



# the *Effort*

Elder Fraud Fighters of Oregon Tribune

## Spring 2008

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## TAX SEASON WARNING

When it's tax season, faceless "virtual" thieves will try just about anything — over the phone, through e-mail, and on the internet — to get their hands on your confidential information.

According to the Oregon Department of Justice, identity theft is one of the fastest-growing crimes in the United States.

Identity thieves often pose as representatives from banks, large retail outlets, or — more common this time of year — the Internal Revenue Service. They try to trick people into



giving them their Social Security numbers, and/or bank account and credit card numbers, which the scammers use to commit identity theft.

The IRS is warning taxpayers about e-mail and telephone scams related to the federal rebate checks that will be coming out this spring. Scammers are calling taxpayers trying to get bank account information, telling them they need the information so that they can deposit the taxpayer's rebate checks for them.

Identity thieves also are sending official-looking e-mails telling recipients they are being audited by the IRS. The IRS won't ask you for bank account information or for verification of account numbers, or notify you via e-mail. Con artists are always developing new tricks, so be alert.

The Federal Trade Commission suggests taking four steps if you think you are the victim of identity theft.

1. Place a fraud alert on your credit reports, and review your credit reports.
2. Close the accounts that you know, or believe, have been tampered with or opened fraudulently.
3. File a complaint with the Federal Trade Commission.
4. File a report with your local police or the police in the community where the identity theft took place.

If you think you've been contacted by an identity thief, report it to the Oregon Department of Justice, and to the Federal Trade Commission. Both agencies' Web sites have detailed information on how to protect yourself from identity theft.

Another type of theft that you could fall victim to this tax season is mail theft. Thieves rifle through mailboxes looking for checks. If you're due a state tax refund this year, consider having it directly deposited into your bank account instead of mailed to you. For more information, visit the Oregon Department of Revenue's Web site, [www.oregon.gov/DOR](http://www.oregon.gov/DOR), or call 1-800-356-4222 (toll-free from an Oregon prefix), or 503-378-4988 (Salem or outside Oregon).

If you receive e-mails that look like they are from the IRS, forward them to [phishing@irs.gov](mailto:phishing@irs.gov). If you receive suspicious telephone calls, you may send an e-mail to the same address to notify the IRS.

For more information on identity theft, visit these Web sites:

Oregon Department of Justice:

[www.oregon.gov/DOJ](http://www.oregon.gov/DOJ)

Federal Trade Commission:

[www.consumer.gov/idtheft/](http://www.consumer.gov/idtheft/)

Internal Revenue Service: [www.irs.gov](http://www.irs.gov)

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## BEWARE THE TAX REBATE SCAM!

*By Bill Graham*

Legal Service Developer — New York

### **The tax rebate**

On February 13, 2008, the Economic Stimulus Act of 2008 was signed into law and authorized the IRS to send out economic stimulus payments — commonly known as rebates. Information on the rebates can be found by visiting the IRS Web site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) or calling 1-800-829-1040. The tax rebates have become bait for some scammers. Here are a few tips to help you avoid becoming a victim.



## The tax rebate scam

You receive a phone call — or possibly an e-mail — from someone identifying himself as an IRS employee. You will be told that you are eligible for a sizable rebate. You are then instructed to provide your bank account information for the direct deposit of the rebate. You are also told that you cannot receive the rebate if you do not provide the information requested.

## Avoid becoming a victim

Avoid becoming a victim of this and other tax scams by remembering a few simple truths:

- The IRS does *not* use the telephone to obtain information from those who file.
- The IRS does *not* send unsolicited, tax-account related e-mails to taxpayers.
- The only way to receive a rebate or a refund is by filing the appropriate tax form.
- In order to get the economic stimulus rebate, you *must file* a Form 1040 or 1040A.
- The IRS does not require taxpayers to have their rebates or refunds direct deposited.
- For security and other reasons, the IRS never asks for personal and financial information via e-mail.
- The only official IRS Web site is [www.irs.gov](http://www.irs.gov) which should only be accessed by typing the address directly into the Internet address window of your Web browser.

