



the *Effort*

Elder Fraud Fighters of Oregon Tribune

Summer 2008

Debt relief — what you should know

The economy is struggling right now. You read about it in the newspapers and hear about it on the nightly news. Many of you feel it in your wallet or bank account. Rising prices in gasoline, food and housing are causing credit woes – or more accurately, debt woes – for millions of Americans. For those who live on a fixed income, the debt woes can be particularly harsh.

Many ads in newspapers or on television appear to offer relief from mounting debts. The promise of “wiping out debts” and “consolidating bills into one easy monthly payment” sound too good to be true – and they just may be.

Many offers to help you find debt relief lead you down the path to bankruptcy, which can hurt your credit and cost you attorney fees. While bankruptcy may be necessary for some, you should consider these possibilities first:

- Talk with your creditors. They may be willing to work out a modified payment plan.

- Contact a credit counseling service. These organizations work with you and your creditors to develop debt repayment plans. Such plans require you to deposit money each month with the counseling service. The service then pays your creditors. Some nonprofit organizations charge little or nothing for their services.
- Carefully consider a second mortgage or home equity line of credit. While these loans may allow you to consolidate your debt, they also require you to use your home as collateral.

If these options are not possible, bankruptcy may be the likely alternative. The consequences of bankruptcy are significant and require careful consideration. Also, you must get credit counseling from a government-approved organization within six months before you file for bankruptcy relief.

For more information on consumer credit, money management and bankruptcy, visit the Federal Trade Commission Web site at www.ftc.gov or contact the American Financial Services Association’s Education Foundation at 1-888-400-2233.

Tips to combat 'phishing' scams

Tips to help protect Oregon consumers from having personal financial information hijacked

Not to be confused with an angler's pastime, there is a growing scam known as 'phishing.' Phishing involves swindlers claiming to be from a reputable company and sending out thousands of fake e-mails, phone calls, text messages or any combination of all of these. They hope consumers will respond with bank account information, credit card numbers, passwords or other sensitive, personal information.

These e-mails can be quite convincing, with company logos and banners copied from actual Web sites. Typically, phishers will state that their security procedure or the status of your account has changed. As a result they need to update (or validate) your account information, and they then direct you to a look-alike Web site. If you respond, the thieves use this information to order goods and services, create bogus debit cards or obtain credit in your name.

Consumer tips

To avoid becoming a victim of a phishing scam, the Oregon Bankers Association offers these tips to consumers:

- Never give out personal financial information in response to an *unsolicited* phone call, fax, text message or e-mail, no matter how official it may seem.
- Do not respond to e-mail that may warn of dire consequences unless you validate your information immediately. Contact the company to confirm the message's

validity using a telephone number or Web address that you know is genuine.

- Check credit card and bank account statements regularly and look for unauthorized transactions, even small ones. Some thieves hope small transactions will go unnoticed. Report discrepancies immediately.
- When submitting financial information online, look for the padlock or key icon at the bottom of the Internet browser. Also, many secure Internet addresses, though not all, use "https" to signify that the information is secure during transmission. Verify that the address in the Internet browser address bar is accurate, and not an unfamiliar address.
- Report suspicious activity to the Internet Crime Complaint Center (www.ic3.gov), a partnership between the FBI and the National White Collar Crime Center.
- If you have responded to a suspicious e-mail, contact your bank immediately so they can protect your account and your identity.
- For more information on phishing, visit:
 - Federal Deposit Insurance Corporation at www.fdic.gov/consumer,
 - Federal Trade Commission at www.ftc.gov,
 - National Consumers League at <http://www.phishinginfo.org/>,
 - Consumer Protection News at <http://www.occ.gov/Consumer/phishing.htm>,
 - OCC Consumer Complaints and Assistance at www.occ.treas.gov, or the
 - Anti-Phishing Working Group at www.antiphishing.org/index.html.

About the Oregon Bankers Association

Established in 1905, the Oregon Bankers Association is Oregon's only full-service trade association representing state and national commercial banks, thrifts and savings banks chartered to do business in Oregon. More information about the OBA is available at www.oregonbankers.com.

Summer and home improvements seem to go hand-in-hand

With warm weather just around the corner, many homeowners begin thinking about the improvements they want for their home. Whether you're having work done on your home for the first time or you're a home improvement pro with lots of projects under your belt, the Oregon Construction Contractors Board (CCB) has several tips to help your project go smoothly.

1. **Make sure the contractor is licensed with the CCB.** Before hiring a contractor, check the contractor's license and complaint history at www.oregon.gov/CCB or call 503-378-4621.

