

CASE

partnership

CASE is a Partnership of the District Attorney and
the Community to Prevent Fraud and Exploitation

Power Against Fraud

Denver District Attorney Fraud Line
720-913-9179

www.denverda.org



Denver District Attorney Mitch Morrissey

FINANCIAL EXPLOITATION OF THE ELDERLY

Colorado's older citizens lose millions of dollars every year to financial exploitation. Con artists deliberately target older adults, preying on their loneliness, trusting natures, and lack of financial savvy. Adults over the age of 60 make up 18% of the population in Denver; but they account for over 30% of the victims in the Denver District Attorney's Economic Crime Unit. Of those who prey on the elderly, two-thirds of the perpetrators are known to the victim, either as care giver, relative or trusted advisor.

VULNERABILITIES OF THE ELDERLY

- Living alone and isolated; lonely; no family members or friends in the immediate area from whom to seek advice.
- Lack of knowledge on financial, legal and insurance matters; little attention paid to financial accounts. Inexperienced and unsophisticated investors.
- Over-dependence on one caregiver or advisor, particularly if that person is financially dependent, controlling or seeks to further isolate the at-risk adult.
- Overly trusting and charitable causing victim to project trust on perpetrators: "He wouldn't tell me I needn't a new roof if it wasn't true."
- Refusal of help -- don't seek a second opinion.

CHARACTERISTICS OF FRAUD PERPETRATORS

- Good actors and liars; use friendly "nice guy" approach.
- Charismatic & controlling; building on victim's trust; then makes promises, and if necessary, threats.
- Seldom violent, but without conscience. Use all energy living the lie.
- Two-thirds are family members.

IDENTITY THEFT

Warning Signs:

- Your purse or wallet is stolen
- Your bank account is overdrawn or there is unusual activity on your credit card
- Mail you are expecting doesn't arrive, especially related to financial matters; bills you paid are still showing due
- You apply for a credit card or loan and are denied

Preventative Steps:

- ✓ Carry a close-fitting pouch instead of a purse or carry a wallet in your front pocket.
- ✓ Reduce the items you carry in public such as extra credit cards, Social Security card, and checkbooks; remove your Social Security number from your Driver's License.
- ✓ Shred, tear into small pieces, or cut up all mail and documents that contain Social Security, bank and credit card numbers.
- ✓ Place mail with bills to be paid at the Post Office. Ask that new boxes of checks be held at your bank or credit union rather than mailed to you.

TELEMARKETING FRAUD

Warning Signs:

- You live alone and enjoy talking to anyone calling
- You believe it's rude to interrupt a caller or to hang up
- You must pay money up front for taxes or fees to participate
- You must make an immediate decision, before the call ends, or the offer will be rescinded
- You are called more and more frequently by a multiplying variety of telephone solicitors

Preventative Steps:

- Never talk to strangers on the telephone – they are not calling to wish you a good day. They are invading your privacy - as though they have walked into your home.
- Sign up for Colorado No Call 1-888-249-9097 or www.coloradonocall.com
- Use an answering machine, voice mail or Caller ID to screen calls.

- Never, under any circumstances, give any portion of your credit card, bank account, or Social Security numbers to a caller.

MAIL AND INTERNET FRAUD

Warning Signs:

- You play sweepstakes daily because you think you need extra money, holding out hope you will win a big prize some day
- You believe because your mail is delivered by the U.S. Postal Service, it must be legitimate
- You open and read all of your mail because many pieces look like official government documents or heart-felt solicitations for charity – and you don't have anything better to do
- You're getting the same offers through e-mail that you used to receive through the mail

Preventative Steps:

- Even though it may be fun or give you something to do, stop participating in sweepstakes, lottery, and contest offers.
- If you were to truly win something, you NEVER have to pay any fees, taxes, or costs of ANY kind before receiving your winnings – that's the law!
- Don't even give temptation a chance. If you receive a mailing or e-mail that promotes sweepstakes, lotteries, charities, credit repair, work-at-home offers, or a Nigerian letter, throw the envelope away or delete the e-mail without opening it.

FINANCIAL PLANNING AND INVESTMENT FRAUD

Warning Signs:

- High pressure sales tactics with an insistence on an immediate decision;
- Unwillingness to let you discuss the deal with another advisor or to get a second opinion;
- A guaranteed investment or one with 'no risk';
- Unwillingness to provide written information, including state securities registrations and verifiable references;
- A suggestion that you invest on the basis of trust or faith.

