

Legal Basics: Protecting Older Adults Against Scams

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Housekeeping

- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems with getting on to the webinar? Send an e-mail to NCLER@acl.hhs.gov.
- Written materials and a recording will be available at NCLER.acl.gov. See also the chat box for this web address.

About NCLER

The National Center on Law and Elder Rights (NCLER) provides the legal services and aging and disability communities with the tools and resources they need to serve older adults with the greatest economic and social needs. A centralized, one-stop shop for legal assistance, NCLER provides Legal Training, Case Consultations, and Technical Assistance on Legal Systems Development. Justice in Aging administers the NCLER through a contract with the Administration for Community Living's Administration on Aging.

About the FTC

The Federal Trade Commission (FTC) is the nation's consumer protection agency. The FTC uses law enforcement to prevent deceptive and unfair business practices. Plus, the FTC uses education to teach consumers and businesses about their rights and responsibilities. In addition to our headquarters in DC, we have regional offices in Los Angeles, San Francisco, Chicago, Dallas, Atlanta, NYC, Cleveland.

About NCLC

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S.

NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

Key Lessons

1. Older adults are targeted for frauds and scams
2. Scammers use the telephone to contact victims
3. Take immediate action to stop a scam and prevent further loss of funds
4. Civil action may be possible but unlikely to make older adult financially whole

Trends

CONSUMER
SENTINEL
NETWORK
DATA BOOK 2017

SNAPSHOT

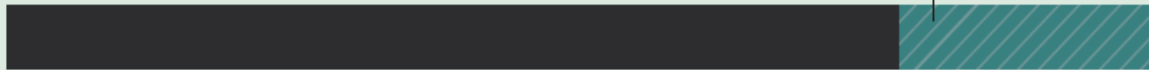
2.7
MILLION
REPORTS

TOP THREE CATEGORIES

1. Debt collection
2. Identity theft
3. Imposter scams

1.1 million fraud reports

21% reported
a loss

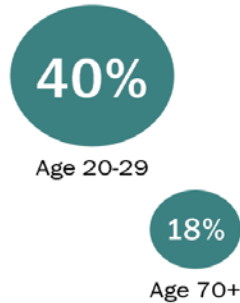


\$905 million
total fraud losses

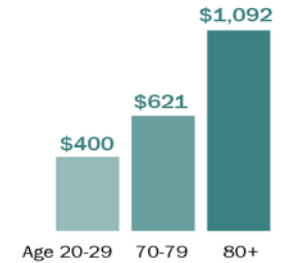
\$429
median loss

Trends

Younger people reported losing money to fraud more often than older people.



But when people aged 70+ had a loss, the median loss was much higher.



Imposter Scams



**1 IN 5
PEOPLE
LOST MONEY**

**\$328 million
reported lost**
\$500 median loss

Identity Theft

23% ↑
**Credit card
fraud**

46% ↓
Tax fraud

FEDERAL TRADE COMMISSION • [ftc.gov/sentinel2017](https://www.ftc.gov/sentinel2017)

TIPS – Types of Scams

- Identity Theft
- Imposter Scams
- Charity Scams
- Health Care Scams
- Paying Too Much
- You've Won

Identity Theft: How it Works

- Someone uses the client's personal information to fraudulently obtain goods or services
- Can be the result of:
 - imposter scams
 - data breaches
 - theft

Identity Theft: Prevention

- Protect your client's information
- Read statements
- Read explanations of benefits
- Check credit at www.annualcreditreport.com
- Practice online safety
- Visit IdentityTheft.gov to report id theft & get a personal recovery plan

Imposter Scams: How they Work

- Someone who pretends to be somebody else calls or e-mails your client
- Asks for personal information
- Asks for money – wire transfer or money card

Imposter Scams: Prevention

- Stop. Check it out before you wire money to anyone.
 - Don't give out personal information unless you're sure who you're giving it to
 - Call back at a number you know to be correct
- Sign up for Do Not Call

Imposter Scams: *FTC v. Grant Connect*

- Scammers used websites designed to look like government
- Scammers falsely claimed they could help consumers get government grants
- Court ordered web sites shut down
- \$1.7 million redress paid to 22,764 injured consumers

Imposter Scams – How they Work

- Scammers may:
 - Rig caller ID to make it look like the call is from Washington, DC (202 Area Code)
 - Demand immediate payment by pre-paid debt card or wire transfer
 - Send bogus IRS e-mails to further the scheme

IRS Imposter Scams: What to Do

- The IRS will NOT:
 - Ask anyone to pay with prepaid debit cards or wire transfers
 - Ask for a credit card over the phone
 - Threaten arrest, deportation or loss of drivers license
 - Initiate contact by email
- STOP. Don't wire money or pay with a prepaid debit card.
- If you have any doubts, call the IRS directly at 800-829-1040.

