needed up front
- Hard-to-track payment methods

## **Build Your Scam Defenses**

- Do not be rushed into any financial decision
- Assume that insistence on secrecy is a ploy to deceive you
- Be suspicious of any situation that requires you to send money up front
- Confirm all stories, offers or charities independently
- Be very cautious about clicking on email links

## **Block Those Scammers**

- Register with National Do Not Call Registry at [www.donotcall.gov](http://www.donotcall.gov) to limit legitimate telemarketing phone calls, making phone scams easier to detect
- Register with [www.DMAchoice.org](http://www.DMAchoice.org) to limit legitimate advertising mail, making mail scams easier to detect
- Limit personal information on social media and choose the strictest privacy settings on social media accounts
- Use antivirus software on your computer

## **What to Do If You Are Scammed**

- Don't be embarrassed or afraid
- Tell someone you trust
- Report the scam to your bank immediately to limit losses
- Contact your local police and federal agencies, like the Federal Trade Commission

# Top Scams Currently in Play

## What are today's most prevalent scams?

The table on the following page highlights some of the top financial scams perpetrated against seniors, as identified by several groups including AARP, the CFPB and the Financial Crimes Enforcement Network (FinCEN).

Be sure to also check out the FTC's resources to keep abreast of new scams at: <https://www.consumer.ftc.gov/scam-alerts>.

Scam	Description	Responsible Agency	Submit a Complaint
<b>Impostor</b>	<p>Fraudsters may call or send text messages impersonating government officials to manipulate elders into sharing sensitive information. Alternatively, they may pretend to be family members in an emergency situation and claim they need money right away.</p> <p>Scammers may also pose as technology support representatives to offer to fix non-existent computer issues to capture personal information and have seniors pay for useless services.</p>	Federal Trade Commission	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a>
<b>Internet/Email</b>	<p>Criminals pose as romantic interests on social media platforms or dating websites to exploit older adults out of their life savings.</p> <p>Elders may receive emails asking them to update or verify their personal information from a seemingly legitimate organization, but if they click the links, they will be providing sensitive information to criminals.</p>	<p>Federal Communications Commission</p> <p>Federal Trade Commission</p> <p>Internet Crime Complaint Center IC3</p>	<p><a href="http://consumercomplaints.fee.gov/he/en-us">http://consumercomplaints.fee.gov/he/en-us</a></p> <p><a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a></p> <p><a href="http://www.ic3.gov">www.ic3.gov</a></p>
<b>Lottery/sweepstakes</b>	An older adult may receive a message indicating that they won a foreign or domestic prize or lottery, but are required to pay a fee to access their "winnings."	Federal Trade Commission	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a>
<b>Telemarketing / Phone</b>	An elder may receive calls from fraudsters indicating that they found a large sum of money and would split it if the elder would provide or pay a smaller sum of money.	Federal Communications Commission	<a href="http://consumercomplaints.fee.gov/he/en-us">http://consumercomplaints.fee.gov/he/en-us</a>

Scam	Description	Responsible Agency	Submit a Complaint
<b>Cemetery / Funeral</b>	Criminals read obituaries and call survivors claiming that the deceased owed them a debt to extort money from living relatives.	Federal Trade Commission	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a>
<b>Charity</b>	Con artists reach out and claim to be from an organization with a carefully crafted name. They ask for a donation to obtain access to financial information, such as credit or debit card numbers. They often pop up after disasters. Others falsely state that they fundraise to support veterans.	Federal Trade Commission	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a>
<b>Check Fraud</b>	Con artists send people money via check, claim they overpaid, and then ask the victim to send part of it back. But, the original check was fraudulent, so the victim ends up sending their own money to the criminal.	Federal Trade Commission U.S. Postal Inspection Service	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a> <a href="http://www.uspis.gov">www.uspis.gov</a>
<b>Counterfeit Prescription Drugs</b>	When elders search for cheaper prescriptions online they may end up purchasing bogus products or drugs containing harmful substances.	Food and Drug Administration	<a href="http://www.fda.gov/safety/med-watch-fda-safety-information-and-adverse-event-reporting-program">www.fda.gov/safety/med-watch-fda-safety-information-and-adverse-event-reporting-program</a>
<b>Fraudulent Anti-aging Products</b>	There are a number of fake products on the internet and fraudsters are seeking to take advantage of people who want to look younger. Con artists develop phony companies and sell products that either do nothing or may harm you.	Food and Drug Administration Federal Trade Commission	<a href="https://www.fda.gov/safety/report-problem-fda/consumer-complaint-coordinators">https://www.fda.gov/safety/report-problem-fda/consumer-complaint-coordinators</a> <a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a>
<b>Health Insurance / Medicare</b>	Scammers either pose as Medicare or health insurance representatives to obtain personally identifiable information from elders or provide unnecessary services at makeshift clinics and then bill Medicare to ensure they can keep the money.	Department of Health and Human Services Office of Inspector General or State Insurance Fraud Department	<a href="http://oig.hhs.gov/fraud/report-fraud">oig.hhs.gov/fraud/report-fraud</a>
<b>Homeowner / Mortgage</b>	Scammers may send fake, but professional looking letters to people on behalf of their county offering to reassess their home values for a fee to address their tax burdens.	Federal Trade Commission Federal Bureau of Investigation State Attorney General	<a href="http://www.reportfraud.ftc.gov">www.reportfraud.ftc.gov</a> <a href="http://www.fbi.gov/contact-us">www.fbi.gov/contact-us</a> <a href="http://www.naag.org/find-my-ag">www.naag.org/find-my-ag</a>