Preventative Steps:

- 1 Surround yourself with several advisors – don't become solely dependent on one financial advisor or consultant.
- 1 Thoroughly check out any offer – don't be rushed into making a hasty decision. Contact the Colorado Division of Securities at 303-894-2320 if you have questions.
- 1 Carefully review your financial statements and look for signs of unauthorized or excessive trading. Periodically check your account online or by phone with the fund managers.
- 1 If you have trouble retrieving your funds, don't let a false sense of trust keep you from demanding a return of your investment.

CAREGIVER FRAUD

Warning Signs:

- Unusual activity in bank and credit card accounts
- Caregiver tries to isolate the victim who comes to rely solely on the caregiver
- Caregiver has total control over finances and has all financial statements mailed to him or her.
- New acquaintances appear on the scene and the adult is either completely charmed, or fearful of the caregiver

Preventative Steps:

- 1 If your Power of Attorney or anyone else suggests you make a change in your assets, your investments, or insurance, always get two or three other opinions from within your team of advisors. Only a potential crook will not want you to discuss the change with others.
- 1 No matter how much you know, love or trust someone, never sign papers you have not read or do not understand.
- 1 Even if you have a representative payee, Power of Attorney or other advisor who manages your finances, insist on receiving and reviewing copies of all bank and financial statements.

SIGNS OF FINANCIAL EXPLOITATION

Physical Signs

- Unusual activity in bank accounts: numerous withdrawals from ATMs, bounced checks, credit card accounts maxed out.
- Personal belongings such as jewelry, antiques, and silverware missing.
- Numerous unpaid bills, overdue rent, when a caregiver is to be paying.
- Adult is living well below his/her means and complaining of not having enough money, no food, poorly dressed, lack of heat.
- Eviction notice arrives when the adult thought they owned their house.

Care Giver Characteristics

- Care giver tries to isolate the adult. Tells the adult other friends and family don't want to see him/her. Care giver has total control.
- Care giver asks only financial questions. Has an unusual interest in the amount of money spent on the care of the adult; concern that too much is being spent. Refusing to spend money on the adult's care.
- Care giver is evasive about financial arrangements. Makes up implausible stories about the adult's finances.
- New acquaintances expressing gushy, undying affection for adult at-risk.

Legal Exploitation

- Power of Attorney given when the adult is unable to comprehend their financial situation, and is not capable of giving valid Power of Attorney.
- Recent changes of title of house in favor of a friend when the adult is incapable of understanding the nature of the transaction.
- Recent Last Will when the adult is clearly incapable of making a Will.
- Adult says they have been signing papers and don't know what they are.
- Promises of life-long care in exchange for a Will or deeding of property.

WHY ELDERLY VICTIMS DON'T COMPLAIN

- ✓ Belief that he/she is to blame
- ✓ Lack of alternatives
- ✓ Fear of not being believed
- ✓ Fear of separation from home and family

- ✓ Economic dependence on abuser
- ✓ Fear of the criminal justice system

CONSEQUENCES OF VICTIMIZATION

Older adults who are victims of financial exploitation:

- ☑ Experience significant trauma as a result of these life-changing events
- ☑ Feel personally violated
- ☑ Lose trust in self and others
- ☑ May suffer further isolation from family, friends, and the community

Physical Responses

The physiological process of aging brings with it a decreased ability to heal after trauma, both physically and mentally. Symptoms of trauma may manifest in increased illness, somatic distress, and/or untreated physical or mental health problems.

Financial exploitation and fraud can deplete life savings—a secure, comfortable retirement may be lost, including access to in-home services, medical care, and insurance. For those victims living on a fixed income, fraud may mean going without food, medication, and other necessities.

Behavioral Responses

Shock, anger, guilt, shame, depression and sorrow may be indicative of trauma. Trauma reactions can manifest similar to grief. Feelings of fearfulness, helplessness, confusion and self-blame may be apparent. Risk of isolation is particularly high. Older adults fear their competence, and ability to care for themselves, may be judged.

Colorado Credit File Freeze

Beginning July 1, 2006, Coloradoans can put a security freeze on their credit reports. A freeze means your file cannot be shared with potential creditors which can help prevent identity theft. If your credit files are frozen, even someone who has your name and Social Security number will not be able to get credit in your name.

✓ How do I place a security freeze?

Requests must be in writing and sent by certified mail to each of the three major consumer credit reporting agencies:

Equifax Security Freeze	Experian Security Freeze	TransUnion Security Freeze
P.O. Box 105788	P.O. Box 9554	P.O. Box 6790
Atlanta, GA 30348	Allen, TX 75013	Fullerton, CA 92834-6790
www.equifax.com	www.experian.com	
www.transunion.com		

You must include:

- Full name, with middle initial and generation, such as Jr., Sr., III;
- Social Security number;
- Date of birth;
- Current address and previous addresses for the past two years.
- Copy of a government issued ID, such as a driver's license or military ID;
- Copy of a utility bill, bank or insurance statement that displays your name, current mailing address, and date of issue (statement must be recent).

