

Presenter's Outline

General Information

Home Renovation Fraud

Investment Fraud

Tel emarketing Fraud

Cyber Fraud

Financial Abuse



Seniors Fraud Awareness Campaign 2001



General Presenter's Information

Seniors Fraud Awareness Campaign 2001

The campaign

The Committee's goal is to help prevent seniors from becoming victims of fraud or financial abuse; and identify where they can get more information or assistance.

The committee

- Alberta Seniors
- Alberta Government Services
- Alberta Children's Services
- Alberta Solicitor General
- Better Business Bureau of Central and Northern Alberta
- Calgary Police Service
- Calgary Seniors Resource Society (ABCs of Fraud)
- City of Edmonton Community Services
- Edmonton Police Service
- RCMP Commercial Crime Section
- RCMP Community Programs
- Telus Management Services
- Wise Owls

Topics

- home renovation fraud
- cyber fraud
- investment fraud
- telemarketing fraud
- financial abuse

Why are seniors victims of fraud?

Fraud artists try to take advantage of older people on the theory that they may be more trusting and polite toward strangers. Older women living alone are special targets of these scam artists.

Here are some reasons older people become victims of telemarketing fraud

(source U.S. Federal Trade Commission)

- Often it's hard to know whether a sales call is legitimate. Telephone con artists are skilled at sounding believable--even when they're really telling lies.
- Sometimes telephone con artists reach you when you're feeling lonely. They may call day after day--until you think a friend, not a stranger, is trying to sell you something.
- Some telephone salespeople have an answer for everything. You may find it hard to get them off the phone -- even if they're selling something you're not interested in. You don't want to be rude.

- You may be promised free gifts, prizes, or vacations--or the "investment of a lifetime"-- but only if you act "right away." It may sound like a really good deal. In fact, telephone con artists are only after your money. Don't give it to them.

More indicators (source: Industry Canada Fraud Quiz)

- Women are more frequently targets of fraud than are men.
- Education level has proven to be an important determinant of fraud vulnerability. People with higher levels of educations tend to be less vulnerable to fraud.
- Consumers of lower financial means have a lower base of experience from which to negotiate the best possible deals in the market place, and may overpay.
- It has been shown that vulnerability to offers that prey on people's ambitions and anxieties is heightened when recipients are isolated from social circles and work environments.
- Social isolation can increase your vulnerability to fraud.
 - The fewer people in your household, the higher the risk.
 - The fewer close friends or family that you see or speak regularly, the higher the risk.
- Language comprehension skills are also a factor in determining a person's ability to fend off fraud. If a sales pitch is not in a language you are comfortable with, get the offer in writing and make sure you know what it says before agreeing to anything.

The Fraud Quiz

The fraud quiz in the package is adapted from the interactive version on the Industry Canada web site and is used with their permission. The Internet version has more questions and compiles the information as the questions are being answered. The result is a list of strengths, areas of caution and areas of risk for the user to consider.

The fraud quiz in this package has four components,

- the Fraud Quiz which can be duplicated for use with an audience,
- the Scoring the Fraud Quiz sheet that can be duplicated so participants can score themselves;
- the Fraud Quiz Analysis that a presenter can use to discuss the results; and
- duplicating masters of the fraud quiz questions for overhead transparencies if a presenter chooses to do the quiz as a presentation.

General indicators

Fraudulent contacts tend to be:

- unsolicited contact
- wants money without providing much information
- wants money now
- promises great returns or rewards

Where to go for help

There are a number of agencies that can provide more information or help. The easiest number to call is the Alberta Seniors Information Line. The staff there can direct seniors to the correct department.

Alberta Seniors Information Line
1-800-642-3853



Home Renovation Fraud Presenter's Outline

Seniors Fraud Awareness Campaign 2001

Recognizing the risk

How do you know there could be a problem?

Home renovation frauds and scams continue to be a problem in Alberta. In cases reported to Alberta Government Services Consumer Services Branch during 2000-2001, Albertans lost over \$125,000 to prepaid contractors. Many victims were seniors.

There are two scenarios in home renovations:

- the senior knows work needs to be done and asks for estimates, and
- someone arrives at the senior's door and says work needs to be done. The senior hasn't asked for the work to be done. Most problems relating to home renovations involve contractors who solicit contracts door-to-door.