If you keep these simple truths in mind, you will decrease the likelihood of becoming a victim. Visit the IRS Web site for more information on the tax rebate, tax scams and how to avoid them.

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## CONSUMER AWARENESS

Being on the lookout for Medicare fraud is every Medicare recipient's responsibility. One of the most common ways that fraud occurs is with Durable Medical Equipment (DME) as in hospital beds, wheelchairs and walkers that are rented from Medicare Certified DME suppliers. If the call is placed for equipment pick up and the supplier does not comply until two weeks or more, it would constitute fraud if Medicare is charged for that two-week delay.

The latest Medicare related scams currently reported in Oregon are telemarketers calling, saying they are from Medicare Part C and asking permission to send a Medicare employee to the residence to assure all Medicare benefits are being offered. The telemarketers then sell the "lead" information to insurance agents to satisfy the legal requirement in Oregon of getting permission before showing up at your home to sell an insurance plan.

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## TELEPHONE FRAUD INVOLVING JURY DUTY

The FBI is providing a warning to the public against an ongoing scheme involving jury service. The public needs to be aware that individuals identifying themselves as U.S. court employees have been telephoning citizens and advising them that they have been selected for jury duty. These individuals ask to verify names and Social Security numbers, then ask for credit



card numbers. If the request is refused, citizens are then threatened with fines.



The judicial system *does not* contact people by phone and ask for personal information such as your Social Security number, date of birth or credit card numbers. If you receive one of these phone calls, do not provide any personal or confidential information to these individuals. This is an attempt to steal or to use your identity by obtaining your name and Social Security number, and potentially applying for credit or credit cards or other loans in your name. It is an attempt to defraud you.

If you have already been contacted and have already given out your personal information, please monitor your account statements and credit reports, and contact your local FBI office. Local FBI field office telephone numbers can be found in the front of your local telephone directory or on [www.fbi.gov](http://www.fbi.gov)

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## FRAUD AGAINST THE ELDERLY

The FBI is addressing fraudulent schemes which promise everything from improved memory, sexual vitality, curing terminal illnesses, relief from chronic pain and, the ultimate promise, a longer life. These schemes target those who are most concerned about reversing the effects of aging, the elderly.

Combining resources with other federal and state investigative agencies has been a winning formula for the FBI in this and many other types of investigations. The joint investigative approach not only brings additional resources in terms of manpower and investigative tools, but also gives investigators access to expertise provided by regulatory agencies such as the FDA. The joint approach also allows a larger selection of applicable criminal and civil statutes from both the federal and state levels.

The FBI has identified elder fraud and fraud against those suffering from serious illness as two of the most insidious of all white collar crimes being perpetrated by today's modern and high tech con-artists. The Internet, high speed dialers, mail drops and computers are just some of the tools available to such unscrupulous individuals to separate a victim from his or her money. Many elderly citizens rely on pensions, social security and life savings to support themselves. The seriously ill and their families are desperate to find some glimmer of hope. The losses inflicted by these dishonest individuals and their organizations are both financially and emotionally devastating to these victims.

It has been the experience of the FBI that the elderly are preyed upon by these individuals for several reasons:

- 1) Older American citizens are most likely to have a "nest egg," own their home and/or have excellent credit all of which the con-artist will try to tap into. Fraudsters are very familiar with the old saying, "You can't get blood from a stone." Like any other business person, the con-artist will focus his efforts on the segment of the population most likely to be in a financial position to buy whatever he is selling.

2) Individuals who grew up in the '30s, '40s and '50s were generally raised to be polite and trusting. These are two very important and positive personality traits, except when it comes to dealing with con-artists. They will exploit these traits knowing that it is difficult or impossible for these individuals to say "no" or just hang up the phone.

3) Older Americans are less likely to report a fraud because they either don't know who to report it to or are too ashamed at having been scammed. In some cases, an elderly victim may not report the crime because he or she is concerned that relatives may come to the conclusion that the victim no longer has the mental capacity to take care of his or her own financial affairs.

