

# PROTECTING YOURSELF FROM FINANCIAL ELDER ABUSE AND SENIOR SCAMS

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# PROTECTING YOURSELF FROM FINANCIAL ELDER ABUSE AND SENIOR SCAMS

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# **PART I:**

# **SCAMS TARGETING THE SENIOR POPULATION**

- **Anatomy of a Scam:**

- The Distracting “Hook”
- A Con Artist Who Seems Trustworthy
- A Deadline

## • **The Distracting Hook:**

Something that grabs your attention / appeals to you in a way that causes you to pay less attention to the details, or to let your guard down. Examples include:

- **Money or Greed**

(a good deal, or the promise of sudden riches)

- **Love or Good Will**

(helping loved ones who are in a jam)

- **Fear and Desperation**

(being afraid can make us less cautious / more open to the promise of a quick fix or miracle cure)

- **A Con Artist Who Seems Trustworthy**

Most people trust someone unless they've been given a reason not to. Scammers are very good at manipulating people into trusting them.

- **A Deadline**

If something is not going to be around tomorrow, it is likely not legitimate.

## • Common Scams:

- **Sweepstakes or Contests Scams**
- **Grandparent Scams**
- **Home Improvement Scams**
- **IRS Phone Scams**
- **Investment Scams**
- **Internet Safety & Identity Theft (Tips)**

# • Sweepstakes or Contests Scams

- **Examples:** “Foreign lotteries,” “random drawings,” or “millionth customer,” notifications that entitle you to a cruise, money, or computer.
- **Common Components:**
  - Request for “winner” to send a check or wire money to cover taxes and fees (or a fake check “winner” is to deposit and send back % of the money)
  - Request for your banking info in order to direct deposit your winnings.
  - Using a name that sounds like a government agency or official sounding authority but doesn’t actually exist (e.g., “National Sweepstakes Bureau” “The National Consumer Protection Agency”) or an agency that does exist (e.g., The Federal Trade Commission).
- **Avoid the Scam:**
  - Never wire money to someone you don’t know
  - Never pay to collect prize money
  - Don’t rely on Caller ID



# • Grandparent Scams

- **Example:** “Grandma, it’s me...please don’t tell Mom...”
- **Common Components:**
  - An urgent phone call from a caller who claims to be “your favorite granddaughter” or just says “it’s me,” prompting the grandparent to supply the needed name
  - The “granddaughter” is out of town and needs money fast (e.g., to make bail, pay for car repairs, or pay medical expenses)
  - The “granddaughter” begs the grandparent not to tell his parents, but to just wire the money immediately
- **Avoid the Scam:**
  - Never wire money to anyone without verifying their identity (and don’t rely on the caller’s voice alone)
  - Tell the caller to give you the name and contact information of the law enforcement agency, hospital, or car repair shop they are dealing with, so that you can verify that the story the caller is telling you is accurate
  - Before sending money, speak to your family to find out if someone is actually out of town and in need of assistance.
  - Come up with a code question that only you and your family members know

# • Home Improvement Scams

## ▫ Examples / Common Components:

- **The Drive-By:** A contractor “just passing by” claims to notice that something is wrong (e.g., a tree branch down or loose siding), and offers to perform quick cheap repair. The contract demands payment up front but performs low-quality work (e.g., watered down stain instead of paint, inferior shingles on only half the roof, a thin smear of blacktop on the driveway, etc.).
- **Free Inspections:** A contractor offers a “free inspection,” and finds a problem that requires an expensive solution (e.g., new windows when some weatherstripping would do the trick; excavation work on the foundation to waterproof when cleaning the gutters would work; an expensive pump that needs to be installed; a new chimney, etc.)

## ▫ Avoid the Scam

### Do Your Research

- Ask friends and family who they recommend / get references
- Use local companies whose address you can verify, and check the Better Business Bureau
- Avoid unlicensed contractors; ensure the contractor has the necessary permits and insurance
- Get more than one written estimate, and ensure it includes details about the work and materials

### Get It In Writing

- A written contract is required by law for work costing more than \$500
- Ensure the contract includes the right to cancel until midnight of the 3rd business day after the contract was signed
- Ensure the contract is clear that you will not pay for any work or changes in the contract unless agreed upon in writing

### Don't Pay The Full Amount Up Front

- Negotiate a payment schedule tied to progress on the job
- Ensure the work is done according to the contract before you make the final payment
- If possible, pay by credit card (or check). Never pay cash!