This outline focuses on what to do if someone approaches a consumer to do work on his/her home. The *Home Renovation Fraud Participant Tip Sheet* has more information about both scenarios.

VIDEO'S KEY MESSAGES

Be cautious if someone approaches you

Check credentials

Get a detailed contract

In some cases you can cancel the contract

Get more information if you aren't sure

Be Cautious If Someone Approaches You

Contractors often cruise neighborhoods looking for homes. In many cases, the disreputable contractor has searched out potential victims based on their age and the age of their houses.

The contractors then tell the senior that they just happen to be doing some work in the area and they:

- ◆ **can give you a "special price"**....the special price doesn't usually exist.
- ◆ **promise a discount if the consumers allow them to use their homes "to advertise their work, or if they refer friends and neighbours**they have probably made the same offer to everyone.
- ◆ **offer "lifetime" warranties**warranties and guarantees are only as good as the company that offers them. When does a lifetime warranty expire?
- ◆ **give a quick quote**....it's hard to give an accurate price without seeing the job. Quick quotes often lead to requests for more money later to do the job or do the job right.

- ◆ **want a large amount of money up front**....the money is to ‘to buy materials’ Most reputable contractors can maintain charge accounts with their suppliers.
- ◆ **say no contract**....if the contractor refuses to give the consumer a written contract outlining what he or she will do, suggests a contract isn’t necessary, or won’t allow the consumer to get other estimates, it’s time to be cautious.

A well-written contract protects the consumer and the contractor.

Estimates give the consumer a second or third opinion about what needs to be done, how much it will cost, and if there are other options.

- ◆ **are hard to reach**...if the contractor is unavailable by phone except for an answering machine, and only has a post office box or the address of their answering service for an address, it’s time to be cautious.

Once the senior has committed to one job, several more can follow. The contractor or contractor’s representative is personable and often befriends the senior.

PROBLEMS YOU WILL FACE

- ◆ **The work is never done**....the contractor takes the money and runs.
- ◆ **Work poorly done**....the work that is done isn’t done properly and has to be redone by someone else at the consumer’s cost.
- ◆ **Work wasn’t right**....could be poor workmanship, or there wasn’t a clear description of what was to be done.
- ◆ **Overpriced**...the work and/or materials are overpriced compared to other contractors. Consumers won’t know unless they compare prices.
- ◆ **Hard to get money back**....consumers can take the contractor to court but it’s a long process with no guarantees. The court could order restitution but.....

Check Credentials

Prepaid contracting license

If the contractor is working door-to-door (technically it’s away from his place of business), and is taking money before the job is finished; he must be licensed by Alberta Government Services and post a security.

More information about prepaid contracting is on pages 4 and 5 of the tip sheet.

Workers’ Compensation number

If the contractor isn’t covered by Workers’ Compensation, consumers need to check with their insurance company to find out if their policy will cover claims made by workers injured on the job.

Insurance

Does the contractor have public liability and property damage insurance? Who pays if the company or a worker breaks a window in the consumer’s house or the neighbour’s house?

Trade certification

Find out if the contractor is certified or uses certified workers. In Alberta, electricians, plumbers, gas fitters and sheet metal workers must be certified by the Alberta Government to work.

Other home renovation trades can get certified but don't have to be to work.

More information about trade certification can be found in the information sheet "Don't cross your fingers" in this package.

References

Get references from people the contractor has done similar work for.

Better Business Bureau

Check with the Better Business Bureau to find out what complaints have been registered against the company and how they were dealt with.

Get A Detailed Contract

Verbal contracts can be difficult to prove so a written contract is best. If the contract is with a prepaid contractor, it must be in writing and must contain specific information. See *Working with Prepaid Contractors* on page 4 of the participant tip sheet.

Contracts for large home improvements can be complicated. Consumers should ask if something in the contract is not clear. If they are still in doubt, they should take it to a lawyer.

A signed contract is legally binding. Does it accurately describe the work to be done? It is important that the consumer and the contractor agree on the exact job.

If the consumer is working with a prepaid contractor, the contract must contain specific information by law. (See page 4 of the participant tip sheet.) If the contract doesn't contain the required information, the consumer has a year to cancel the contract. The participant tip sheet identifies other information that should be in a home renovation contract on page 1. Never pay in full until the job is finished. See page 3 of the participant tip sheet for information about the *Builders' Lien Act*.