4) When elderly victims do report the crime, they often make poor witnesses. The con-artist knows the effects of age on memory, and he is counting on the fact that the elderly victim will not be able to supply enough detailed information to investigators such as: how many times did the person call? What time of day did the person call? Did the person provide a call back number or address? Was it always the same person? Did you meet in person? What did the person look like? Did the person have any recognizable accent? Where did you send the money? What did you receive if anything and how was it delivered? What promises were made and when? Did you keep any notes of your conversations? The realization that they have been victimized may take weeks or, more likely, months after contact with the con-artist. This extended time frame will test the memory of almost anyone.

5) Lastly, when it comes to products that promise increased cognitive function, virility,

physical conditioning and anti-cancer properties, older Americans make up the segment of the population most concerned about these issues. In a country where new cures for old diseases have given every American hope for a long and fruitful life, it is not so unbelievable that the products offered by these con-artists can do what they say they can do.

Those suffering from cancer, heart disease, multiple sclerosis, diabetes and other serious illnesses are targeted for one simple reason. The con-artist knows that many of these individuals are desperate to find some reason to believe that a "miracle cure" exists. These people, many of whom are elderly but some who are not, are willing to pay whatever price is asked and subject themselves to whatever risk is required to gain an advantage over their disease. Regrettably, in most cases, it is the con-artist taking advantage of these individuals. In addition to the financial loss, these patients often lose valuable time away from conventional medical treatment which could have resulted in a higher quality or prolonged life. Although the FBI has identified several instances where dietary and nutritional supplements promise anti-aging effects have been utilized to defraud American citizens, the number of complaints and related dollar losses have not proven to be a substantial crime problem falling within the jurisdiction of the FBI. However, the FBI has been involved in several investigations concerning "miracle cures" in which the bureau has joined forces and shared resources with the Food and Drug Administration (FDA), the U.S. Postal Inspection Service (USPIS) and others.

*-adapted from the Federal Bureau of Investigations*

## WHAT IS MEDICARE FRAUD AND WHY SHOULD IT BE REPORTED?

Medicare fraud is defined as intentionally billing for services that were not provided. Most mis-billing is not actual fraud, but due to honest human error. So, if it is a simple mistake, why should you report it to the fraud hotline? It is only through investigating large numbers of possible billing mistakes that fraud can be detected. As a side benefit, it is important for the Medicare program to learn areas in which providers have difficulty billing. The information reported can help Medicare to educate providers.

So, when should you report something as fraud or abuse? You should consider reporting items as potential fraud if you have received an Explanation of Benefits or a Medicare Summary Notice with any of the following:

1. There is a date of service that you don't recall receiving any medical treatment or prescription drugs.
2. The provider listed is not one that you recognize.
3. The statement lists medications or items that you don't recall using.
4. The co-payment amount listed is less than what you were actually charged.

Any of these things does not mean that fraud or abuse has occurred, but it is a good indicator that someone should look into the issue. To report any of the above items, please call 1-888-FRAUD-01.

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## SAFE — Senior and Family Education

The Oregon Department of Consumer and Business Services launched a campaign, *SAFE*, to educate seniors and their families on types of financial abuse they may experience. The department is putting on presentations around the state to discuss predatory marketing practices by insurance agents and security brokers, the law that requires agents and brokers to ensure a product is suitable for the buyer, and the insurance and investment-related scams aimed at senior citizens. The department also developed a Web page and several free publications that will assist seniors and their loved ones when faced with a situation that may involve unscrupulous financial dealings.



Seniors are tempting targets because they are at a point in life where decisions about their money, from a lifetime of savings, are being made. It can be difficult to separate financial decisions made for legitimate reasons from pressured decisions that may cause financial harm.

The following SAFE presentations are scheduled so far. All presentations are scheduled for one hour, but may run longer to answer questions from attendees.