Tech Support Scams – How it Works

- Scammers call pretending to be from or affiliated with computer security companies, such as Dell, Microsoft, Norton, or others.
- Or, they place online ads to get consumers to call about their computers.
- Scammers scare consumers about their computer security.

Tech Support Scams – What to Do

- **HANG UP.**
 - Never give control of your computer or your credit card information to someone who calls you out of the blue.
- **PASS IT ON.**

Grandkid Scams – How it Works

- Your client gets a call: “grandma, I need money for bail.”
 - Or a medical bill
 - Or other trouble
- Caller says it’s urgent and says to keep it a secret
- Caller asks your client to wire money or put it on a prepaid card

Grandkid Scams – What to Do

- **STOP.** Check it out.
 - Look up your grandkid's phone number and call back
 - Or call another family member
- **PASS IT ON.**

Online Dating Scams – How it Works

- Your client meets someone on a dating website.
- She wants to communicate by email and phone.
- She says she loves you but needs money for a plane ticket to visit. Or for surgery.
- She asks you to wire money or put it on a prepaid card.

Online Dating Scams – What to Do

- **STOP. Don't send money.**
 - Never wire money, put money on a prepaid card or send cash to an online love interest.
 - You won't get it back.
- **PASS IT ON.**

Charity Fraud – How it Works

- Phone call
- Charity name sounds familiar
- Pressure your client to pay quickly

Charity Fraud – What to Do

- Take your time
- Say no
 - “No, thanks.” Hang up. ...OR:
 - “I don’t give money over the phone. If you send something in writing, I’ll consider it.”
- Never send cash, wire money or load prepaid debit cards

Charity Fraud – *FTC v. Handicapped & Disabled Workshops*

- Telemarketers duped consumers into buying overpriced garbage bags and light bulbs.
- Falsely claimed that proceeds would benefit individuals with disabilities.
- Court ordered company shut down and defendants to pay \$15 million to injured consumers.

Health Care Scams – How it Works

- Miracle cures
 - Offers quick cures to MS, Alzheimer's, cancer
- Affordable Care Act scams
- Medicare-related scams

Health Care Scams – What You Can Do

- Take your time
- Check it out
 - 1-800-MEDICARE
- Consult reliable sources of health information (healthcare.gov, cdc.gov)
- Do not delay medical treatment

Health Care Scams – *FTC v. 9107-4021 Quebec*

- Online pharmacy sold sham memberships to seniors
- Claimed you could save 30% to 50% on prescriptions
- Consumers got nothing or a worthless prescription card
- Court ordered company to pay \$7.5 million to injured consumers

Paying Too Much – How it Works

- Charges on bills
 - Rate increase
 - Interest rate change
 - Unexpected charges

Paying Too Much – What You Can Do

- Read your bills
 - Every statement, every time
- Read contracts carefully before you sign them
 - Look for balloon payments, variable interest rates

Paying Too Much – *FTC v. T-Mobile*

- Settlement with redress
- T-Mobile put hundreds of millions of dollars on mobile bills for bogus charges never authorized by customers
- “Cramming” = phone company puts charges on bill for 3rd party & gets a percentage

“You’ve Won” Scams – How They Work

- You get a call, an email, a card
- Says that you’ve won a prize, lottery, trip
- You just need to pay fees, taxes, custom fees first
- They want you to wire money or give your credit card information

“You’ve Won” Scams – What You Can Do

- Keep your money to yourself
- Keep your information to yourself
- If in doubt, check it out
- Never wire money

You've Won Scams – *FTC v Dayton Family Productions*

- American Health Associates called and said you've won a car, boat, vacation
- All you have to do is buy \$300 to \$500 in vitamins to claim it
- Consumers never got items, got nothing or junk
- FTC won injunctive relief shutting down company

Consumer Protections (1 of 3)

- Unauthorized credit card use
- Unauthorized debit card use
- Abusive robocalls
- Door-to-door sales
- Unfair and deceptive acts or practices

Consumer Protections (2 of 3)

