

A collage of four photographs of senior citizens. On the left, a large photo of an elderly man with glasses and a light-colored shirt. Behind him, a smaller photo of another elderly man in a light shirt. In the bottom center, a photo of an elderly woman with short dark hair wearing a yellow top. On the right, a large photo of an elderly woman with short grey hair, resting her chin on her hand. In the center-right, a tilted photo of a smiling couple, a woman with blonde hair and a man in a suit and tie.

**PENNSYLVANIA OFFICE OF ATTORNEY GENERAL**

# **A Consumer Reference Guide for Seniors**

**HOW TO AVOID SCAMS AND FRAUD**

**Toll-Free Senior Helpline**

**1-866-623-2137**

**[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**

*Older Pennsylvanians are the mentors, teachers, and role models for our families and our communities. This booklet details many common forms of fraud and provides advice on scams and rip-offs. All of these scams have the goal of taking control of a senior citizen's monetary possessions, which often destroys a senior's credit, the ability to finance his or her own care and wipes out any assets that a senior may want to leave to his or her family.*

*The information in this guide will help you to protect yourself and your family from falling victim to fraud. While these issues may seem overwhelming, you are not alone. As our population of seniors continues to rise, unfortunately so does the number of crimes and scams directed at them.*

*The Pennsylvania Office of Attorney General Elder Abuse Unit has a toll free number you can turn to for help at 1-866-623-2137. The Unit is designed to protect senior citizens and take action against those who harm them. Our goal is to help prevent consumer fraud and abuse and vigorously prosecute those who prey on older Pennsylvanians.*

*For updated information on consumer issues, please visit our website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov).*

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# How To Spot A Scam

## Information is the Best Defense



Clever con artists are good actors who disarm their victims with a false “nice guy” approach. Beneath the phony smiles and smooth words are shrewd, manipulative crooks; crooks that are intent upon isolating their victims and breaking down any resistance to their scams.

The typical con artist, while seldom violent, is highly mobile, verbally fluent and possesses a well-developed sense of timing. The better con artists focus their approaches on a victim, learning how and when to strike, often striking when the victim least expects it or when it is too late for the

victim to escape. Con artists are unscrupulous, repeat offenders, who rationalize their activities by claiming that their victims “deserve” to be conned.

### The Victim

Anyone can be a victim, even those with an advanced education, substantial assets and lengthy business experience. In fact, some of the most sophisticated scams are targeted toward wealthy individuals or businesses, because, as Willie Sutton reportedly replied when asked why he robbed banks, “That’s where the money is.”

However, most low-level con artists seek potential victims among the elderly and those who live alone. These criminals seek out those whose background and status in life naturally make them more trusting or dependent, or victims whose sense of charity or even loneliness make them more vulnerable to the con artist’s story.

The con artist ultimately seeks to steal whatever he can from the victim. He'll steal life insurance, retirement income, "nest eggs," or anything else of value that he can talk the victim into giving him. To achieve his goals, the con artist preys on the most vulnerable members of our society, and he's often able to obtain the cooperation of his victim in doing so.

*How can you detect a scam? Look for these tell-tale signs:*

**Cash Only:** Cash, money orders or wire transfers should not be required for transactions. You should be able to use a check or credit card.

**Secret Plans:** No one should ask or instruct you not to tell anyone about the transaction.

**Get Rich Quick:** Any scheme should be carefully investigated.

**Something for Nothing:** A retired swindler once said that any time you are promised something for nothing, you usually get nothing.

**Contests:** Make sure they aren't a come-on to draw you into a money-losing scheme.

**Haste:** Be wary of any pressure to "act immediately or lose out." If something is worthwhile today, it's likely to be available tomorrow.

**Too Good to be True:** Such a scheme is probably neither good nor true.

**Last Chance:** If it is a chance worth taking, it should not be such short notice that you cannot research it.

**Left-over Material:** Left-over materials may be stolen or defective.

# Is Opportunity Calling?

Telemarketing fraud costs American consumers over \$40 billion a year



Your telephone can be a quick means to summon help when you need it, but it can just as easily be used to steal your money. Telephone con artists are very resourceful and they constantly change their sales pitch. Most people who lose money in telemarketing scams never see a penny of it again. Avoid becoming a victim of telephone fraud by learning how fraudulent telemarketers work and by taking action to limit your exposure to their scams.

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## How do they get your phone number?

Fraudulent telemarketers use several methods to target potential victims. Some buy lists from brokers that contain the names and phone numbers of consumers who are of a particular age range, income level and have certain interests. By responding to a mail-in sweepstakes or by entering your name in a contest drop box at your local shopping center, your name may end up on a solicitation list. If you lose money on a fraudulent telemarketing offer, you may find yourself on a "sucker list." Unscrupulous telemarketers buy and sell lists of vulnerable consumers in order to target them for additional, more costly scams.

## What tactics do fraudulent telemarketers use?

High pressure selling is a tip-off of a fraudulent offer. If a caller insists that you must "act now" or you will miss the opportunity, you can be sure that the offer is a fraud. Legitimate businesses will understand if you need more information and will not mind providing written

materials and time for you to review an offer.

Con artists may promise prizes, foreign lottery jackpots, or to recover money on your behalf, if you pay an advance fee for “taxes,” “customs fees,” “administrative expenses” or “attorneys fees.” There is no valid reason for you to pay these advance fees.

Fraudulent telemarketers may call saying they are with your bank or credit card company and need to verify personal or financial information in order to protect you from unauthorized charges or identity theft. Keep in mind your bank or credit card issuer will provide written information on any security products they offer without requiring your account information.

### **What should you do when you receive a suspicious call?**

If you feel a caller is trying to pressure you, ask for the offer to be put in writing and hang up if your request is

refused.

Never give out or confirm any personal or financial account information to a caller with whom you are not familiar.

Never agree to have a courier service pick up a check at your home, or use a wire transfer service to send money to a telemarketer.