✓ Do I have to freeze my file with all three credit bureaus?

Yes. Different credit issuers may use different credit bureaus.

✓ Can I open new credit accounts if my files are frozen?

Yes, if you want to open a new credit account, you can lift the freeze for a specific creditor or period of time. When you freeze your files, you will receive a unique PIN from each of the agencies as well as instructions on how to lift the freeze. You can lift the freeze by phone using your PIN and proper ID.

✓ Is there a fee to freeze my credit files?

The initial security freeze is free of charge; however, the temporary or permanent removal of the freeze may cost up to \$10 per agency.

✓ **How long does it take for the freeze to be in effect and how long does it take for a freeze to be lifted?**

Credit bureaus must place the freeze no later than five business days after receiving your written request. A freeze must be lifted no later than three business days after receiving your request.

✓ **What will a creditor who requests my file see if it is frozen? Can someone get my credit score?**

A creditor will see a message or a code indicating that the file is frozen and will not be able to get your credit score.

✓ **Can I order my free credit report if the file is frozen?**

Yes, free credit reports from each credit bureau are available every 12 months at www.annualcreditreport.com or 1-877-322-8228.

✓ **Can anyone see my credit file if it is frozen?**

Yes, certain entities will have access to it. Your report can still be released to existing creditors or to collection agencies acting on their behalf. They can use it to review or collect on your account. Other creditors may use your information to make offers of credit unless you opt out of such offers (see below) Government agencies may have access for child support payments or taxes, for investigating Medicare/Medicaid fraud, or in response to a court/administrative order, subpoena, or search warrant delinquent taxes or unpaid court orders.

✓ **Does freezing stop pre-approved credit offers?**

No. To stop pre-approved credit solicitations, you need to “opt out” at www.optoutprescreen or call 1-888-567-8688. It’s good for five years or you can make it permanent. You will need to give your Social Security number.

✓ **What’s the difference between a fraud alert and a freeze?**

A fraud alert on a report tells a potential creditor that there may be fraud. A fraud alert can help prevent identity theft and can also slow your ability to get new credit. A freeze means your credit file cannot be seen by potential creditors or employers doing background checks unless you give your consent.

Remove Your Information from Marketing Lists

1. Sign up for the **Colorado No Call List** for both your home and cell phones at **303-776-2678** or **www.coloradonocall.com**.
2. Register with the **National Do Not Call Registry** at **www.ftc.gov/donotcall** or by calling **1-888-382-1222**.
3. Ask businesses with whom you do business to put you on their '**DO NOT CALL LISTS**.'
4. 'OPT OUT' of credit reporting agencies' credit card solicitations at: **1-888-567-8688** or **www.optoutprescreen.com**.
5. Call your credit card(s) customer service number(s) to 'OPT OUT' of marketing programs, including **Convenience checks**'.
6. Reduce junk /mail through the Direct Marketing Association at www.dmaconsumers.org
Or you can mail your request directly to:

Mail Preference Service
Direct Marketing Association
P.O. Box 643
Carmel, New York 10512

There is a \$1.00 fee either way.

IMPORTANT RESOURCES

District Attorney's Office

If you need assistance with any of the fraud prevention steps in this handbook or need assistance in reporting a crime, contact:

Debra, Fraud Specialist
720-913-9179,
DXS@denverda.org

Pat, Fraud Specialist
720-913-9179
PLW@denverda.org

Credit Card Offer 'Opt Out' Line

Stop credit card offers and unwanted credit cards generated from credit reporting agencies' marketing lists. The call is free and there is no charge for this service. It is safe to give your Social Security Number because you initiated the contact. 1-888-567-8688 or www.optoutprescreen.com

Business and Charity Reliability Reports

To receive a reliability report on a business or charity, before buying or giving, contact the Better Business Bureau.

1-800-222-4444 or www.bbb.org

Charities: www.give.org, www.charitynavigator.org

Investment Offers

To inquire about the legitimacy of any investment offer, call the Colorado Division of Securities. 303-894-2320

Credit Reporting Agencies

To receive a FREE copy of your credit report each year to help ensure that there is no inaccurate information or unusual activity, use the information below. It is safe to give your Social Security Number because you initiated the contact.

Website: www.annualcreditreport.com

Telephone: 877-322-8228

To report theft or unauthorized use of your credit card or SSN, call:

Equifax 1-800-525-6285, www.equifax.com

Experian 1-888-397-3742, www.experian.com

Trans Union 1-800-680-7289, www.transunion.com

Elderwatch – Colorado Attorney General

Hotline: 1800-222-4444