- **Unauthorized credit card use**
 - Truth in Lending Act, 15 USC §§ 1643, 1666
 - Steals, borrows or otherwise uses consumer's credit card without permission
 - Consumer responsible for \$50
 - Error on the monthly statement
- **Unauthorized debit card use**
 - Electronic Funds Transfer Act, 15 USC §§ 1693-1693r
 - Consumer responsible for \$0, \$50, \$500 or unlimited amount depending on when unauthorized transfer was reported
 - Error on the monthly statement

Consumer Protections (3 of 3)

- Abusive robocalls
 - Telephone Consumer Protection Act, 47 USC § 227
 - Prohibits abusive methods of contacting consumers
 - National Do-Not-Call Registry
- Door-to-door sales
 - FTC Cooling Off Rule, 16 CFR § 429
 - Three day right to cancel
 - Sale made in the home or other off-site location
- Unfair and deceptive acts or practices
 - State consumer protection laws
 - Enhanced penalty if victim is elderly

Practice Tip-Responding to Identity Theft

- Request a fraud alert from the credit reporting company
- Contact creditors and close fraudulent accounts
- File a report with the FTC
- Report identity theft to law enforcement
 - If not reported to the FTC

TOOLS



Report identity theft and get a recovery plan

Get Started →

or browse recovery steps

IdentityTheft.gov can help you report and recover from identity theft.

HERE'S HOW IT WORKS:



Tell us what happened.

We'll ask some questions about your situation. Tell us as much as you can.

Get a recovery plan.

We'll use that info to create a personal recovery plan.

Put your plan into action.

If you create an account, we'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.

...Pass it ON



...Pass it ON

- Consumer education for active older adults – ftc.gov/passiton
- Respecting a lifetime of experience
- Encouraging sharing of information on:



identity theft



imposter scams



charity fraud



health care scams

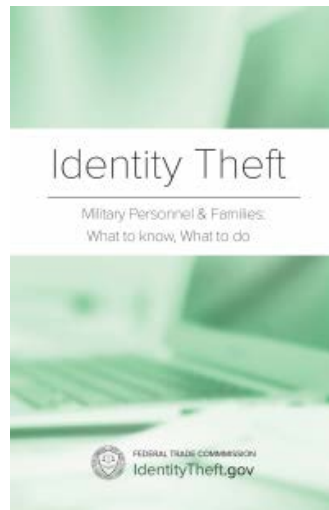
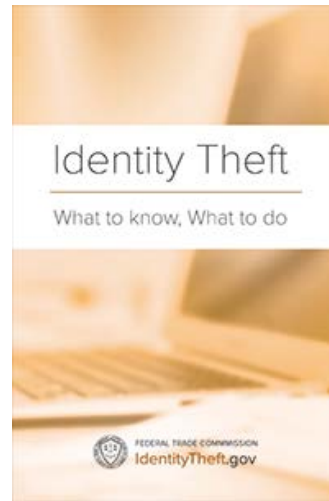
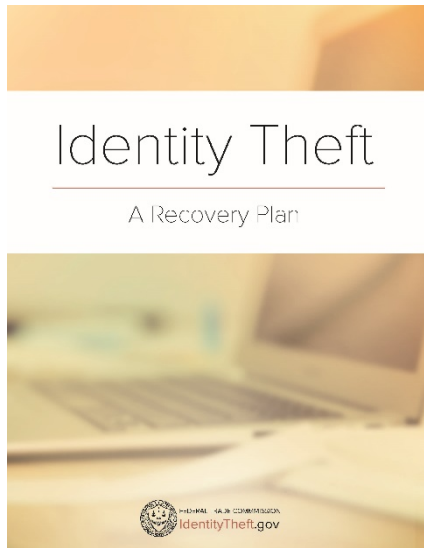