# • IRS Phone Scams

## ▫ **Examples / Common Components:**

- A caller impersonating an IRS official claims you owe back taxes and threatens arrest, jail time, deportation (for immigrants), or driver's license revocation unless the taxes are paid immediately. The victim is instructed to either wire money or purchase a pre-paid debit card and call back with the serial number.
- Alternatively, an IRS official will claim you are owed a refund from the IRS and try to trick you into revealing personal identifying and financial information, which can then be used to commit identity theft.
- Often the scammer uses caller ID spoofing so that your caller ID box says "Internal Revenue Service" or displays the agency's phone number
- Usually the victim is instructed to either wire money or purchase a prepaid debit card and call back with the serial number
- The scammer may already have information that includes your name and the last four digits of your Social Security number, and may call repeatedly and leave "urgent" messages that become increasingly threatening and insulting

## ▫ **Avoid the Scam:**

- Never give out your personal information
- Never wire money or provide a prepaid debit card or serial number
- Do not engage the caller – hang up the phone and do not return calls
- Report the call to the U.S. Treasury Inspector General for Tax Administration (800-366-4484 / [www.tigta.gov](http://www.tigta.gov))
- If you believe you owe taxes, call the IRS at their published number. (800-829-1040 / [www.irs.gov](http://www.irs.gov))

# • Investment Scams

## ▫ **Examples / Common Components:**

- Affinity Fraud – Using a shared profession, ethnicity, religion, or interest to raise trust and persuade investors.
- Free Meal Seminars – Presenters obtain personal / financial info from attendees under the guise of helping them.
- Ponzi or Pyramid Schemes – Offers high profit returns for investing in an unknown but realistic sounding company.
- Lending Schemes – Reverse mortgages and “reloading” schemes that provide cash but rob the elderly of their homes.
- Senior Designations – Scam artists may call themselves “Senior Specialists” to create a false level of comfort.
- Unregistered Sales and Salespersons – Unregistered individuals who try to sell you a financial product or service.
- Inappropriate Investments – Variable annuities (with steep commissions, lengthy terms, costly surrender fees).

## ▫ **Avoid the Scam:**

- Reduce unsolicited offers by contacting the following:
  - Telemarketing Calls (888-382-1222 / [www.donotcall.gov](http://www.donotcall.gov))
  - Direct Mail and Email Offers ([www.dmchoice.org](http://www.dmchoice.org))
  - Credit Card Offers (888-567-8688 / [www.optoutprescreen.com](http://www.optoutprescreen.com))
  - Online Advertisements ([www.networkadvertising.org](http://www.networkadvertising.org))
- Doublecheck:
  - If the investment, salesperson or firm is registered / licensed with the Office of the NYS Attorney General (212-416-8222 / [www.ag.ny.gov](http://www.ag.ny.gov))
  - If the salesperson or their firm have had any complaints lodged against them / disciplinary history (FINRA: 800-289-9999 / [www.finra.org](http://www.finra.org))
  - Consumer-related information about popular investment scams (NASAA: [www.nasaa.org](http://www.nasaa.org))
  - The company’s financial statements, and ask an independent professional to review them

- **Tips to Maximize Internet Safety:**

- **Create Strong Passwords:**

- Don't use your birth date, SS#, mother's maiden name, names of children or pets
- Include symbols, numbers, and upper and lowercase letters
- Use different passwords for different scenarios, and keep them in a secure place

- **Use Only Secure Sites for Online Shopping and Banking:**

- Look for the "S": A secured signed will start with <https://>
- Look for the security certificate or padlock icon in the browser
- Don't use a debit or check card online – only credit cards

- **Use privacy settings on social networking sites:**

- Ensure your photos and information are available only to those you've "friended"
- Don't "friend" or accept friend requests from people you don't know
- Don't post personal information (e.g., birth date, home address, phone number)

- **Don't be "Phished":**

- Don't give out personal information or passwords
- Don't open e-mails or click on a link in an email from someone you don't know
- If you receive a call, text or e-mail from a company claiming there is a problem with your account, do not respond. (Instead, hang up the phone, delete the text or e-mail, and then contact the company yourself).