The best way to limit unwanted telephone solicitation calls is to enroll in the Pennsylvania “Do Not Call” list. Once you are on this list, telemarketers are prohibited from calling you unless the call is for an exempted purpose.

*To register your phone number on PA’s “Do Not Call” list, call the Office of Attorney General, Bureau of Consumer Protection Toll-Free Helpline at **1-888-777-3406** or visit **[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**.*



# Tempted? Don't Let Swindlers Through The Door

Door-to-Door Solicitors Often Offer Deals That Really Are "Too Good To Be True".



When Dottie answered a knock at her door, a clean-cut young man greeted her with an enthusiastic hello. "I'd like just a few minutes of your time to show you my company's latest time-saving and energy-efficient vacuum cleaner," he said. "I really don't need a new vacuum cleaner," she replied. "But this machine is much more than just a vacuum cleaner, it also shampoos your carpets. It will only take ten minutes of your time, I promise you," he

beamed. Dottie reluctantly let the salesman into her house. After quickly demonstrating the machine, the salesman pulled out a contract and briefly explained the terms to Dottie. She didn't understand everything, but was too shy to ask many questions. "I'd rather think it over," she said. "Sorry, ma'am, but this offer is only good for today. If I have to come back another day, it will cost you twice as much." Dottie didn't know what to do.

Senior citizens are frequent victims of door-to-door scams and high-pressure sales tactics. Con artists will coax you into an unnecessary or excessive contract or they may take your money and never deliver the product. Door-to-door solicitations can also be a good "cover" for criminals to enter your home and survey the premises. Sometimes, two people appear; one delivers the sales pitch, while the other "cases" the property, possibly even stealing possessions.



## **Tips for handling the stranger who rings your doorbell:**

- Don't let the salesperson in the door until you have seen proper identification and determined exactly what he/she wants. Magazine sellers must be licensed in Pennsylvania.
- Compare the offer with other similar products before making a decision to buy the product.
- Watch out if you are told that you have been selected to use a product free of charge. By accepting a free item and signing some kind of contract to buy more, it may eventually cost you money.
- Get everything in writing. This includes estimates for work, prices for products and all promises, including guarantees. Make sure you get a notice of your right to cancellation before signing anything. Under Pennsylvania law, you have a three-day right of

cancellation for goods and services sold to you in your home as long as the good or service costs \$25 or more. The law requires vendors to provide this notice verbally, in the contract and in a separate, written and completed notice of cancellation including the date the contract can be cancelled.

- Read and make sure you understand all the terms of the contract before you sign it. Be sure that any oral representations by the salesperson are included in the written document. Get a completed copy for your records.
- Keep good records for your protection. This includes the seller's full name, business address and telephone number.
- Above all, don't be afraid to say "NO!"

# “You May Already Be a Winner...”

Mail fraud may be illegal, but it still nets millions every year



Harold and Gladys often gave to local charities. In the mail, they received a glossy picture of an impoverished looking little boy with a caption reading, “Help Clothe This Child for the Winter.” The picture tugged at their hearts, reminding them of their grandson, Ron. They mailed a check to the person named in the brochure. Harold later tried to call the organization to see if they had received his check. The couple became concerned when they discovered that the telephone number given in the brochure was out of service. Harold was never able to contact the

organization.

Your mailbox is an ideal vehicle for con artists to contact and eventually trick you. Mail may arrive in the form of postcards, fancy color brochures, envelopes with official looking seals, letters of endorsement and even government seals, copied to look real.

If you receive requests for money or for credit card or bank account numbers to enter sweepstakes or contests, **DON'T RESPOND.**

A letter, sweepstakes notice or other sales promotion asking you to call for more information or to claim a prize may actually be a trap to lure you into high-pressure sales techniques over the phone.

If told you must “act immediately” or that the offer is available for a “limited time only,” don’t act impulsively. Give yourself time to check out whether the offer is legitimate. Honest companies

don't expect an immediate answer.

Bogus fundraisers sometimes use names of organizations that sound like well-known charities. Check the name carefully to make sure the organization is legitimate.

Some unscrupulous companies make reference to Social Security or Medicare to deliberately deceive you. These companies want you to believe they are associated with recognized government programs when, in fact, they are not. Such use of government symbols or names is illegal.

Sometimes you may be asked to travel long distances to collect your prize. However, you may end up with a high-pressure sales pitch to buy something you don't want.

When you are notified that you have won a prize or will receive something of value, you cannot be required to pay any money; free means free. This

includes fees, postage or handling charges. Taxes are paid separately to the government. Also, you cannot be required to listen to a sales promotion in order to win a prize.

Even though the retail value of each prize must be given, you may want to verify it because sometimes the value of the prize may be illegally inflated by the manufacturers.

For additional information on mail fraud, call the U.S. Postal Inspection Service at **1-800-372-8347** or your local postmaster.

To verify a charity's legitimacy, call the Pennsylvania Department of State, Bureau of Charitable Organizations at **1-800-732-0999** (within PA) or **1-717-783-1720** (outside PA).

To file a complaint, call the Office of Attorney General, Bureau of Consumer Protection Toll-Free Helpline at **1-800-441-2555** or the Charitable Trusts & Organizations Section at **1-717-783-2853** or visit **[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**.

# Think Twice Or You May Get Stung

Con Games prey on your trust and rob you blind



Edwin received a call from a woman claiming to be the manager of his bank. She told Edwin that the bank was investigating thefts from some of their accounts, including his, and that they suspected one of their tellers. The alleged bank manager asked Edwin to help them catch the teller. Edwin agreed and was told to withdraw some money from his account and take it to a detective at a certain location. Once there, he would receive further instructions to continue the investigation. Edwin made the withdrawal, met with the “detective” and gave him his money. He

told Edwin to return home and wait for a phone call from his office. Edwin returned home, but never heard from the bank manager or detective again.