paying too much

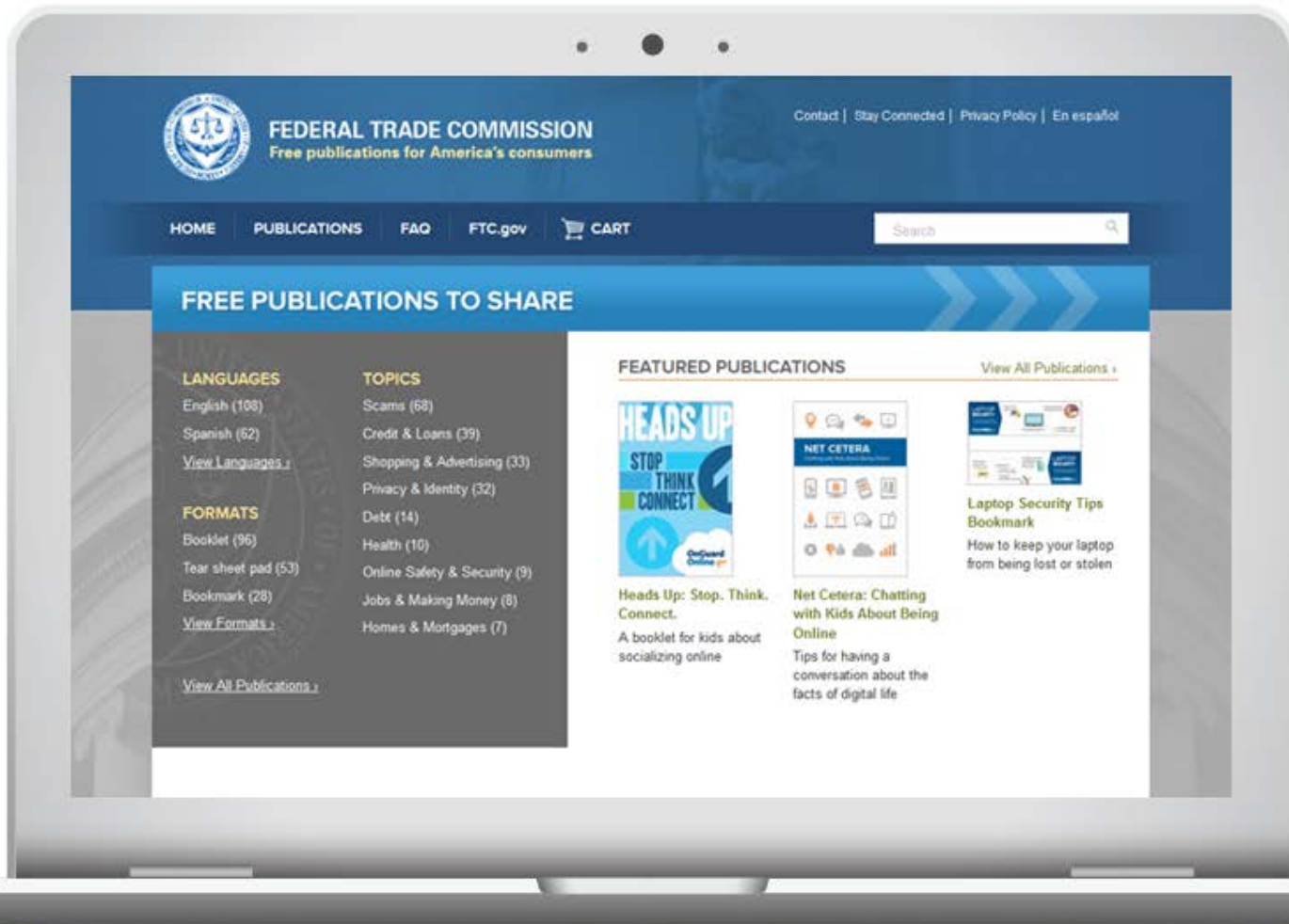


“you’ve won” scams

Identity Theft



Bulkorder.ftc.gov

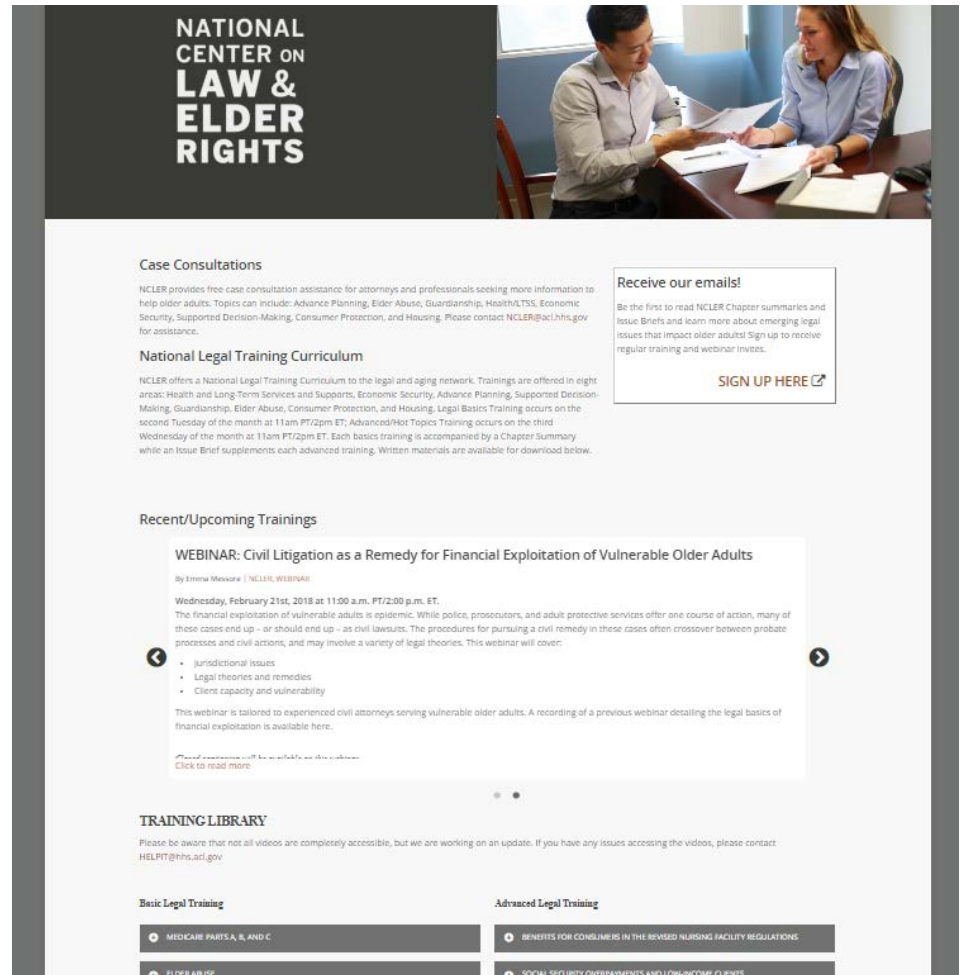


Other Resources

- Consumer Financial Protection Bureau (CFPB)
 - consumerfinance.gov/complaint
- State attorneys general or local law enforcement
- Legal services/legal aid

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NATIONAL CENTER ON LAW & ELDER RIGHTS

Case Consultations
NCLER provides free case consultation assistance for attorneys and professionals seeking more information to help older adults. Topics can include: Advance Planning, Elder Abuse, Guardianship, Health/LTSS, Economic Security, Supported Decision-Making, Consumer Protection, and Housing. Please contact NCLER@acl.hhs.gov for assistance.

National Legal Training Curriculum
NCLER offers a National Legal Training Curriculum to the legal and aging network. Trainings are offered in eight areas: Health and Long-Term Services and Supports, Economic Security, Advance Planning, Supported Decision-Making, Guardianship, Elder Abuse, Consumer Protection, and Housing. Legal Basics Training occurs on the second Tuesday of the month at 11 am PT/2pm ET; Advanced/Hot Topics Training occurs on the third Wednesday of the month at 11am PT/2pm ET. Each basics training is accompanied by a Chapter Summary while an Issue Brief supplements each advanced training. Written materials are available for download below.

Recent/Upcoming Trainings