Anyone who improves, repairs, remodels or builds a home must be licensed with the CCB. This includes painting; roofing; heating and air conditioning; carpentry;

plumbing; electrical work; laying concrete; installing floor coverings, siding, windows or insulation; installing manufactured dwellings; performing inspection services; and performing most other construction and repair services.

A licensed contractor is required to have a bond and to carry liability insurance. If your contractor is licensed with the CCB, you can get help resolving construction-related disputes within a year from the time the work was substantially completed or the work stopped.

2. **Don't automatically accept the lowest bid.** The old saying, "you get what you pay for" applies to construction projects. A higher bid may be worth the price in better materials, workmanship and reliability.

If you get a very low bid, the contractor may have made a mistake or forgotten to bid everything in the project. Or, they may have deliberately underbid the project to get the job, thinking they can cut back on the quality of the materials or ask for more money later. A large number of CCB complaints filed against contractors are a result of homeowners taking the lowest bid and then being unhappy with the low quality of work.

3. **Use a written contract.** All agreements should be in writing. Generally, the more detailed a contract, the fewer problems that occur later. A big project needs more than a vague contract such as, "Remodel master bedroom, \$19,500." Know what your contract specifically does and does not cover. Do not sign a contract unless you

understand everything including arbitration clauses. Do not forget that changes are part of the contract. Make sure all changes to the original terms are in writing. Changes are often a major source of misunderstandings and cost overruns.

4. **Communicate.** Ask lots of questions before the job begins to help prevent problems later. Talk to your contractor throughout the project. Many disputes happen because people fail to communicate at every step.

Your home is often your biggest investment. Most construction projects can go smoothly if you do your homework, such as checking out the contractor, setting realistic expectations and making wise decisions during the project.

You can find these tips and more by visiting the Consumer Help page on the CCB Web site, or call 503-378-4621 for CCB's free publication, *16 Ways to Avoid Remodeling, Repair and Construction Problems*.



HOUSE STEALING The Latest Scam on the Block



What do you get when you combine two popular rackets these days – identity theft and mortgage fraud? A totally new kind of crime – house stealing.

Here's how house stealing works:

- The con artists start by picking out a house to steal – say, YOURS.
- Next, they assume your identity by getting access to your name and personal information (usually off the Internet) and using that to create fake IDs.
- Then they go to an office supply store and purchase forms that transfer property.
- After forging your signature and using the fake IDs, they file these deeds with the proper authorities, and lo and behold, your house is now THEIRS.*

Con artists also look for a vacant house, such as a vacation home or rental property, find out who owns it, steal the owner's identity, go through the same process as above, put the empty house on the market, and pocket the profits.

Or, the fraudsters steal a house a family is still living in, find a buyer (someone who is satisfied with a few online photos), and sell the house without the family even knowing. In fact, the rightful owners continue paying the mortgage for a house they no longer own.

So how can prevent your house from being stolen? Not easily, we're sorry to say. The best you can do at this point is to stay vigilant. A few suggestions:


If you receive a payment book or information from a mortgage company that's not yours, whether your name is on the envelope or not, don't just throw it away. Open it, figure out what it says, and follow up with the company that sent it.

For more information, visit the FBI's Web site at www.fbi.gov.


HOUSE STEALING

Here's how it generally works:


Step 1: Con artists pick a house. It can be a vacation home, rental property, or the home someone is living in right now.




Step 2: They assume the identity of the homeowner (often using the Internet to obtain personal information) and then create various fake IDs.



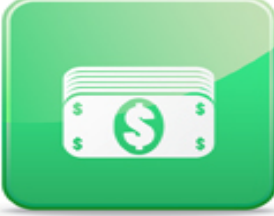
Step 3: They transfer the deed of the house into their name by obtaining the forms, forging signatures, using the fake IDs, and filing the paperwork with proper authorities. Now, they own the home.



Variation 1: Con artists find a home, steal the owner's identity, sell the property, and pocket the profits—even if someone still lives in the house.



Variation 2: Crooks prey on homeowners having trouble paying their mortgage, promising to refinance but instead "buying" the home using false identities. The owners lose the title and the banks lose the money they loaned to fake buyers.



Need a speaker on investment scams? State agency offers guidance, tips

With an uncertain economy looming and the rise in the costs for basics like gas, food and health care, people – especially seniors – are concerned about making ends meet during retirement. That concern may make seniors more vulnerable to investment scams that promise to bring double-digit returns.