Confidence (con) games take many forms, but all are designed to take your money. The con artist is good at taking advantage of you in an unguarded moment. These schemes are fast-paced and usually succeed by isolating and controlling you. Older citizens are prime targets, because they are more likely to have cash available in their homes and may be more trusting and polite toward strangers. The average loss to each person who becomes a victim of con games is in excess of \$5,000.

Be aware of these con games:

**Pigeon Drop:** Pigeon Drop begins when you are approached by a stranger at home or at a shopping mall who claims to have found a large amount of cash and shows you what appears to be the

money. He convinces you he wants to share the loot with you, but first you must put in some money to participate in the deal. In order to do this, you must withdraw \$500 from your bank. The con artist tells you that if you give him the “good faith” deposit, he will give you instructions on how to collect your share of cash he found. When you meet him next, you hand him the money and are given instructions which later prove to be phony. You never see the con artist again.

**Bank Examiner:** The con artist calls you at home, identifying himself as an official bank examiner. He asks you to be a “good citizen” by helping the bank catch a dishonest bank employee. You are requested to withdraw a certain amount of cash from your bank account so the serial numbers can be checked. You make the withdrawal and later meet the “bank examiner,” who shows you forged credentials. The examiner takes your money for evidence and leaves. You never see him again.

### **Tips to avoid being taken by a con artist:**

- Stop and carefully think about any spur-of-the-moment scheme. If it sounds too good to be true, it probably is.
- Do not make withdrawals from your bank account at the request of strangers or new acquaintances.
- Don't be fooled by persons claiming to be officials without verifying their identity. Call your bank or law enforcement agency to alert them to the contact you received. Remember that banks or law enforcement officials do not enlist help from their customers or citizens to catch embezzlers or thieves. They have internal security staff to handle such matters.
- If you find a large sum of money, call the police and let them take custody of it.

# Don't Get Burned On Bargain Vacations

## Hidden Restrictions Turn Dream Vacations into Nightmares



Warren and Dorothy had eagerly awaited their retirement so they would finally have time to do some traveling. Although not rich, they were able to take a few trips on their retirement income. When they read about a vacation bargain in their community newspaper, they were excited and called the phone number listed in the ad. When Warren asked for details about the advertised cruise vacation, the person answering the phone asked for his credit card number to hold their reservation. They received a letter a week later

that listed many restrictions and conditions they hadn't known about when they made their phone reservation. Their dream vacation ended up costing much more than they had planned.

If you have been offered a great bargain on a cruise or resort vacation but the company seems reluctant to give you details until after you have paid, you may be dealing with a travel scam. Typically, scam artists will not give you complete details until after you have given them a credit card number, certified check or money order. Once you do get additional information, you may find there are restrictions (no travel on weekends or holidays) and conditions (over-priced hotels) that may make it more expensive, or even impossible to take your trip.

You may receive a postcard, letter or email that says you have been selected to receive a car, a vacation or other valuable prizes. To collect your prize, you are required to visit a scam artist's

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place of business, where they pressure you into signing a contract or making a purchase. After buying something you neither need nor want, you discover your “fabulous” prize is often of little value.

Tips to help you avoid being taken by a travel scam:

- Avoid offers that sound “too good to be true,” particularly if you have been solicited by phone or have received a postcard or certificate in the mail.
- Never give your credit card number or information about your bank accounts over the phone to a solicitor.
- Get the complete details in writing about any trip before paying.
- Be cautious with companies that require you to wait at least 60 days to take your trip or require that you select

several dates of departure for your trip.

- Avoid mailings using words like “grand finalist,” “urgent” or “winner” that appear to be sent by special mail or courier.
- Be wary of “900” phone numbers. The calls will cost you and may not result in any benefit to you.
- Don’t be pushed into a decision. It’s the surest sign that someone’s up to no good. Never feel that you have to make a decision on the spot.

*To file a complaint, call the Office of Attorney General, Bureau of Consumer Protection Toll-Free Helpline at **1-800-441-2555** or visit **[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**.*



# Don't Let Them Start What They Won't Finish

Home Improvement complaints consistently rank among the top five complaints received by BCP and a top complaint by seniors



When the front porch on David and Kathy's row house needed renovating, the couple called a local home improvement contractor to get an estimate for the work. They decided to give him their business and paid in advance. His crew began to work, but they often came late or never showed up at all. As weeks passed, David and Kathy grew impatient, and the work on the porch remained unfinished. When they called the

contractor, they were shocked when a recording said the number was no longer in service.

An unscrupulous contractor may request full payment before completing the work and then not complete the job to the homeowner's satisfaction. They may also fail to provide a written contract.

Unscrupulous home improvement contractors often prey on seniors. They use high-pressure sales tactics to win over customers, often promising to begin and complete the work more quickly than other companies in the area.

The Home Improvement Consumer Protection Act (HICPA) is designed to ensure consumers get a fair deal from a contractor. This law requires all home improvement contractors, with limited exceptions, to register with the Office of Attorney General and to display their registration number on all advertising and contracts. Contracts for home improvements and upgrades of \$500 or

more are mandatory under this law and must be signed by the consumer and contractor before the work begins. The contract must state the exact work to be done and include a starting and completion date along with the total cost for the project.

*To determine if a contractor is registered, consumers should call the Office of Attorney General, Home Improvement Consumer Information Toll-Free Helpline at*  
**1-888-520-6680.**

### **Tips for dealing with unscrupulous home contractors:**

- Beware of the contractor who comes to your door unsolicited.
- Beware of the contractor who offers reduced prices for work using “left-over” materials from a previous job.
- Beware of the contractor who gives a post office box

without a street address or phone number, or just an answering service as a means of contacting him.

### **Tips when having home repairs done:**

- Don't use a contractor who has no experience performing the work you need to have done. The contractor should be able to share references and give examples of workmanship on similar projects. If the contractor requires subcontractors, such as an electrician or a plumber, ask for their names and check them out too.
- Obtain at least three estimates for the improvement project.
- Always get a written contract before you allow someone to work on your home.
- Examine the contract carefully, making sure it includes descriptions of the exact type of improvements to be

done, estimated completion date and payment schedule.