# • **Tips to Protect Against Identity Theft:**

- **Shred all papers containing personal information before you throw them away**
- **Safeguard your information in a private, protected place (e.g., when paying bills, don't place the envelopes in an unlocked mailbox at the end of your driveway)**
- **Ensure your checks are direct deposited**
- **Don't carry your Social Security card or too many credit cards with you**
- **Use passwords on all of your accounts**
- **Don't use public computers, such as those at cafes or libraries**
- **Review your bank and credit card statements carefully each month for unauthorized charges**
- **Don't give out your personal information to someone you don't know**



**PART II:**

**ESTATE PLANNING  
DOCUMENTS TO PROTECT  
AGAINST FINANCIAL  
ABUSE**

- Three Key Documents:
  - Durable Power of Attorney
  - Health Care Proxy
  - HIPAA Form



## • Durable Power of Attorney (POA):

- **Purpose:** Allows you, as principal, to appoint an agent to handle your financial affairs in the event that you are unable to do so yourself (e.g., accident, illness, etc.)
- **Note:**
  - If you do not have a valid POA, your family may not be able to access your assets, pay your bills, etc.
  - If you do not have a valid POA, an Article 81 Guardianship proceeding may need to be commenced.
  - May be initiated upon signing of POA, or at such time that you become incapable of doing such things for yourself (springing POAs are not recommended).

## • Durable Power of Attorney:

### ▫ Make Sure:

- POA is validly executed (signed by principal with capacity, notarized, two disinterested witnesses)
- Allows for broad gifting power (to transfer assets and engage in asset preservation (e.g., for estate tax planning or Medicaid planning purposes)
  - Via Statutory Gifts Rider until June 13, 2021
  - Via Modifications Section after June 13, 2021
- Appoints reliable well-organized agent(s) you trust, as well as at least one successor agent

## • Health Care Proxy:

- **Purpose:** Allows you to appoint a health care agent to make medical decisions for you if you unable to make them yourself.
- **Note:**
  - You can only appoint one agent at a time (not-co agents)
  - Make sure to appoint someone you trust
  - Make sure to appoint at least one alternate
  - Make sure to discussed your wishes with your HCP

- **HIPAA Form:**

- **Purpose:** Allows another individual to obtain copies of your medical records from your physicians.
- **Note:**
  - Authorization for Release of Health Information Pursuant to HIPAA (Health Insurance Portability and Accountability Act of 1996)
  - Usually the appointment is the same of your HCP
  - Allows appointed individual to discuss your health care issues with your doctors.

## ▫ **Available Resources for clients:**

- The Attorney General's Office
  - [www.ag.ny.gov](http://www.ag.ny.gov)
  - 800-771-7755
- The Local Police
- Their Local Bank
- Adult Protective Services
- Westchester County District Attorney Elder Abuse Division
  - <https://www.westchesterda.net/crime-prevention/elder-abuse>
  - 914-995-3000 (Elder Abuse Unit)
  - 914-995-1940 (24-Hour Hotline)
  - 914-995-2259 (Adult Protective Services)

# • Other Resources

- **Eldercare Locator**

800-677-1116 (toll-free)  
[eldercarelocator@n4a.org](mailto:eldercarelocator@n4a.org)  
<https://eldercare.acl.gov>

- **Consumer Financial Protection Bureau**

Office for Older Americans  
855-411-2372 (toll-free)  
[olderamericans@cfpb.gov](mailto:olderamericans@cfpb.gov)  
[www.consumerfinance.gov/practitioner-resources/resources-for-older-adults](http://www.consumerfinance.gov/practitioner-resources/resources-for-older-adults)

- **National Adult Protective Services Association**

202-370-6292  
[www.napsa-now.org](http://www.napsa-now.org)

- **National Center on Elder Abuse**

855-500-3537 (toll-free)  
[ncea-info@aoa.hhs.gov](mailto:ncea-info@aoa.hhs.gov)  
<https://ncea.acl.gov>

- **National Domestic Violence Hotline**

800-799-7233 (toll-free, 24/7)  
800-787-3224 (TTY/toll-free)  
[www.thehotline.org/get-help](http://www.thehotline.org/get-help)

- **National Elder Fraud Hotline**

833-FRAUD-11 for 833-372-8311  
<https://stopelderfraud.ovc.ojp.gov>

- **U.S. Department of Justice**

202-514-2000  
800-877-8339 (TTY/toll-free)  
[elder.justice@usdoj.gov](mailto:elder.justice@usdoj.gov)  
[www.justice.gov/elderjustice](http://www.justice.gov/elderjustice)  
[www.justice.gov/elderjustice/roadmap](http://www.justice.gov/elderjustice/roadmap)

- **Westchester County District Attorney  
Elder Abuse Division**

914-995-3000 (Elder Abuse Unit)  
914-995-1940 (24-Hour Hotline)  
914-995-2259 (Adult Protective Services)  
<https://www.westchesterda.net/crime-prevention/elder-abuse>

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