

Comfort Keepers' Tips to Prevent Senior Scams

There is a ring at the front door and you answer. A kind-hearted gentleman informs you that he has just fixed your neighbor's roof and he has a lot of material left over. He tells you that your roof is in bad shape and there is a bad storm brewing. He says that your house could get damaged and cost you thousands if you don't act now. In fact, he will give you a special rate if you pay up front in cash. You don't want to have a leaky roof and you can't pass up such a great deal. You agree to have your roof fixed and hand over a large sum of money on the spot. You later find out that nothing is wrong with your roof and you have just been swindled out of thousands of dollars.

If this scenario sounds all too familiar, you may be one of the 25 million Americans that were victims of fraud last year, according to the Federal Trade Commission.

Seniors are one of the top targets for a wide variety of scams. In fact, seniors make up 11 percent of the U.S. population, but constitute 30 percent of consumer fraud and 50 percent of all phone scam victims.

Why are seniors so heavily targeted by scam artists? Generational and economic factors contribute. Many seniors grew up in a time when business was based on a handshake and trust. According to a study done by the American Association of Retired Persons (AARP), older people are quicker to believe promises and slower to take action to protect legal rights. Plus, many seniors live alone and are susceptible to 'friendly' callers, whoever they may be. Add this to the fact that older people own more than half of all financial assets in the U.S. and it becomes clear why scam artists aim at seniors.

Below is a list of some of the most common acts of fraud targeted toward seniors and steps on how seniors can protect themselves from these scams:

SCAM 1 – TELEMARKETING FRAUD

While telemarketers call people of all ages, backgrounds and incomes, they often make up to 80 percent of their calls to older consumers (according to the AARP). These telemarketers often prey upon older people who are well educated, have above-average incomes and are socially active in their community. Their sales pitches are sophisticated and include phony prizes, illegitimate sweepstakes, fake charities, and bogus investments.

STEPS TO TAKE:

- Never send money or give out personal information such as credit card numbers, bank account numbers, dates of birth, or social security numbers to unfamiliar companies or unknown persons.
- If you have doubts about a telemarketer's legitimacy, be sure to ask for their company's name and address, along with a phone number where they can be reached at a later time.

- For elderly widows, if a caller asks for the man of the house, be sure not to say that there isn't one or indicate that you live alone.
- Talk to family and friends or call your lawyer, accountant or banker and get their advice before you make any large purchase or investment over the phone with a stranger.
- Check out unfamiliar companies with your local consumer protection agency, Better Business Bureau, the National Fraud Information Center, or other watchdog groups.
- Be sure to sign up for the Federal Trade Commission's Do-Not-Call-Registry. Telemarketers who continue to call you after you have registered are subject to penalties. You can sign up at www.donotcall.gov or at (888) 382-1222.
- Don't forget the power to simply hang up the phone when a stranger calls trying to sell you something you don't want!

SCAM 2 – HOME IMPROVEMENT FRAUD

Home improvement contractors use several methods of targeting seniors: high pressure phone calls, flyers, advertisements, and door-to-door-sales. While most contracted home repairs are completed satisfactorily, fraudulent contractors can be very effective in making people think their services are needed, and then defrauding their victims.

STEPS TO TAKE:

- Use a local well-established contractor. Ask for references and check with customers to find out if they were satisfied.
- Get competitive bids on all work and be wary of any bids that seem too good to be true. Don't accept high-pressure offers or offers that force you to make a quick decision.
- Determine exactly what work you want done. Make sure the project is explicitly described in your contract, including materials and labor specifics and dates for estimated start and completion.
- Never say yes to someone who wants money up front before the job is done or wants you to withdraw a large amount of money from your bank.
- Check to see that the work is complete and done correctly before paying.
- Find out when and how payment and/or billing will take place before the work begins.

SCAM 3 – DOOR-TO-DOOR SALES

Seniors are frequent victims of door-to-door scams and high-pressure sales tactics. While some door-to-door salespeople are honest, the chances are likely that whoever answers the door is about to be swindled. Con-artists often try to coax seniors into buying unnecessary products or services ranging from living trusts to encyclopedias to household cleaning supplies. They usually appear friendly and appear sincere in their desire to help. In fact, they are successful because they seem so honest.

STEPS TO TAKE:

- Never allow anyone you don't know into your home. It is easier to close the door on them before they get in than to get them out once they are inside.
- Don't buy on impulse. Tell the salesperson you will get back in touch with them after you have had a chance to carefully read all the materials given to you.
- Ask to see the salesperson's credentials and identification and request their business card. Many communities require door-to-door salespersons to have a permit.
- Never give cash up front to a salesperson or rely on verbal promises for delivered goods.
- If you sign a contract, make sure that it is complete, signed and dated. Get all terms in writing, including the total price, warranties, return policy, and all conditions of sale.
- Know that you can get out of a door-to-door sales contract within three business days. According to the FTC's Cooling Off Rule, you have the right to cancel your contract for a full refund until midnight of the third business day after the sale, provided that you have a signed contract and the sale was over \$25. You do not have to have any reason for canceling.

If you are a senior or know a senior that has been a victim of fraud, be sure to report the act immediately. Seniors can contact the following agencies for more information:

- 1) **Federal Trade Commission** – www.ftc.gov or 877-FTC-HELP (382-4357) – The FTC enforces federal consumer protection laws that prevent fraud, deception and unfair business practices. Whether combating telemarketing fraud, Internet scams or price-fixing schemes, the FTC's primary mission is to protect consumers.
- 2) **Better Business Bureau** – www.bbb.org – The BBB's mission is to promote and foster the highest ethical relationship between businesses and the public through voluntary self-regulation, consumer and business education, and service excellence. You can find your local office on the BBB's Web site.
- 3) **The National Fraud Information Center** – www.fraud.org or (800) 876-7060 – The NFIC is a project of the National Consumers League and was designed to help people learn about fraud and file complaints. Additional information about how to avoid becoming a victim of fraud is listed on their Web site.
- 4) **American Association of Retired Persons** – www.aarp.org – AARP provides seniors with information on financial planning, using home equity, avoiding fraud, and consumer rights.