- Don't pay a contractor before you read and sign a contract. HICPA only permits contractors to request or accept a 1/3 deposit, plus the cost of 'special order materials' at the signing of the contract for any job over \$1,000.00
- Verify that the contractor has the minimum insurance coverage of \$50,000.00 for property damage and \$50,000.00 for personal injury, mandated under HICPA
- Registration is not an endorsement, recommendation or approval by the Office of Attorney General of the contractor's competency or skill.

*To file a complaint,  
call the Office of Attorney General,  
Bureau of Consumer Protection  
Toll-Free Helpline at  
**1-800-441-2555**  
or visit  
**[www.attorneygeneral.gov](http://www.attorneygeneral.gov)***

# Looking For A Way To Work At Home?

Temptation of earning “easy money” might empty your wallet instead of filling it



Frances retired from her government job after 30 years. She was financially comfortable, but she wanted to make a little extra money to support her new hobby of coin collecting. She saw an ad in the community newspaper seeking freelance workers to proofread in their homes. She was instructed to send \$25 for a list of businesses that hired these workers. When she received the list, she wrote to the companies to secure a job. Much to her dismay, she found that none of them were interested in hiring proofreaders.

Work-at-home advertisements may be found in the classified sections of local newspapers, in national tabloids, on the internet or mailed directly to your home. While some of these ads are legitimate, many are not. The ads promise high wages for work you can do at home, but may not tell you that you may have to work many hours without pay or cover numerous hidden costs.

Common “work-at-home” schemes offer work such as envelope stuffing, putting together crafts or other products and medical billing. These ads give vague details about the type of work to be done and may ask you to send a self-addressed stamped envelope for more information.

Once you receive the information, the company may require you to put up a fee or to purchase expensive computer software or other equipment before you start working. After the fee is paid, you may receive a list of companies that do not

exist or that do not hire workers for the job you saw advertised or you may learn that the listed companies are not associated with the “work-at-home” company and that the equipment or software is useless.

### **Tips to avoid “work-at-home” scams:**

- Be suspicious of companies that promise a steady income.
- Don't pay for information about a “work-at-home” offer.
- Find out the total costs for training, supplies, materials or membership fees.
- Find out if you will be paid wages, salary or commission.
- Find out exactly what you must do in order to benefit from all that is promised in the ad.

# Investment Scams



Investment scams flourish in good and bad economic times and are creatively tailored to take advantage of consumers in all financial situations. Stocks, mutual funds, certificates of deposit, real estate investment trusts and viatical settlements are among the many types of investments that are marketed. Scams masquerading as legitimate investments draw in many unsuspecting consumers.

The unstable state of our markets has had the negative effect of forcing many senior citizens who are dependent on predictable income to look for alternative investment options. Many consumers are unwittingly being approached by

con artists claiming that they can provide low risk investments with high returns. However, there is a consensus among investment experts that the higher the return, the higher the risk.

Ponzi schemes, pyramid schemes and chain letters are among the most recognizable scams. Others include scams involving gems and precious metals, viatical settlements, money transfer and prime bank schemes and investment seminars.

“Viatical settlements” were designed to help gravely ill people pay their bills. Viatical settlements permit the insured to obtain a portion of their death benefit in cash, and then the beneficiary receives the remainder of the death benefit when the insured dies. As an investment scheme, investors are asked to purchase someone else’s death benefit which may not pay-off because it is all but impossible to predict when someone will die.

E-mails, letters and faxes offering to make consumers rich are being sent throughout the United States and other countries by individuals purporting to be officials of the Nigerian government or banking institutions. The correspondence requests assistance with the transfer of money ranging anywhere from \$10 million to \$60 million, purportedly related to an inheritance, sweepstakes or contract. In exchange for assisting in the transfer, consumers are promised a large percentage of the funds. The scam asks consumers either to provide funds to cover various fees or for personal identifiers, such as their Social Security number, bank account numbers and other similar data. Once this information is received, the scammer uses the information to raid the consumer's accounts and make off with large sums of money.

Scammers who specialize in the prime bank scheme promise investors huge returns through access to the investment portfolios of the world's

elite banks. Potential investors are led to believe that people like the Rothschilds and the Saudi Royal family have secret investments with which the average consumer can pool his or her money with and take advantage of the same investment opportunities.

Investment seminars are marketed through the newspaper, radio and television (infomercials on cable TV). In some instances, the only people who make any money through investment seminars are the people running the seminars. These people make their money from admission fees and the sale of books and audiotapes.

**Consumers should be wary of any sales pitch which uses the following phrases:**

- Act now, limited offer
- Tax-free offshore investments



- Big profits in short time
- “No risk” or “risk free” guarantees
- Insider tips or information
- Get rich quick

Consumers should keep in mind that they can be scammed in person, by telephone, on the internet, through the mail, by e-mail, fax or by advertising. There are literally hundreds of investment opportunities available to consumers in today’s financial world. It is your responsibility to ask questions and sort through the information you receive. You owe it to yourself and your family to educate yourself before making any investments.

Remember:

- Never buy anything you don’t understand.

- Never make an immediate decision.
- Read the fine print.
- You can’t get something from nothing.
- Talk it over with a family member, trusted attorney or your financial planner.

All investments, even legitimate ones, involve some degree of risk. A ‘bad’ investment may simply be a function of the marketplace, for instance, investing in a legitimate company that subsequently files for bankruptcy.

*Before investing, contact the following agency for information on the legitimacy of those with whom you plan to invest:  
The Pennsylvania Securities Commission at  
**1-800-600-0007***

# World Wide Web of Cheaters, Liars, and Thieves

## Internet Access Offers Crooks New Routes to Your Money



Bill was excited about learning to use the Internet on his computer. While “surfing the net” one day, Bill came across what looked like a fabulous business opportunity to use his PC to make money at home. When he sent for more information about the business, he was surprised to discover that the required initial investment of money was far greater than was advertised on the net.