# Definitions: People Who Provide Financial Care and Guidance



There are several people who may work together to help you protect your financial assets. Each has their own responsibilities and capabilities.

Title	Role and Responsibility
<b>Agent with Power of Attorney</b>	Granting someone a Power of Attorney gives that person the legal right to act as your agent. You determine what that agent can or cannot do, including deciding whether the agent has general power to make almost any kind of financial decision or specific powers, like paying bills or managing investments.
<b>Banker</b>	Your banker is a representative of your bank who handles your account and can provide other financial protections. Your banker can arrange to notify you of unusual account activity, temporarily put a hold on transactions or shut down an account to protect your assets.
<b>Co-signer</b>	A co-signer is a person who agrees to sign a loan document with you. Both of you are responsible for the debt, so if one doesn't pay, the other is responsible for the entire debt.
<b>Elder Law Attorney</b>	This type of attorney specializes in one or more areas that pertain to seniors, such as preparing wills, trusts, Powers of Attorney and health care directives. You may also seek the advice of this type of attorney if you feel threatened or coerced to change legal documents, beneficiaries or financial caregivers.
<b>Fiduciary</b>	A person or organization legally responsible for managing assets on your behalf. The fiduciary must act solely in the best interests of the beneficiary (you).

# Definitions: People Who Provide Financial Care and Guidance



## CONTINUED

Title	Role and Responsibility
<b>Financial Caregiver</b>	A person you've chosen to help manage your money and other financial assets. Typically, this person helps with tasks like paying bills and reviewing statements, planning for your future financial needs and serving as your liaison with financial institutions. They also help protect you from fraud and financial exploitation.
<b>Representative Payee</b>	This person manages only your Social Security benefits if you can't handle them on your own. You choose the person who opens a separate, dedicated account for handling your Social Security benefits. This person must be approved by the Social Security Administration and must use the benefits exclusively for you.
<b>Trusted Contact</b>	You designate this person as the person your bank and other financial institutions should contact in case they are unable to reach you to resolve a question or problem. In almost all cases, the bank will not be able to share certain information with a trusted contact due to privacy laws.
<b>Trusted Person</b>	This is someone you can turn to for an objective opinion when you feel threatened or coerced into making financial decisions or modifying legal documents, often when family members or other known perpetrators may be pressuring you. You may choose to allow them to view your account — but not make transactions.
<b>Trustee</b>	A person you choose to manage the assets in a trust. This person is also a fiduciary and is legally obligated to act in your best interest and the best interest of the trust's beneficiary.



# Comparing Powers of Attorney for Finance and Healthcare



A power of attorney authorizes someone to act on your behalf if you are unable to make decisions or communicate your wishes about your finances or healthcare choices. That’s true, whatever your age. But powers of attorney are particularly relevant as people grow older and may need help from someone who is legally authorized to make essential decisions.

Powers of attorney for finance and for healthcare are created separately, but they have a number of features in common, and the agent may be the same person. Each type can be changed or revoked during your lifetime as long as you are capable of making that decision.

The chart below summarizes key features of the two types of powers of attorney.