The Oregon Department of Consumer and Business Services, through its division of Finance and Corporate Securities, provides speakers who can share information about investments and securities with those seeking to make informed investment decisions when saving for retirement. The presentations also include tips to avoid investment schemes and the basics of Oregon's new identity theft laws.

To schedule a speaker for groups of 20 or more, call Diane Childs at 503-370-4140 or toll-free in Oregon at 1-866-814-9710.

SAFE – Senior and Family Education

The Oregon Department of Consumer and Business Services implemented a program called SAFE – Senior and Family Education – to educate Oregonians about how to protect themselves from being victims of financial abuse or fraud. For example, the program presenters let you know it is illegal for an insurance agent, broker, solicitor or insurance company to misrepresent the terms or benefits of any insurance policy.

Unfortunately, there are some agents who deliberately break the law and attempt to pressure you into buying products without telling you the truth about elements of the product.

So how can you protect yourself from this predatory marketing? There are several things you can do:

1. Do your homework.

Make sure the agent, broker and insurance company are properly licensed to sell the product you are considering buying. This information is available on the Oregon Insurance Division Web site at www.insurance.oregon.gov or you can call toll-free at 1-888-877-4894. Information regarding the number of complaints against insurance companies also is available.

2. Get it in writing.

Do not make any decision until you are able to read the proposals.

3. Take your time.

Do not be pressured into buying any insurance product.

Take enough time to review the information before making any decisions.

Do not sign anything you do not understand. It's ok that you're not an expert on these products. It takes agents years to understand some of the information they're telling you. Ask lots of questions until you're sure about what is being marketed to you.

If it sounds too good to be true, it probably is.

4. Do not go it alone.

Consider having a trusted friend, family member or advisor sit in on all discussions concerning the purchase of an insurance or securities product.

5. Do not let strangers into your home.

Do not buy insurance or security products from people who knock at your door without an appointment. This is a tactic unscrupulous agents use to catch you alone at home and talk you into something you may not need.

6. Attend a SAFE (Senior and Families Education) presentation.

The Oregon Department of Consumer and Business Services is providing information around the state on how to protect yourself from financial fraud or abuse.

For more information, contact the Oregon Department of Consumer and Business

Services toll-free at 1-888-877-4894, ext. 7208 or call 503-947-7208.

A few questions that have been asked and answered at SAFE presentations are:

Q: What happens if I want to cancel the annuity after the free-look period?

A: You may be subject to the surrender penalties under the contract. We suggest that you review the contract with your financial advisor, trusted family member or friend before you make any decision. You also may file a complaint with our office so that we can investigate and determine if the product was suitable for you at the time of purchase.

Q: My neighbor is very happy with the Medicare Supplement policy that she purchased. Should I purchase the same policy?

A: Not necessarily. Everyone has different needs. It is important to verify that the policy provides the coverage you need at a premium you can afford.

Q) My Medicare premium went up again! Will you (SAFE) help keep this from happening?

A) Unfortunately not. Medicare is your federal medical health insurance for seniors and disabled persons. SAFE staff can, however, help you find contact persons for service and appeals on your Medicare coverage, and can answer many of your questions.

Q. How can I tell if my agent is honest?

A. First, ask if he or she holds a valid license. Then check with the Oregon Insurance Division (1-888-877-4894) to verify the license and to ask if there have been any sanctions against the

agent. You also can check to see how many complaints an insurance company has received.

Q. How can I tell if my policy will meet my needs, years into the future?

A. Read and understand your contract. Ask questions about anything that is not covered.

If an agent cannot explain the terms of the contract, find another agent.

The Insurance Division has employees who review contracts for compliance with the law and general fairness.

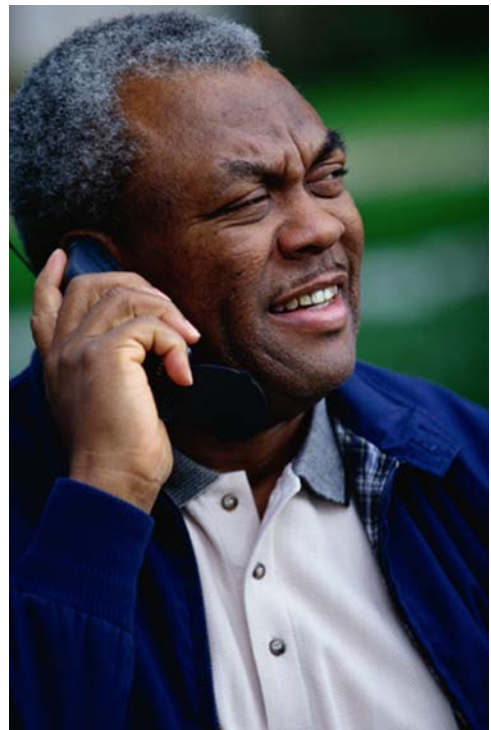
Q. I changed my Medicare plan and now my doctor says she does not take the plan. Can doctors do this? What can I do?