The so-called “Information Superhighway” or

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“Cyberspace” is the newest area being used by con artists. As the number of seniors using the Internet grows, and as more and more seniors become computer literate, the chances of becoming a victim of an online scam increases. Many scam artists using the telephone and mail to trick consumers are now also using the Internet and online services. Some of the favorite techniques are:

- Classified advertising that promises much more than can be delivered, such as quick and easy weight loss products.
- Business opportunities, especially work-at-home schemes involving the use of a personal computer to make money.
- Use of “900” telephone pay-per-call services that promise high profits for a small investment.

- Disguised “advertising” on the Internet and online service bulletin boards, chat rooms or chat forums that are actually sales pitches for products.
- Notification from a bank or other financial services organization, often incorporating the logo of the company, asking you to provide personal information to avoid a cancellation of your account or to verify your data (you may not even have an account with this company and no bank or financial services organization would ever ask you to provide personal information in this manner).

### **Tips to recognize an online scam:**

- Overstated claims of product effectiveness
- Frequent use of the word “hot” to describe proposed investment opportunities

- Exaggerated claims of potential earnings
- Claims of “inside” information
- Promotions of cheap stocks promising high returns
- Promotions for exotic investments, such as gold mining, ostrich farming, etc.
- Requests from a foreign government official asking for financial assistance

*For more information, contact the National Consumers League Fraud Center at  
**1-202-835-3323** or visit [www.fraud.org](http://www.fraud.org).*

# Am I Hearing Right?

**Inflated claims and misleading guarantees cloud decisions when shopping for hearing aids**



Flora spent \$5,000 for hearing aids, but she found them to be useless. Although she complained to the seller, he repeatedly insisted she simply needed more time to get used to them. Flora's sales contract didn't include the notice of cancellation or the 30-day money back written guarantee as required by law, and she worried about how she might get her money back.

Hearing aids and batteries can be a big expense, with each hearing aid costing as much as \$3,000. If you are fitted improperly, you could end up

with a costly device that you can never use. And if you are not careful, an aggressive salesman, using hard-sell tactics, could persuade you to buy the wrong hearing aid.

It is essential before buying a hearing aid that your hearing problem be diagnosed properly (hearing loss may be a symptom of a more serious medical condition). Your doctor or audiologist can then refer you to a seller who is qualified to fit hearing aids properly.

A hearing aid seller is required by Pennsylvania law to advise you at the outset that any examination or representation made by them as a registered hearing aid dealer or fitter is not an examination, diagnosis or prescription by a person licensed to practice medicine and, therefore, must not be regarded as a medical opinion. The seller must give you a written receipt containing all pertinent facts and specifications regarding the hearing aid and indicating whether the hearing

aid was used or reconditioned. Before providing any services to you, the seller must provide you with a detailed disclosure agreement containing a complete description of what the fitting procedure or process does and does not include and an itemization and disclosure of any and all fees, including any cancellation fees. The seller is also required to provide you with an instructional brochure for the hearing aid(s).

The law also provides that no hearing aid can be sold to any person unless accompanied by a 30-day money back written guarantee. This means that if the person returns the hearing aid in its original condition (ordinary wear and tear excluded) within 30 days of the date of delivery, the customer shall be entitled to a refund of the purchase price of the hearing aid and accessories as itemized on the receipt.

### **Tips when buying a hearing aid:**

- Do not sign anything without reading it carefully. You might be signing an agreement to waive the need for a medical examination before you buy a hearing aid.
- Be sure you deal with a seller who will take the time to resolve fitting and volume adjustment problems and teach you how to use the device.
- Get a written estimate of the cost of the hearing aid, including extra charges for molds, accessories, follow-up checkups, warranties, etc. Also, make sure to get the detailed disclosure agreement and the user instructional brochure for the hearing aid.
- Never pay cash. Use a check (payable to the company — not a salesperson) or credit card so you can stop payment, if necessary.

- Make sure you receive the 30-day money back written guarantee.
- Obtain a medical examination from a licensed otolaryngologist or doctor of audiology to determine if you can benefit from a hearing aid. Not all hearing loss can be remedied by a hearing aid.

*Check with the Pennsylvania  
Department of Health –  
Hearing Aid Registration Program at  
**1-717-783-8078***

*to be certain your hearing aid seller  
and fitter are in compliance with  
Pennsylvania's Hearing  
Aid Sales Registration Law.*

*To file a complaint,  
call the Office of Attorney General,  
Health Care Section Toll-Free Helpline at  
**1-877-888-4877** or  
visit **[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**.*

# Discount Medical Programs



With the rising cost of health care, consumers have become increasingly interested in medical discount programs. Discount medical programs are not insurance products and are not subject to regulation by Pennsylvania's Insurance Department or Department of Health. They typically offer discounted fees on prices for medical or dental services and/or products or prescription drugs from participating providers (doctors, dentists and pharmacies). If a consumer is interested in subscribing to any of these programs, there are important questions that should be asked.

- What are the name, address, telephone number, facsimile number and website address of the company?
- Who or what department should the consumer call with any questions or problems about the program? Is there a 24-hour helpline? If not, what are the hours of operation?
- Is there an introductory trial period? If there is, how does the consumer notify the company about discontinuing the program?
- What is the monthly cost for membership in the program?
- Is there an initial fee for membership in the program? If so, and the consumer decides to cancel membership in the program, will the fee be refunded?
- Will the consumer be issued a membership card for the program? If so, will participating providers require the card in order to obtain the discounted fees or services?



