

WINTER 2017 HERSHEYSMILL FRAUD PREVENTION NEWSLETTER



Oh, the weather outside is frightful, but not really. It is mid-November and the temperature is 52 degrees. So even though it's a bit warm, it's time to turn our attention to winter scams to prevent you from getting burned.

Winter is an especially active time for scammers as we have Thanksgiving and Christmas charity scams as well Christmas gift ones.

But it's not just holiday scams. There is lots of confusion surrounding health insurance and scammers love confusion so with the new 12/15 deadline they've gotten very busy. Finally we also have non-seasonal scams which continue year round.

So on that cheery note, let's begin.

Why Do Scammers Target People Over 50?

- They have more money usually retirement accounts and home equity
- They grew up in a more trusting time
- They often have specific health needs that can be exploited
- They are too embarrassed to report the crime
- They are more willing to contribute to seemingly good causes

Here Are a Few to Be Aware Of

SSI Disability Fraud

TV ads attracted people to see if they were eligible for SSI. They were sent to doctors in on the scheme who told them they were ineligible. The company then filed applications in their name. The scheme cost taxpayers \$25,000,000.

Home Services

This one is much more relevant to HM. The targets were people living alone who appeared not to have any family. Once inside the home, these "caregivers" would trick the residents (or forge their signature) on documents ranging from Power of Attorney to Reverse Mortgages. Soon the homeowner was penniless and evicted.

Mortgage Default Prevention

Hopefully everyone the place to start if you fall behind on your mortgage payments is the bank or mortgage company holding your mortgage. NEVER respond to a TV ad offering to take what you can pay and "negotiate" with the bank on your behalf. Your money is spent as soon as you send it in.

Prepaid Funerals

This one is so simple and obviously well suited to fraud but people signed up anyway.

For a fee of \$10,000 up front the company would negotiate a deal with the Funeral Home of your choice and then purchase a dividend paying life insurance policy for you so that your money would earn some money while you were alive. Amazingly, 97,000 people signed up for this which ultimately burned Funeral Homes and insurance companies as well as the victims.

Victim of Love

As the song from Beauty and the Beast says, “A tale as old as time.”

Older men bump into a younger, attractive who begins grooming them for a rip-off later. They begin by telling a sympathetic story of fleeing from abuse or having a sick child etc. After a while she asks if they can help with a little cash for her desperate situation. Once on this path the requests become bigger. Thus, the saying “There’s no fool like an old fool.”

People Over 55 Grew Up In a Different Environment With Some Great Qualities That Scammers Try To Take Advantage Of

In my career in cyber security the greatest threat was not technology but wetware (a/k/a people.) Recognizing this truth scammers have shifted from emphasizing weaknesses in the hardware to people. They try to use their good qualities against them as we’ll see below:

Industriousness

Because you are a hard worker you are busiest at the start of the workday and are most likely to be distracted. Hence bad E-mails are sent first thing in the morning. It will also get worse with the approaching holidays.

To protect yourself slow down a little and don’t fall for subject lines like “Immediate Action Required.” Also, Thursday is peak fraud E-Mail day.

Curiosity

A habit to keep in check these days. Scammers peak your interest with fake reports of celebrity deaths or other events. They also use greed, promising prizes for taking a short survey by clicking on the link.

FREE is a Bad Word

Promises of free stuff is a powerful lure but is usually toxic. Specifically, some of the worst “free” come-ons are for:

- Health and Medical
- Travel and Leisure
- Free Samples

Health and Medical

For seniors, Oct 15th to Dec 7th are prime scam time because it's Medicare open enrollment. The crooks main goal is identity theft.

Same thing with pop-up free flu shot kiosks. They just want your ssn and other information

Another is medical equipment at “No Cost to You. We Bill Medicare.” This can burn you in several ways. Often the equipment is cheap stuff. If they successfully bill Medicare without a doctor's prescription, you may end up paying hundreds for a \$20 item.

The stuff is free but you have to give them a credit card to cover shipping and perhaps some supporting information as well.

Travel and Leisure

Free tickets or meals from well-known airlines or restaurants are almost always fake. It's easy to cut and paste famous logos so always check the real company's website or call their 800 number.

Time share presentations offering luxury cruises or accommodations will cost a lot of non-refundable credit charges for virtually nothing.

Free Trials

Last one. Any ad with the words “Miracle” “Guaranteed” and “Risk Free” are scams. Also, glowing customer reviews can be written by the company itself.

So how do they scam you? First, the 30-day return period starts when you order not when you get the product which you might not get for 30 days. The offers may also have microprint where you are agreeing to accept very expensive products with no returns allowed.

SCAMMERS DON'T JUST STEAL PEOPLE'S ID, THEY STEAL BUSINESS, GOVERNMENT AND MEDICAL IDs. IN ADDITION, THEY MAKE UP THEIR OWN.

Below is a list of Fake Callers:

Jury Duty Manager You didn't show up. Pay \$400 or go to jail.

Utility Company We will shut off your utility unless you pay immediately.

Property Clerk You have unclaimed property. Just pay this fee and get it.

Ticket Seller We have cheap tickets to a hot show but you must buy now

Bank Verifier Error on your account. Please verify your info so we can fix

Police/Fire Dept We are raising money for them. How much will you give?

IRS You owe back taxes and will go to jail if you don't pay right now.

VA I'm from the VA. You have new benefits. Just need your information.

Drug Pusher We have new capsules that will halt your disease

The information below is boilerplate for each newsletter for new readers

This leads me to couple of points that readers have asked and I think everyone should know. First, you don't have to give up your subscription if you move elsewhere. So long as I have a current E-Mail address your subscription will continue. Second, I have been asked to allow other communities to distribute this newsletter. I have absolutely no problem with that. Third, although most of you are already aware of this, a quarterly news is letter is too slow to protect you so for those who use the internet I put alerts out on the Hershysmill web site as I become aware of them. The web address is <http://hersheysmill.org/>.