In Some Cases You Can Cancel The Contract

For more information see pages 4 & 5 of the tip sheet for details about cancellation rights under the *Fair Trading Act*.

It's important to note that only renovation contracts that are solicited, agreed upon or signed at the consumers home (technically away from the seller's normal place of business), and the contractor is asking for money before the job is done can be cancelled under the *Fair Trading Act*. For More Information:

"Home Renovations Tip Sheet"
Alberta Government Services
Consumer Services Division
Edmonton (780) 427-4088
Toll free in Alberta 1-877-427-4088
www.gov.ab.ca/gs



Investment Fraud Presenter's Outline

Seniors Fraud Awareness Campaign 2001

Recognizing the Risk

Fraudulent investment promoters are glib and resourceful. They may tell you that they have high-level financial connections; that they're privy to inside information; that they'll guarantee the investment; or that they'll buy back the investment after a certain time. To close the deal, they may serve up phony statistics, misrepresent the significance of a current event, or stress the unique quality of their offering to deter you from verifying their story.¹

Every year thousands of seniors are affected by investment frauds targeting Seniors. Remember that there are several types of frauds, and they can be originated in person, by phone, through mail and e-mail.

VIDEO'S KEY MESSAGES

Are you being told not to worry about the money you send in?

Were you called out of the blue about your personal finances?

Is the company reluctant to give written information about the company or broker?

Are you being told not to worry about the money you send in?

- Don't sign on the dotted line until you are certain you are the one that is going to benefit the most. Always ask about commissions, how much will the broker receive?
- Get a second opinion. Never sign a contract without having a friend or lawyer check it over.
- Take your time. Don't be pressured to invest immediately.

Were you called out of the blue about your personal finances?

- Be wary of unsolicited callers requesting details about your finances.
- Be skeptical about 'get rich quick' claims.

Is the company reluctant to give written information about the company or broker?

- Research the company's reputation. Always check credentials of any broker or firm by contacting the Better Business Bureau.
- Always ask for written information about the investment before committing to any agreement.

Top Ten Lines from Fraudulent Investment Promoters²

1. "We don't make money unless you make money."
2. "I know you get offers everyday from people who tell you they're going to make you rich. I can make it easy for you to make your decision based on actual facts."
3. "This opportunity is the best chance to make extra money for guys who work for a living... guys like you and me."
4. "I've been in the business for 20 years, and I can tell you this, I know no other program that's legal that's so easy to afford and so easy to work that can bring in this kind of big money from such a small investment."
5. "I know this can work for you. I personally guarantee your success, right down to the last penny."
6. "Give me one percent of your trust. I'll earn the other 99 when you see the return."
7. "Of course there's a risk. There's a risk in everything."
8. "Sure we could finance this venture ourselves. But we're trying to build a power base for the future with folks like you."
9. "We're talking about a cash cow here. But it's going fast. I need your check tomorrow at the latest."
10. "I can't be lying. There are laws against that."

Always remember, if it seems too good to be true...it probably is.

For more information contact

Alberta Seniors Information Line

1-800-642-3853

¹ Federal Trade Commission Website- *How to Avoid Losing Your Money to Investment Frauds*. www.ftc.gov/. November 2001

² Federal Trade Commission Website- *Make Huge Profits With Amazing No-Risk Investments*. www.ftc.gov/. November 2001



Tel marketing Fraud Presenter's Outline

Seniors Fraud Awareness Campaign 2001

Recognizing the risk

Consumer fraud has a major impact on the health, well-being and independence of its victims. The money a senior loses to a con artist is usually not replaceable; in many cases, life savings are lost. Fraud can have a life-altering, long-term impact on seniors. (Source: ABCs of Fraud)

Statistics

Since 1995, telemarketing losses of over \$47 million have been reported by Canadians to Project PhoneBusters. As only 1 in 10 victims tend to report their losses, the actual figure could be closer to \$470 million. Of those individuals who participated in telemarketing scams, 78% were over the age of 60. Locally, Albertans reported losing \$388,201 in 2000 to telemarketing fraud.

VIDEO'S KEY MESSAGES

Prizes are always free. Do not spend money to win a prize.

Take your time, you don't have to make an immediate decision.

Contact the government, a police service or the Better Business Bureau if it 'sounds too good to be true'.

Never give out credit card numbers or bank information to someone who calls you on the phone.

If you feel uncomfortable or pressured, it's ok to hang up the phone.

