

## Fraud Target: Senior Citizens

The D.C. Department of Insurance, Securities and Banking, also known as DISB, provides tips on how you can protect yourself and your family from fraud. Senior citizens especially should be aware of financial fraud scams, which come in different forms such as in-person, by telephone or through unsolicited letters and emails.

### Why should seniors be concerned?

It has been the experience of local and national financial regulators that the elderly are targeted for fraud for several reasons:

- 1) Older Americans are most likely to have a "nest egg," own their home or have excellent credit all of which the scammer will try to tap into.
- 2) Individuals who grew up in the 1930s to 1950s are generally polite and trusting. The scammer will exploit these traits knowing that it is difficult for them to say "no" or just hang up the phone.
- 3) Older Americans are less likely to report fraud because they don't know who to report it to, are too ashamed, do not know they are a victim or worry that relatives will think they no longer have the mental capacity to take care of their affairs.
- 4) When elderly victims report crime, they often make poor witnesses. The scammer knows the effects of age on memory and is counting on the fact that victims will not be able to supply enough detailed information to investigators.
- 5) When it comes to products that promise increased cognitive function, virility and so on, older Americans make up the segment of the population most concerned about these issues.

### Common Scams Targeted at Seniors

#### *Medicare Fraud*

Senior citizens are frequent targets of Medicare schemes, especially by medical equipment manufacturers who offer seniors free medical products in exchange for their Medicare numbers. Because a physician has to sign a form certifying that equipment or testing is needed before Medicare pays for it, con artists fake signatures or bribe corrupt doctors to sign the forms.

Once a signature is in place, the manufacturers bill Medicare for merchandise or service that was not needed or ordered. Before you give the salesperson your Medicare numbers, confirm with

your doctor that you need the medical equipment. Also ask your doctor to provide a detailed account of the services needed. Review any account statements carefully and report errors immediately.

### ***“Home Improvement” Fraud***

A contractor calls or knocks on your door and offers to install a new roof or make some other improvement at a reasonable price. You tell him you're interested, but can't afford it. The contractor says no problem and can arrange financing through a lender he knows. You agree to the project and the contractor begins work.

At some point after the contractor begins, you are asked to sign papers. The papers may be blank or you are rushed to sign before reviewing them. The contractor may threaten to not finish the work if you do not sign the papers. You sign the papers to only later realize that the papers you signed are a home equity loan. The interest rate, points and fees seem very high. To make matters worse, the work on your home isn't done right or hasn't been completed, and the contractor, who may have been paid by the lender, has little interest in completing the work to your satisfaction. Don't allow the contractor or lender to rush you into a decision. Check out the contractor's license with the D.C. Department of Consumer and Regulatory Affairs at (202) 442-4400 and report the lender's activities to DISB at (202) 727-8000.

### **Sweepstakes and Lottery Scams**

The elderly are among the most targeted when it comes to sweepstakes and lottery scams. This is how it works: You receive a phone call or a notice in the mail saying you won \$50,000 and then you are pressured to send in \$500 for the taxes on your prize money. Beware! This is a scam. Don't send any money or give your personal information to these callers. DISB is warning people to be skeptical of calls saying you won a sweepstakes or lottery that you didn't enter.

### **Internet Fraud**

As more senior citizens use the Internet, there are increased chances to become a victim of fraud. Emails are sent to individuals with the purpose of capturing confidential personal and financial information such as passwords, checking and credit card account numbers and Social Security numbers. The scammers use the information to steal your identity to commit other types of fraud (e.g. to create counterfeit bank accounts and credit cards.) Do not respond to unsolicited email offers. It is best to just delete them. If your identity is stolen report the crime to your financial service providers and to the three credit bureaus: Equifax: [www.equifax.com](http://www.equifax.com) or 1-800-525-6285; Experian: [www.experian.com](http://www.experian.com) or 1-888-397-3742; and TransUnion: [www.transunion.com](http://www.transunion.com) or 1-800-680-7289.

### **Call DISB and report anything suspicious**

Reporting to DISB is confidential. If you suspect fraud or a financial crime, please call us at (202) 727-8000, email at [disb@dc.gov](mailto:disb@dc.gov) or visit us at [disb.dc.gov](http://disb.dc.gov) to file a secure complaint online.

*This information is made possible by DISB, the Federal Bureau of Investigation, the Federal Trade Commission and the National American Securities Administrators Association. The D.C. Department of Insurance, Securities and Banking, also known as DISB, has two missions: to fairly and efficiently regulate financial services in order to protect the people of the District of Columbia and to attract and retain financial-services businesses to the District. Visit us online at [disb.dc.gov](http://disb.dc.gov).*