WEBINAR: Civil Litigation as a Remedy for Financial Exploitation of Vulnerable Older Adults
By [Krisina Messore](#) | [NCLER Webinar](#)
Wednesday, February 21st, 2018 at 11:00 a.m. PT/2:00 p.m. ET.
The financial exploitation of vulnerable adults is epidemic. While police, prosecutors, and adult protective services offer one course of action, many of these cases end up – or should end up – as civil lawsuits. The procedures for pursuing a civil remedy in these cases often crossover between probate processes and civil actions, and may involve a variety of legal theories. This webinar will cover:

- Jurisdictional issues
- Legal theories and remedies
- Client capacity and vulnerability

This webinar is tailored to experienced civil attorneys serving vulnerable older adults. A recording of a previous webinar detailing the legal basics of financial exploitation is available here.

[Click to read more](#)

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Please be aware that not all videos are completely accessible, but we are working on an update. If you have any issues accessing the videos, please contact HELPT@hhs.acl.gov

Basic Legal Training

- MEDICARE PARTS A, B, AND C
- ELDER ABUSE

Advanced Legal Training

- BENEFITS FOR CONSUMERS IN THE REVISED NURSING FACILITY REGULATIONS
- SOCIAL SECURITY OVERPAYMENTS AND LOW-INCOME CLIENTS

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Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at ConsultNCLER@acl.hhs.gov.