Scenarios

Con artists never run out of scams. Have you heard any of these?

- *Prize offers:* You usually have to do something to get your "free" prize--attend a sales presentation, buy something, or give out a credit card number. The prizes are generally worthless or overpriced.
- *Travel packages:* "Free" or "low-cost" vacations can end up costing a bundle in hidden costs, or they may never happen. You may pay a high price for a part of the package, like hotel or airfare. The total cost may run two to three times more than what you'd expect to pay or what you were led to believe.
- *Recovery scams:* If you buy into any of the above scams, you're likely to be called again by someone promising to get your money back. Be careful not to lose more money in this common practice. Even law enforcement officials can't guarantee they'll recover your money.
- Usually you must act "now" or the offer won't be good, and if you must send money, give a credit card or bank account number, or have a check picked up by courier, before you've had a chance to consider the offer carefully.

What You Can Do To Protect Yourself

It's very difficult to get your money back if you've been cheated over the phone. Before you buy anything by telephone, remember:

- Don't buy from an unfamiliar company. Legitimate businesses understand that you want more information about their company and are happy to comply. Check the company and its offer with PhoneBusters, the Better Business Bureau, or local police. Unfortunately, not all bad businesses can be identified through these organizations
- Always ask for and wait until you receive written material before sending any money.
- Always take your time before making a decision. It's never rude to wait and think about an offer.
- Never send money or give out your credit card or bank account number to unfamiliar companies.

What the law says

The *Competition Act* requires telemarketers to disclose who they work for, the value of the products they are promoting, and other specified information that will help potential victims distinguish legitimate telemarketers from the criminals.

Telemarketers, the company, its officers and directors can all be charged under the *Act*. If convicted, the guilty party can be fined up to \$200,00 per count and/or be imprisoned for up to one year.

For more information contact

Edmonton:

Wise Owls/Heads Up Fraud Prevention Association
(780) 421-2842
www.heads-up.ca

Calgary:

ABCs of Fraud/Calgary Seniors' Resource Society
(403) 266-6200

Alberta:

RCMP detachments and Municipal Police Services

Better Business Bureau

Central and Northern Alberta Government
Edmonton (780) 482-2341
Southern Alberta
Calgary (403) 531-8780

Alberta Seniors Information Line:

Toll-free: 1-800-642-3853

Canada wide

PhoneBusters: 1-888-495-8501
Free video "Stop Phone Fraud – It's a Trap"
www.phonebusters.com

Industry Canada, Competition Bureau
1-800-348-5358

Brochure: *What You Should Know About Telemarketing Fraud*

Compiled with information from ABCs of Fraud, PhoneBusters, Industry Canada, Federal Trade Commission (U.S.), and the Heads Up Fraud Prevention Association.



Cyber Fraud Presenter's Outline

Seniors Fraud Awareness Campaign 2001

Recognizing the Risk

Approximately 82 % of all the frauds on the Internet are solicited through web sites, approximately 12 % through email and 4% through newsgroup postings.¹

Statistics

The following statistics² provide you with a glimpse of what type of websites involve fraud on the Internet:

- Online Auctions 78%
- General Merchandise Sales 10%
- Internet Access Service 3%
- Work at Home Business Offer 3%
- Advance Fee Loans 2%
- Computer Equipment/Software Sales 1%
- Nigerian Money Offers via the Internet 1%
- Information Adult Services 1%
- Credit Card Offers .5%
- Travel/Vacations .5%

VIDEO'S KEY MESSAGES

Is the ad an unsolicited contact?

Does it advertise "GET RICH QUICK"?

Does it ask for personal banking or credit card information?

Is the ad an unsolicited contact?

- Beware of unsolicited e-mail. If you did not ask for the message then it is probably part of a massive re-mailing program that attempts to find someone who will be part of the scheme.

Does it advertise "GET RICH QUICK"?

- Even with the "excitement" of the Internet and with all the "glorious opportunities" there is still no get rich quick scheme to be had. Beware of all the promises.

Does it ask for personal banking or credit card information?

- Be aware of who has access to your credit card number. The danger is not in the card number being "intercepted" but in providing the number to the perpetrator.