- How many and which providers currently participate in the program in your area?
- Under what circumstances are specific discounts available to the consumer from participating providers, and are the discounts guaranteed?
- Are there pre-authorization or pre-certification requirements for accessing the discounts with participating providers?
- What statements, if any, will the consumer receive from the program, detailing cost savings obtained through subscribing to the program?
- Will the consumer be able to obtain discounts through the program while on vacation or away from home?
- Will the program extend to members of the consumer's family? If so, is there an additional cost? Will each family member receive a membership card?

- Can the membership be cancelled at any time? What is the process to cancel the membership?
- Are there any additional fees which are charged as part of the program?
- If the consumer subscribes to the program, how will any personal information be handled?

The discount medical program should provide answers to these questions and written materials confirming the representations. Be particularly wary if the program insists upon obtaining checking account or credit card information from you before your questions have been answered. Contact the Better Business Bureau to see if any complaints have been filed against the company. Being an informed and proactive consumer is the best way to evaluate whether a discount medical program suits your needs.

# Identity Theft

It is fastest growing white collar crime in the United States. Over ten million Americans fall victim to this crime every year from ordinary citizens to celebrities, young and old, and from all socio-economic backgrounds.



Anna took every safety measure to prevent someone from easily using her good name and credit to commit fraud and other crimes. She always shredded old bank statements, bills, receipts and any documents containing personal information before discarding them in the trash. She purged all unnecessary credit cards and removed her social security card from her wallet. She even removed her address from

mailing lists for pre-approved offers of credit to minimize the amount of information that a thief could access. But when Anna received an official sounding call from “her” local bank asking her to please confirm her information, she innocently responded without hesitation. Anna became a victim of identity theft after all.

Identity thieves can operate boldly by picking your pocket or rummaging through your trash and your mailbox. And, they can operate invisibly, through breaching online security systems, on your own computer or on commercial or other computer systems. Other times, they openly lure you under false pretenses into providing your social security number, financial account numbers, passwords, PIN numbers and other personal information. But regardless of how they acquire the information, the thieves may quickly apply for loans or credit cards, lease cars, make purchases, defraud utility companies or rent apartments using your identity; or, they may hold

onto your information for a matter of years and then begin to use it, after you have been lulled back into a sense of security.

### **Some helpful hints to prevent identity theft:**

- Promptly remove mail from your mailbox and deposit mail in US Post Office receptacles.
- Empty your purse/wallet of extra credit cards or ID cards, including your Social Security card.
- Memorize your PIN numbers.
- Never give out personal information over the phone.
- Stop credit card companies from sending pre-approved applications to your home by calling 1-888-5OPT-OUT (1-888-567-8688).

- Be certain you receive and review monthly financial statements and bills.
- Make inquiries about unexpected bills, credit card charges or bank account debits.
- Shred credit card receipts, bills and other financial information, as well as magazine subscription labels.
- Regularly review your credit report from all three credit reporting bureaus. You are entitled to one free report annually from each bureau, which can be obtained at [www.annualcreditreport.com](http://www.annualcreditreport.com) or by calling 1-877-322-8228. There are many other companies which, for a fee, will provide round-the-clock monitoring services for all three credit reports and issue alerts at any activity. Although these monitoring services cannot prevent identity theft, they may help identify rogue or unauthorized activity swiftly and enable consumers to address the problem quickly.

- Remember, nobody is more effective at preventing and protecting fraud than the individual.

If you are the victim of identity theft, file a report with local police, close bank and credit card accounts and contact the credit reporting bureaus to freeze or place a fraud alert on your credit report.

*To file a complaint, call the Office of Attorney General, Bureau of Consumer Protection Toll-Free Helpline at **1-800-441-2555** or visit **[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**.*

# Sorrow & Financial Vulnerability

A grieving heart can be an opening to empty your pocketbook



Peggy was devastated when her husband died suddenly while they were vacationing in Florida. She contacted a funeral establishment back home to get help in making arrangements. She was told everything would be handled. When Peggy returned home for the funeral, she was grateful to see that the service was done tastefully. However, when she received the bill from the funeral director, she was shocked at the amount she owed.

Some people purchase insurance to provide for “final” expenses; however, some expensive policies may have severely limited benefits. You might end up paying far more in premiums than the policy would ever be worth.

While funeral homes are regulated by law, decisions about final arrangements can also become opportunities for manipulation by a few unscrupulous businesses. Pennsylvania’s Future Interment Law governs pre-paid funeral goods and services. It requires that 70 percent of any pre-payment be escrowed in a Commonwealth banking institution, until the time of death.

The Federal Trade Commission requires that itemized prices be provided over the telephone and that services be listed separately so there are options from which to choose. Pre-planning a funeral is a good way to prevent someone from exploiting an emotional time as a chance for profit.

Some people choose to pre-pay for their funeral expenses so that their families won't have that burden. While pre-paid plans have the advantage of fixed prices with inflation protection, the interest earned on your pre-paid account goes to the funeral director at the time of the service. You might want to consider pre-planning without pre-paying and set up a special savings account to pay the expenses instead.

**Tips to remember when planning for death:**

- The stress of losing a loved one can cloud otherwise routine financial transactions. Let a relative or trusted friend help you with funeral arrangements.
- If you prepay for your funeral, carefully read the contract. Make sure to get the name of the Pennsylvania bank where the 70 percent pre-payment will be escrowed.

- Be wary of insurance policies that seem too good to be true.
- Remember that you have rights regarding death and burial related purchases. The Pennsylvania State Board of Funeral Directors and the Federal Trade Commission have rules and regulations for funeral homes and directors.
- When a loved one dies, don't be pressured into making big decisions or purchases. Some suggest that it is wise to wait a year before taking major steps like selling a home or moving.

# Are You Sure I'm Insured?

## Making sure your coverage isn't full of holes



Henry's insurance agent called to describe a new life insurance product which sounded much better than the policy Henry already had. The agent quickly arranged for a meeting at Henry's house and was very helpful in explaining the new product. It sounded great to Henry – no added cost and better benefits. Some weeks later, Henry received a letter from the insurance company outlining his new policy. The new policy actually cost a lot more and offered less coverage than his former policy.

