

Protecting Seniors from Fraud

Every September, we honor our grandparents with National Grandparent's Day. As this holiday approaches, now is the perfect time to show your loved ones how much you care by helping them learn to protect themselves from becoming victims of fraud.

The Rising Tide of Fraud

While there are many different types of fraud, three types are occurring more frequently:

Identity Theft

Most people don't know their identity has been stolen until unexplained charges appear on credit cards or their bank accounts have been emptied. With the last four digits of a Social Security number, a scammer can open a new credit card account, apply for loans, access bank accounts and illegally obtain professional licenses, driver's licenses, and birth certificates. Criminals obtain personal information by stealing mail, going through trash, calling on the phone or sending a form in the mail asking for personal information, sending emails that link to a website (known as phishing), or swiping credit cards.

Safety Tips:

- Never giving out personal information on the phone, through the mail or over the Internet.
- Shred all financial documents, bank statements, sensitive mail, credit card applications and documents containing any type of personal information.
- Keep a close eye on credit cards at stores or restaurants. Destroy old or unused cards.
- Don't let anyone copy your driver's license.
- Use a locked mailbox or a post office box. Have any checks delivered to a bank or post office box instead of a home address.
- Take mail to the post office for mailing instead of leaving it for the mail carrier to collect.

Health Care Fraud

In this type of fraud, a scammer misuses a medical card, fabricates treatment and gets paid for it. Another type of health care fraud involves finding a senior in need of medical supplies, obtaining his or her Medicare card number, and then using it to make claims or actually receive health care services or equipment.

Safety Tips:

- Never sign blank insurance claim forms.
- Never give blanket authorization to a medical provider to bill for services.
- Ask medical providers what they will charge, and get clarification on out-of-pocket expenses.
- Carefully review benefits statements from insurers. Call insurers or providers with any questions or if a statement doesn't seem correct.
- Do not do business with door-to-door or telephone salespeople who say their medical services or equipment is free.

- Give insurance/Medicare identification only to those who have provided medical services.
- Keep accurate records of all health care appointments.
- Review statements you receive from CMS (the Medicare administrator) to make sure all payments it made were for bona fide medical expenses incurred on your behalf. Report any discrepancies to CMS.

Financial Exploitation

This category covers a broad range of scams. Fraudsters can pretend to be a grandchild who needs money, offer bogus insurance policies or investments, offer home improvements that are never completed or collect for nonexistent charities. Fraud can occur over the phone, at the front door, at the mall or over the Internet.

Safety Tips:

- Don't buy from unfamiliar companies.
- Don't be pressured into buying something.
- Get all information in writing, whether it's an investment, a charity or a product sale. Ask for contact information. Give the information to a trustworthy person for a second opinion.
- Do some research. Contact the Better Business Bureau, local consumer protection agency, state attorney general or National Fraud Information Center before doing business with any unfamiliar companies or organizations.
- Don't ever fall for the "free prize" line that many scammers use. If a caller says the payment is for taxes, he/she is violating federal law.
- Don't commit to any investments before reviewing the information with a trusted friend, family member or financial advisor.
- Never send money or give out personal information – such as credit card numbers and expiration dates, bank account numbers, dates of birth or Social Security numbers – to strangers.
- Be careful when using an ATM machine to insure there is no one nearby trying to access your PIN number and "skim" your account.

Unfortunately, there are as many different scams as there are scammers. While these categories are on the rise, seniors should be vigilant at all times when being offered a deal that "won't last" or requires them to "act now." Don't be afraid to hang up the phone, close the front door or turn away from anyone, for any reason.

A CPA Can Help

Protecting yourself or a loved one against financial fraud is serious business. If you need a trusted advisor, a CPA can help you analyze your current situation and determine the best course of action with regard to your personal financial plan.

If you have questions about your personal financial planning or need help finding someone to assist you, contact the MSCPA at mscpaonline.org/findcpa.



Massachusetts Society of CPAs

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