Some of the main issues with investigating "Internet" Crime or scams are as follows:

1. The Internet is not sensitive to geographic boundaries. Offences can occur from half way around the world. Therefore investigating the crime, securing witnesses and the ultimate prosecution of the culprits responsible becomes difficult.
2. The Internet is "faceless". We can determine which web site or computer was used to perpetrate the crime but putting the criminal behind the keyboard is very difficult.
3. Scams can be hosted or perpetrated from one country one day and another the next. The Internet is the movement of "data". This data can be held on any computer anywhere in the world and changed the next day.

Always remember, if it seems too good to be true...it probably is.

For more information contact:

Alberta Seniors Information Line

1-800-642-3853

¹ RCMP "K" Division,, Edmonton, Alberta. October 2001

² Statistics provided by RCMP "K" Division, Edmonton, Alberta. October 2001



Financial Abuse Presenter's Outline

Seniors Fraud Awareness Campaign 2001

Recognizing the Risk

ELDER ABUSE is defined as:

Any action or inaction by self or others that jeopardizes the health or well being of any older adult and can include emotional, physical, financial, medication and/or neglect. Edmonton Elder Abuse Intervention Team, April 1998.

Statistics

- There are over 300,000 adults over 65 years of age in Alberta.
- 21,000 older Albertans are being abused by individuals in a position of trust.
- In 1999, 7% of older adults reported experiencing some form of emotional or financial abuse by a child, caregiver or spouse.¹
- Financial abuse is the highest category of abuse reported by older adults.

Signs of Financial Abuse and Financial Exploitation

When trying to determine if someone is being abused or neglected it is often difficult to make a connection between impairment of any physical or mental condition an elderly person may have and the possibility of maltreatment. The following are some indicators of financial abuse or financial exploitation.

Please Note: If you think that any one of the following indicators are applicable to an individual, it does not necessarily mean that abuse is taking place. It might however indicate that you may want to look into the situation further.

- The older adult has signed a legal document without understanding the significance.
- Signatures on documents don't match.
- There been unusual activity in the individual's bank account or ABM transactions.
- The individual appears confused about his/her own finances.
- There are discrepancies between income and standard of living.
- Possessions have gone missing or appear to have been sold.
- There are overdue or unpaid bills and rent that have not been paid.²

VIDEO'S KEY MESSAGES

**Keep Talking
You Are Not To Blame**

Keep Talking

- Encourage individuals to contact their doctor, lawyer, home care person, social worker or public health worker and tell them what is happening.

- Although the individual may feel like the problem is unsolvable, help the individual understand that that no one deserves to be abused and that there is probably a solution to the problem.
- Remember that many cases of financial fraud are against the law.
- If someone you know is being financially abused, tell someone. **Keep talking until someone listens.**

You Are Not To Blame

- Help the person to understand that abuse does not discriminate. It can happen to anyone, rich, poor, educated, or non-educated.
- Older adults who are or have been taken advantage of financially are not to blame. **They are not responsible for being abused.**

Who is Most Affected by Elder Abuse?

Anyone can be a victim of financial abuse no matter ethnic origin, marital status, socioeconomic status, gender, or education.

Why Would Someone Be Susceptible To Elder Abuse?

Often older adults who are financially abused have not been allowed to make their own financial decisions throughout their lives. Whether they are making life choices such as sharing their home or vehicle or looking after children or grandchildren, they are often told what to do and are never given a choice. The power to make their own life decisions has been removed.

These individuals have been charged excessive amounts of money for everyday services. They are bombarded by relatives or friends for money or have been pressured to loan money to the same individuals without a written agreement for repayment. Their money goes missing or their cheques are cashed without their permission.

Family members may move into their home without a prior agreement on shared costs and the same family members may pressure older relatives to sign over their house or property. Financial abuse is not only a social issue. It can also be a crime, even if the offender is a relative.

REMEMBER-ABUSE CAN HAPPEN TO ANYONE. IF IT'S HAPPENING TO YOU OR SOMEONE YOU KNOW, TELL SOMEONE. KEEP TALKING UNTIL SOMEONE LISTENS.

For more information contact:

Alberta Seniors Information Line: 1-800-642-3853

¹ Statistics Canada, Catalogue no. 85-224-XIE (2000), *Family Violence in Canada: A Statistical Profile 2000*. Ministry of Industry, Ottawa, Ontario.

² Ideas taken from: Office for the Prevention of Family Violence, (1995) *Elder Abuse and Neglect*. Alberta Family and Social Services, Edmonton, Alberta.