Although most insurance agents are reputable,

some unscrupulous agents target the elderly or ill with “get-rich” schemes that leave the agents rich and the elderly with nothing, or far less than they bargained for. Insurance products are complicated and an unscrupulous agent can use these complexities, coupled with high pressure tactics, to lure unsuspecting consumers into worthless or overpriced insurance policies. Some examples of such policies include cancer insurance and fixed premium/decreasing coverage term life insurance.

The most important thing is to be an informed consumer. You must be sure you understand what is covered under the policy and its benefits, as well as any costs, conditions or exclusions associated with the policy. For example, the policy may have important provisions on pre-existing conditions, limitations on benefits or waiting periods for coverage. Above all, make sure you read and understand what you are signing.



### **Be careful if an agent:**

- Makes an unannounced visit at your doorstep.
- Suggests that a fairly new policy (less than a year old) can be replaced with a “better” policy.
- Suggests replacing your insurance policy without a reason.
- Pressures you into signing forms or making changes to existing policies.
- Shuffles forms and policies in front of you with a signature required on each page.
- Offers any kind of “package deal” that includes several types of coverage or benefits.
- Demands payment in cash or money orders only.  
Gives you no receipt for payments.
- Requests check be made payable to the agent instead of to the insurance company.

- Asks you to sign documents that are not complete but will be filled in later by the agent.
- Insists that you sign forms containing false or incomplete information about such things as your address; pre-existing medical conditions, problems or history; or the use of your car.
- Discourages you from having others review documents or talking to other customers with the same type of policy and coverage.

### **Look out for these tell-tale signs of a possible scam:**

- You don’t receive a policy within six weeks.
- You don’t receive annual reports and other correspondence from the company.
- The declaration page of your policy contains coverage you did not want to purchase.
- Your policy statements show loans against the policy not

authorized by you.

- The agent states or implies that he/she is endorsed by the government.

### **To avoid becoming a victim:**

- Do not sign any forms unless you've had sufficient time to review them.
- Get a receipt every time you make a payment.
- Never change an insurance policy unless you have had time to review all the forms completely.
- Never let an agent talk you into coverage you do not need or want.
- Read carefully any correspondence about your policy that you receive from the company.

Remember, there is no reason to rush into decisions concerning the purchase of insurance policies, whether they are for life, health, automobile or homeowners' coverage. If you feel that an agent is pressuring you, do not sign anything until you have had time to review the documents completely.

When purchasing a life insurance policy, you have a minimum of 10 days, from the date of delivery of the policy, to review and return the policy to the insurance company for a full refund if you are not completely satisfied. If you decide to buy an accident and health insurance policy, you can return the policy directly to the agent or the company by certified mail within ten days of receipt of the policy for a full return of the premium paid (this only applies to individual policies, not group policies). For Medicare supplement and long-term care policies, new policyholders have 30 days to return the policy and receive a refund.

# **Beware of Living Trust Mills and Annuity Scams**

**Slick sales agents destroy seniors' estate plans, the security of their investments and life savings**

Motivated by a desire to pass more wealth on to her family, Mary bought a “Living Trust” kit at a “free” estate protection seminar. By filling out the forms, Mary thought her heirs could avoid death taxes, probate fees and the possible depletion of her assets for nursing home care. Unfortunately, she opened her door to a high pressure sales agent.

Under the initial guise of helping Mary set up a living trust, the agent gained access to information about Mary’s financial resources and investments. He then convinced Mary to transfer all of her money to an annuity from which he was paid a commission. She signed over her entire life’s savings of \$65,000.

What Mary didn’t understand was that her annuity payments wouldn’t start for 40 years, when she’d be 125 years old; and that the so called “senior estate planner” was really an insurance salesman.

Unfortunately, when it comes to living trusts, unscrupulous con artists are ready to play on consumers’ fears of the unknown. In some cases, consumers – mostly elderly – are solicited by phone or mail to attend seminars or to set up in-home appointments to discuss living trusts. Living trusts are then marketed through high-pressure sales pitches which prey on the fear that assets will be tied up indefinitely or that estates are prone to heavy taxes and fees if a living trust is not in place. Con artists often rely on unfamiliar legal terminology to convince consumers that a living trust is right for them even though many of the complex rules and fees that can complicate estate distributions do not exist in Pennsylvania.

Sometimes victims are sold worthless “kits,” costing several thousand dollars, which are nothing more than standard forms that may or may not be valid, as laws concerning living trusts vary from state to state. In other cases, false promoters simply want to gain access to consumers’ financial information so they can sell them other products, like insurance annuities.

### **Tips to avoid becoming victims of Estate Planning scams:**

- Watch out for companies that market trusts and also sell annuities or other investments.
- Estate planning is a complex task and usually involves the advice of more than one expert, such as an attorney and tax accountant.
- Living trust mill agents are not attorneys and are not experts in estate planning. Their goal is to sell their products and earn commissions, not protect the interests of seniors.
- Documents in trust packages may not comply with Pennsylvania law.

- Do not give in to high-pressure sales tactics. Legitimate offers will be around long enough for you to properly research them.
- Sales agents may fail to disclose possible adverse tax consequences or early withdrawal penalties that may be incurred when transferring stocks, bonds, CDs or other investments to annuities.
- Shop around. Check out offers with a trusted attorney or estate planner.
- Verify any stated government affiliation or endorsement.
- Before withdrawing money from an existing investment to buy an annuity or to make any other investment, get copies of the sales offer documents and review them with people you trust, such as your financial advisor, attorney or family member before signing anything.
- The Cooling-Off Rule states that if you buy a living trust in your home or somewhere other than the seller’s permanent place of business (like a hotel seminar), you have three business days to cancel the deal.