A. It's a good idea to check with each of your doctors before changing plans. Senior Health Insurance Benefits Assistance can help you change to an appropriate plan. They also have a Web site and a booklet that compares different supplements and advantage plans.

Medicare scam watch!

Telephone calls are being made stating: "This is to inform you that we have an improved Medicare plan." The callers then tell seniors they have their routing number and just need verification of more personal information, including their social security number. If the seniors do not give the caller the information they are asking for, they threaten to suspend the individual's Medicare for 90 days.

– *Provided by the Idaho SHIP and Andrew Tartella, CMS*



Scam alert

The Oregon Department of Justice recently has been made aware of a potential scam impacting foster care facilities in Oregon. It appears that a handful of foster care facilities have been approached by a man representing himself to be the owner of a foster care placement agency. In at least one instance, he allegedly represented that he had two clients in need of placement, asked for a \$150 fee upfront and indicated he would return later in the week with a contract for the foster care facility owner to sign. However, according to the complaint, the man did not return with a contract later in the week as promised, and the foster care facility owner has been unable to reach the man through the contact information provided on his business card. The Department of Justice is conducting an investigation regarding these allegations.

The Department of Justice urges owners of foster care facilities to be on the alert for such scams and follow the tips below to avoid becoming a victim of fraud:

- Never pay for unseen products or services in advance when requested to do so. In particular, do not be pressured into giving cash upfront. If you ever do pay for anything in advance, use your credit card, where you may have the opportunity to get your money back if you are the victim of fraud.

- If you are not familiar with the person or company soliciting your business, check out the company before making a purchasing decision by calling the Department of Justice toll-free at 1-877-877-9392 and/or visiting the Better Business Bureau's Web site at www.bbb.org to check out the company's complaint history.
- Particularly where a business is offering a service and does not produce a contract for your consideration at the time payment is requested, do not get pressured into making a decision and paying for a service before you have had a chance to read the terms of the contract. A legitimate company offering a service to you today will offer that service to you in a week after you have had a chance to review the contract and check the history of the business.

If you have been the victim of a scam similar to the one described above, go to the Department of Justice's Web site at www.doj.state.or.us/help/explain_consumer_complaint.shtml and submit the complaint form online.

Call Geoff Darling, Chief Investigator for the Financial Fraud/Consumer Protection Section at the Department of Justice at 503-934-4400 for more information.

Conference looks at caregiving

Elaine K. Sanchez, author of the book *Letters from Madelyn, Chronicles of a Caregiver* spoke at the SHIBA Conference about her mother's experiences as a caregiver. The lessons and insights Elaine shared are valuable for all of us.

Madelyn Kubin, Elaine's mother, was a Kansas farm woman who had very little money and was in very poor health when her 75-year-old husband suffered a debilitating stroke. Over the course of the next six years, Madelyn developed a myriad of coping strategies, including writing letters in which she described her experiences and freely expressed her emotions about her caregiving role. Her letters were tender, gritty, insightful, and at times outrageously irreverent and laugh-out-loud funny.

Some of the lessons Elaine learned through her mother's experience included the importance of caregivers taking time to care for themselves. Some of her caregiver survival tips included:

- Set aside some time for yourself each day to do something you enjoy.
- Get the right equipment.
- Learn something new.
- Redefine "fun."
- Develop an attitude of "creative indifference."
- Stay connected socially.
- Accept that death is a part of life.



Through sharing her mother's story, Elaine helped attendees understand that in order to care for another person you must first take care of yourself. Conference participants also saw how it is possible to grow mentally and spiritually, even in the worst end-of-life situations. And finally, Elaine proved that as long as we have the ability to think and reason, we have the power to control our attitude toward any person, thing or event.

For a free copy of Elaine's *Caregiver Survival Guide*, visit her Web site at www.LaineyPublishing.com.

This publication is supported by funds from a grant from the Administration on Aging. If you have questions about any of the features here, please contact Joyce Phelps, State Unit on Aging
Joyce.L.Phelps@state.or.us or (503) 373-7612.