<b>Finance POA</b>	<b>Healthcare HCPA</b>
Written and signed document that meets state requirements authorizing an agent to act on grantor’s behalf	Written and signed document that meets state requirements authorizing an agent to act on grantor’s behalf
Agent has a fiduciary duty to act in the grantor’s best interest	Agent has a fiduciary duty to act in the grantor’s best interest
Grantor retains right to make decisions as long as he or she is able	Grantor retains right to make decisions as long as he or she is able
A durable POA enables a trusted agent to act during grantor’s lifetime	A durable HCPA enables trusted agent to act during grantor’s lifetime
Agent’s authority covers all financial responsibilities grantor wants the agent to have	Agent is authorized to follow the terms of the grantor’s living will in making healthcare and end-of-life decisions
Agent usually cannot change will, beneficiary designations, or name a replacement agent unless specified in POA	Agent cannot ignore or act counter to grantor’s living will, though may make decisions not specifically mentioned
Agent may gradually assume more responsibilities if grantor needs help managing financial affairs	Agent often faces greatest responsibility in end-of-life situations

# What To Do If You Suspect Suspicious Activity



## **THEFT: STEALING YOUR MONEY**

### **Recognize Suspicious Activity**

- Account balance is lower than you expect
- Large or regular withdrawals that you did not authorize
- Insufficient funds to pay your bills or your autopay bills going unpaid
- Unauthorized charges on your credit card

### **What You Should Do**

- Assign a trusted contact to review your accounts regularly
- Ask your bank to freeze your account temporarily
- Lock away ATM, debit or credit cards you aren't using

## **IDENTITY THEFT**

### **Recognize Suspicious Activity**

- Receiving bills for credit cards, loan payments or services you didn't sign up for
- Warning or collection notices for unpaid balances
- Inquiries you didn't make to your credit report or a sudden drop in your credit score

### **What You Should Do**

- Change your passwords
- Be sure only a trusted contact has access to sensitive personal information
- Report possible ID theft to the Federal Trade Commission (FTC)
- Place a freeze on your credit reports

## **THEFT: STEALING YOUR LEGAL RIGHTS OR AUTHORITY**

### **Recognize Suspicious Activity**

Someone you know:

- Asks you to make changes to the ownership of your financial account
- Tries to persuade you to change your beneficiaries or name them as beneficiary
- Pressures you to give them Power of Attorney or authority to manage your financial matters or health care

### **What You Should Do**

- Do nothing until you get a second opinion from a trusted contact
- Consult an attorney or elder care professional
- Ask a trusted contact to review financial and legal documents and your beneficiaries every 3 to 6 months
- Request your financial institutions notify you about any changes to account ownership or beneficiaries
- Contact the police, file a report with the FBI at <https://www.ic3.gov> or call the elder fraud hotline at 833-FRAUD-11 (833-372-8311)



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# Create a Financial Inventory

Use this checklist below to help gather and organize the financial records, expenses, and other critical documents you need to manage an older adult's finances.

## Financial Accounts

- Annuities
- Certificates of deposit
- Checking accounts
- Credit cards
- Investment accounts
- Retirement accounts
- Savings accounts

## Living Expenses

- Cellphone/landline
- Electricity
- Gas
- Internet
- Cable TV
- Property taxes
- Rent
- Subscription services

## Property

- Antiques
- Art
- Boat(s)
- Jewelry
- Rental property
- Primary residence
- Vehicle(s)
- Safe deposit box

## Loans

- Auto
- Home equity
- Mortgage
- Personal
- Reverse mortgage
- Student

## Insurance

- Auto
- Disability
- Homeowners
- Life
- Long-term care
- Medical
- Medicare
- Renters
- Umbrella

## Income

- Annuities
- Business income
- Insurance payments
- Investment interest
- Dividends
- Military benefits
- Pension
- Retirement income
- Rental property
- Salary
- Social Security

## Professional Services

- Accountant
- Attorney
- Insurance agent
- Financial advisor
- Doctor
- Dentist
- Landlord
- Property manager

## Home Services

- House cleaner
- Plumber
- Handyman
- Gardener/landscaper
- Snow removal
- Home health aide
- Dog walker



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# Financial Caregiving Resources

Get help for yourself or your loved ones to navigate the financial caregiving journey:

## American Bankers Association Foundation

Tips and tools to begin the financial caregiving journey.

[aba.com/caregiving](http://aba.com/caregiving)

## Benefits CheckUp

National Council on Aging's online tool that connects older adults and people with disabilities to benefits.

[benefitscheckup.org](http://benefitscheckup.org)

1-800-794-6559

## AARP

A resource center to help caregivers navigate their roles.

[aarp.org/caregiving](http://aarp.org/caregiving)

## Eldercare Locator

Public service of the Administration on Aging that connects older adults with support services.