# Senior Crime Prevention University



The Senior Crime Prevention University (SCPU) was created to educate older Pennsylvanians and their families throughout the Commonwealth on crime prevention. Our goal is to make Pennsylvania's older population AWARE of the threat of fraud to the elder community, to teach them how to AVOID being victimized and to make sure they know to ALERT their local law enforcement or our office when they are concerned about their safety and well-being. Educating seniors about crime and how to avoid it is the best way we can help seniors to help themselves.

The SCPU program is offered by the Office of Attorney General in conjunction with other law enforcement agencies. Videos hosted by the Attorney General and a discussion led by a representative of the Office of Attorney General help to educate seniors on a variety of topics including identity theft, home improvement, telemarketing, sweepstakes and financial fraud. Brochures and handouts on numerous consumer issues are made available to program participants.

If you or your organization would like to host a Senior Crime Prevention University program, please contact:

Elder Abuse Unit  
14th Floor, Strawberry Square  
Harrisburg, Pennsylvania 17120  
Telephone: 717-787-9716  
Fax: 717-787-1190  
[senioruniversity@attorneygeneral.gov](mailto:senioruniversity@attorneygeneral.gov)

## **Directory of Consumer Resources**

### **Pennsylvania Office of Attorney General**

Bureau of Consumer Protection Helpline	1-800-441-2555
Charitable Trusts and Organizations Section	1-717-783-2853
Do Not Call Helpline	1-888-777-3406
Health Care Section Helpline	1-877-888-4877
Home Improvement Consumer Protection Act Helpline	1-888-520-6680
Office of Consumer Advocate (Utilities)	1-717-783-5048
Senior Helpline (M-F 8:30am-4:30pm)	1-866-623-2137

### **Aging**

Eldercare Locator	1-800-677-1116
Older Adult Protective Services	1-800-490-8505
Pennsylvania Department of Aging	1-717-783-1550
Pennsylvania Department of Public Welfare Helpline	1-800-692-7462

### **Consumer Protection**

Consumer Product Safety Commission Hotline	1-800-638-2772
Federal Communications Commission Consumer Center	1-888-225-5322
Federal Trade Commission	1-877-382-4357
National Consumers League	1-202-835-3323
PACE Fraud and Abuse Line	1-800-992-2433
PA Department of Banking Office of Consumer Services	1-800-722-2657
Pennsylvania Department of Health	1-877-724-3258

Pennsylvania Department of State	
Bureau of Charitable Organizations	1-800-732-0999
Bureau of Professional and Occupational Affairs	1-800-822-2113
Corporation Bureau	1-888-659-9962
Pennsylvania Insurance Department Consumer Hotline	1-877-881-6388
Pennsylvania Securities Commission	1-800-600-0007
Pennsylvania Welfare Fraud Tipline	1-800-932-0582
Public Utility Commission Bureau of Consumer Services	1-800-782-1110
Social Security Fraud Hotline	1-800-269-0271
U.S. Postal Inspection Service	1-800-372-8347

### **Credit Information**

Annual Credit Report ( <a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a> )	1-877-322-8228
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### **Financial Assistance**

Pennsylvania Commission on Crime and Delinquency	
Victim's Compensation Assistance Program	1-800-233-2339
Pennsylvania Department of Public Welfare Helpline	1-800-692-7462
Social Security Administration	1-800-772-1213
U.S. Department of Labor Employee Benefits	
Security Administration	1-866-444-3272

### **Health Care**

Long Term Living Helpline (M-F 8am-8pm)	1-866-286-3636
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**HOW TO AVOID SCAMS AND FRAUD**

Medicare Information	1-800-633-4227
National Alliance for the Mentally Ill (Pennsylvania)	1-800-223-0500
Partnership for Prescription Assistance	1-888-477-2669
Pennsylvania Department of Aging	1-717-783-1550
APPRISE Health Insurance Counseling Program	1-800-783-7067
PACE/PACENET Cardholder Services	1-800-225-7223
Pennsylvania Department of Health	1-877-724-3258
HMO Information	1-888-466-2787
Home Health Hotline	1-800-222-0989
Nurse Aid Registry	1-800-852-0518
Nursing Home/Long Term Care Facilities	1-800-254-5164
Pennsylvania Department of Public Welfare Helpline	1-800-692-7462

## **Hearing/Vision Problems**

Hearing Aid Helpline	1-800-521-5247
Pennsylvania Department of Labor and Industry	
Bureau of Blindness and Visual Services	1-800-622-2842
Legal Services	
Pennsylvania Bar Association Lawyer Referral Service	1-800-692-7375
Pennsylvania SeniorLAW Helpline (M-F 10am-4pm)	1-877-727-7529

## **Medical Treatment/Self Help/Support Groups**

Alzheimer's Disease Education and Referral Center	1-800-438-4380
American Diabetes Association	1-800-342-2383

American Cancer Society	1-800-227-2345
American Heart Association	1-800-242-8721
Centers for Disease Control and Prevention	1-800-232-4636
Multiple Sclerosis Society	1-800-548-4611
National Cancer Information Center	1-800-422-6237
National Drug and Alcohol Treatment Referral	1-800-454-8966
National Office of the American Kidney Fund	1-800-638-8299
National Osteoporosis Foundation Information Hotline	1-800-223-9994
Pennsylvania Coalition Against Domestic Violence	1-800-932-4632
Pennsylvania Coalition Against Rape	1-888-772-7227

## **Miscellaneous**

Pennsylvania Department of Labor and Industry	
Bureau of Workers' Compensation	1-800-482-2383
Unemployment Compensation	1-888-313-7284
Pennsylvania Department of Transportation	
Customer Care Center	1-800-932-4600
Pennsylvania Human Relations Commission	1-717-787-4410
Pennsylvania Treasury Department Bureau	
of Unclaimed Property	1-800-222-2046
Pennsylvania Veterans Affairs (M-F 8:15am-4:30pm)	1-800-547-2838
Problem Gamblers Hotline	1-800-848-1880
State Government Information	1-800-932-0784
U.S. Equal Employment Opportunity Commission	1-800-669-4000