## APRIL

- 4/3/08 - 10:00 a.m. – Stayton Public Library, 515 North First Ave., Stayton, OR  
4/11/08 - 10:30 a.m. – The Milwaukie Center, 5440 SE Kellogg Creek Dr., Milwaukie, OR  
4/24/08 - 11:00 a.m. – Holy Rosary Medical Center, 351 SW 9th St., Ontario, OR  
4/24/08 - 1:30 p.m. – Spanish presentation – Holy Rosary Medical Center, 351 SW 9th St., Ontario, OR  
4/23/08 - 12:15 p.m. – Harney County Senior & Community Center, 17 South Alder Ave., Burns, OR  
4/29/08 10:30 a.m. – Silver Falls Public Library, 410 S. Water St., Silverton, OR

## MAY

- 5/6/08 - 10:30 a.m. – Florence, OR, Location to be determined  
5/6/08 - 1:30 p.m. – Florence, OR, Location to be determined  
5/7/08 - 10:30 a.m. – Florence, OR, Location to be determined  
5/7/08 - 1:30 p.m. – Reedsport Senior Center, 460 Winchester Ave., Reedsport, OR  
5/13/08 - 10:00 a.m. – Woodburn Public Library, 280 Garfield St., Woodburn, OR  
5/13/08 - 2:00 p.m. – Newberg Public Library, 503 E. Hancock St., Newberg, OR  
5/17/08 - 1:00 p.m. – Jefferson Public Library, 128 North Main St., Jefferson, OR  
5/21/08 - 1:00 p.m. – Dallas Public Library, 950 Main St., Dallas, OR  
5/31/08 - 4:00 p.m. – Lyons Public Library, 448 Cedar St., Lyons, OR

## JUNE

- 6/6/08 - 1:30 p.m. – Willamelane Adult Activity Center, 215 West C St., Springfield, OR

## Visit

[www.oregoninsurance.org/consumer/safe/safe-workshops.html](http://www.oregoninsurance.org/consumer/safe/safe-workshops.html) for presentation updates. To schedule a presentation, call toll-free 1-888-877-4894, ext. 7267.

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## Free Portland events to offer guidance for both new and seasoned investors

Every year Oregonians – many elderly – lose hundreds of thousands of dollars through investment fraud. In an effort to reverse this trend, the Department of Consumer and Business Services (DCBS), AARP Oregon and Elders in Action, are hosting two free Portland-area events that will help investors make good decisions when saving for retirement, and teach them where and how to check the credentials of financial professionals, and show them how to spot scams.

The two events, entitled “Wise and Safe Investing,” are scheduled for April 22 in Wilsonville at the Holiday Inn, 25425 SW 95th Ave., and April 24 in Gresham at the Multnomah County East Building, 600 NE 8th St. Both events begin at 9:30 a.m. and will include free parking, admission and lunch. For those attending the Wilsonville event, there will be free document shredding available from 8 a.m. to 10 a.m. This event also will feature two speakers from two federal agencies: Chuck Harwood, Northwest region director for the Federal Trade Commission, and Judith Anderson, senior special counsel for the Securities and Exchange Commission, San Francisco regional office.



“A sound retirement financial plan involves setting goals and conducting research, both on the potential investments and the person and firm touting the product,” said David Tatman, administrator for the Division of Finance and Corporate Securities, a division of DCBS. “But far too often we see retirees who have lost their entire savings to con artists who effectively use high-pressure sales tactics or convince the victim of their friendship. Call us before you invest.”

The Division of Finance and Corporate Securities, among other duties, regulates the sale of securities in Oregon, investigates complaints and alleged violations of financial-service laws.

*For more information about the Effort, contact Joyce Phelps, State Unit on Aging at 373-7612.*

*The Division of Finance and Corporate Securities (DFCS) helps ensure that a wide range of financial products and services are available to Oregonians and protects consumers from financial fraud and abuse. It does that by licensing financial institutions and service providers, regulating the sale of securities in Oregon, investigating complaints and alleged violations of financial-service laws, and providing education and other resources to consumers.*

*The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit [www.dcbcs.oregon.gov](http://www.dcbcs.oregon.gov).*