[eldercare.acl.gov](http://eldercare.acl.gov)

1-800-677-1116

## WISER

The Women's Institute for a Secure Retirement offers resources and support for women facing issues that arise around retirement age.

[wiserwomen.org](http://wiserwomen.org)

202-393-5452

## Social Security Administration

Information about appointing a payee to receive Social Security or SSI benefits for anyone who cannot manage their benefits.

[ssa.gov/payee/faqrep.htm?tl=5](http://ssa.gov/payee/faqrep.htm?tl=5)

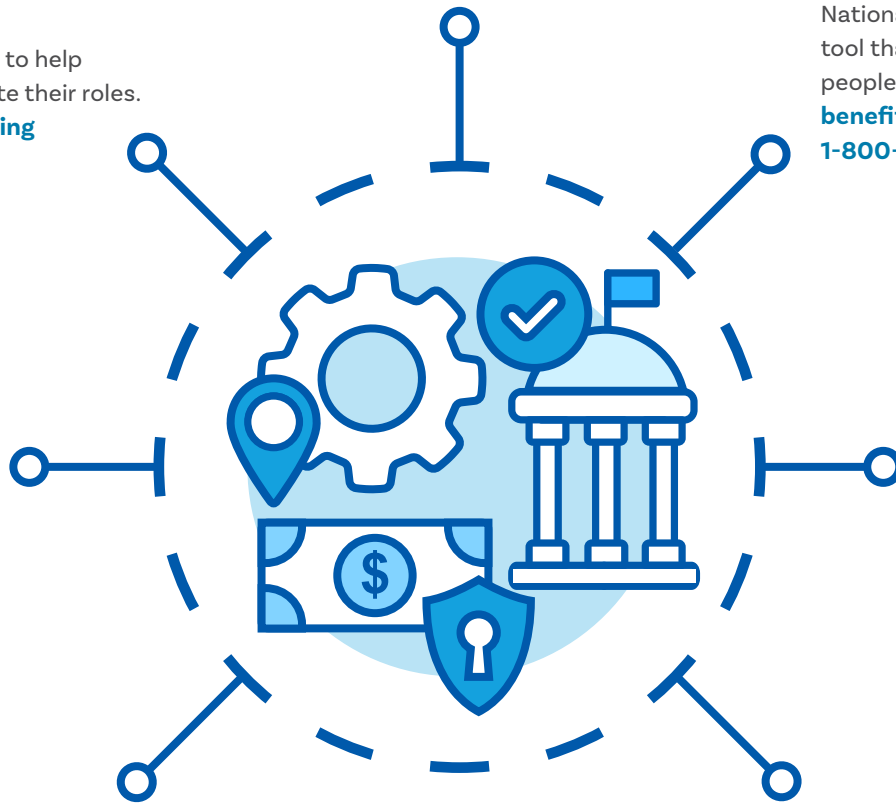
1-800-772-1213

## Veterans Affairs

Information to protect veterans and other beneficiaries who, due to injury, disease or age, are unable to manage their financial affairs.

[benefits.va.gov/fiduciary](http://benefits.va.gov/fiduciary)

1-888-407-0144



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# Identifying and Reporting Fraud and Scams

Learn more about how to protect yourself or your loved ones from financial fraud and scams:



## Recognize and Report Fraud and Scams

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<b>Better Business Bureau</b>	<a href="http://bbb.org/scamtracker">bbb.org/scamtracker</a>
<b>Banks Never Ask That</b>	<a href="http://banksneveraskthat.com">banksneveraskthat.com</a>
<b>Federal Bureau of Investigation</b>	<a href="http://fbi.gov/scams">fbi.gov/scams</a>
<b>Federal Trade Commission</b>	<a href="http://consumer.ftc.gov/scams">consumer.ftc.gov/scams</a>
<b>Elder Fraud Hotline</b>	1-833-372-8311



## Accessing Credit Reports and Scores

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Review your credit report at [AnnualCreditReport.com](http://AnnualCreditReport.com)

Contact the three credit bureaus:

<b>Equifax</b>	<a href="http://equifax.com">equifax.com</a>	1-888-378-4329
<b>Experian</b>	<a href="http://experian.com">experian.com</a>	1-888-397-3742
<b>TransUnion</b>	<a href="http://transunion.com">transunion.com</a>	1-800-916-8800



## Get Help for ID Theft

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<b>Federal Trade Commission</b>	<a href="http://identitytheft.gov">identitytheft.gov</a>	1-877-382-4357
<b>ID Theft Resource Center</b>	<a href="http://idtheftcenter.org">idtheftcenter.org</a>	1-888-400-5530



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