

IOWA FRAUD FIGHTERS
EDUCATIONAL
OUTREACH
WORKBOOK



**iowa
insurance
division**

NOTES

IOWA FRAUD FIGHTERS – SHIELD YOUR SAVINGS

Welcome to the Iowa Insurance Division's Iowa Fraud Fighters program. As an Iowa Fraud Fighter, you are empowered to fight back against con artists. Arm yourself with expert fraud prevention tips, reporting resources and more so you can stay a step ahead of fraudsters. It's time to take a stand and shield your savings. Always stay up-to-date with fraud fighting advice at www.IowaFraudFighters.gov.

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AN EDUCATIONAL OUTREACH PROGRAM

Provided by the Iowa Insurance Division and presented with assistance from other Iowa state government agency partners.



MOST COMMON INVESTMENT SCAMS

Older Iowans are prime targets for con artists because you have built up a lifetime's worth of savings. As an Iowa Fraud Fighter, you have pledged to be an informed protector of your savings. Being aware of the scams affecting Iowans the most will help you outsmart the scammers and shield your savings. Please report these scams to the Iowa Insurance Division and help others avoid falling victim.

Ponzi or pyramid schemes promise high returns, often "guaranteed" for investors, but collapse when new investors can't be found. These schemes use funds from new investors to pay off the initial investors. Each group of new investors is used to pay off an earlier, smaller group of investors, while the majority of the money disappears into the scammer's pocket at the top of the pyramid.

Promissory notes are used by companies to raise money by selling debt, typically paying a high interest rate, to an investor. Con artists often sell promissory notes for companies that do not exist, so always check that a company is legitimate before purchasing these.

Affinity fraud targets groups, such as religious or ethnic communities, by using trusting relationships with influential or respected members of the group to attract more investors in a pyramid-type scheme.

Private placement offerings, or Regulation D, Rule 506 offerings can be used by small companies to raise funds. These offerings are unregulated and are often very risky investments or scams.

Oil and gas drilling programs are always high risk and should be researched carefully to avoid scams, especially those claiming a particular well is guaranteed to produce high returns or have attractive tax advantages.



Gold and precious metals are always risky investments. It may be a scam if the seller wants you to invest in gold mining or to purchase gold or other precious metals, which will be delivered to a secured facility. Be sure the company is genuine and ensure the gold or precious metal you purchase does exist.

Free dinner seminars are often advertised in local newspapers, on websites or through mass-mailed invitations or emails. Many of these seminars are used to sell investment products at the seminar or through later communications. Be wary if guilt, fear or high-pressure tactics are used to try to sell products.

Self-directed IRA fraud often occurs when a scammer misrepresents the responsibilities of self-directed IRA custodians by falsely suggesting that your investment is protected or that your self-directed IRA custodian will investigate the investment offer for you.

High-yield investment products are peddled by scammers claiming to have access to the world's leading financial institutions or banks. The scammers promise high returns at little or no risk to you by enrolling you in an elite or secret investment venture, often called a prime bank investment.

COMMON CONSUMER SCAMS

Investment and insurance scams aren't the only things an Iowa Fraud Fighter needs to guard against. Be prepared to prevent and report consumer fraud.

The Iowa Attorney General's Office is your resource to report consumer fraud. Their mantra is: Stop, Think and Call. Don't make quick decisions based on emotions; ask for it in writing and sleep on it. Think it over and talk it over with someone you trust. Call the Iowa Attorney General's Office to help you investigate if the offer is legitimate or if it is a scam.

Fraudsters will have a harder time conning you out of your money if you proactively research common consumer scams in your area, including these examples below:

Computer tech support scams occur when con artists pose as technical support employees calling to request remote access to your computer to fix a virus or download software to improve your computer. They use the access to steal personal information or cause damage. They then can charge you a fee for "fixing" your computer.

Grandparent scams are used to coerce money from older Iowans by con artists who pretend to be a grandchild calling from a foreign country in desperate need of money to get out of jail or some other urgent trouble.

Sweetheart scams occur when con artists strike up romantic relationships, often through social media or online dating sites, to coerce money from victims, often for travel expenses to visit the victim or for hardships the perpetrators claim they are going through.

Home repair scams are common when there has been a damaging weather event, such as a flood or tornado. Scammers pretending to be contractors or home repair specialists sell home evaluations and repairs in affected areas before disappearing without providing the services that were paid for.

Identity theft occurs when someone uses your personal information to open accounts, file taxes or make purchases. As of July 2018, you can now freeze your credit. Refer to IID.Iowa.gov for more information.



Tips to Prevent Consumer Fraud

- Don't respond to urgent pleas for money by phone, even if the caller sounds like a family member. Call that relative at a number you know to verify his or her situation.
- Be wary of people who show up at your door and seek upfront payment.
- Don't send money to someone you've never met in person, no matter how well you think you know him or her.
- Don't give unsolicited "support representatives" access to your computer. Always contact a known computer expert first.

Fake IRS calls are robocalls that claim the IRS is filing suit against you for owed taxes or threatening to send police to your residence if you don't pay a specific amount using prepaid cards. Remember, the IRS will notify you by mail if it is transferring an outstanding debt to a private collection agency.

Lottery and sweepstakes scams occur when fraudsters charge an entry fee for sweepstakes or contests, or con artists sell international or out-of-state lottery tickets to Iowans. They typically seek advance payment of taxes or fees before they send a prize that never arrives or a check that bounces. If you have to pay a fee to receive your winnings, it's a scam.

Counterfeit check scams occur when con artists send you a check and ask you to cash it and wire the money back to them. Often referred to as Nigerian check scams, the scammer might offer to let you keep some of the money from cashing the check. These checks bounce because they are fake, and you're held responsible for the funds withdrawn.



TOP 10 FRAUD PREVENTION TIPS

Becoming an Iowa Fraud Fighter means you have the resources and information you need to prevent fraud from harming you, your friends or your family and to report fraud when it does happen. The Iowa Insurance Division's mantra is: Double-check Before You Invest.

1. **Don't be a courtesy victim.** It's OK to just say no and hang up.
2. **Check out anyone you don't recognize.** Always contact the Iowa Insurance Division at 877-955-1212 to double-check that the salesperson and the investment offer is legitimate. Have financial advisors fill out the Double-check Before You Invest Form on page 10.
3. **Monitor your money.** Insist on receiving regular reports on your investments and financial accounts, and check your credit score reports every year.
4. **Never judge a person's integrity by the sound of his or her voice.** Scammers know how to sound professional and friendly to gain your trust.
5. **Watch out for salespeople who prey on your fears or other emotions.** Scammers know you worry about your savings, but don't let fear cloud your judgment when you invest.
6. **Take your time.** Take the time you need to research, get advice and learn more about investing.
7. **Be wary of unsolicited offers.** Be careful if you can't find current information about their company. If it sounds too good to be true, it is probably neither good nor true.
8. **Always ask questions.** Question everything. Your financial advisor or stockbroker is required to explain any restrictions before you invest.
9. **Watch out for "reload" scams.** If you lost money once, don't let scammers trick you into trying to recoup it.
10. **Don't be embarrassed to report fraud.** Reporting fraud is a responsible step in handling your finances, so don't be afraid or embarrassed to report it if you are victimized. You can save another person from becoming a victim.

MEDICARE FRAUD AND PROTECTION

Senior Health Insurance Information Program (SHIIP) offers help to all Iowans to prevent Medicare fraud and provides unbiased advice on the best plans for your unique needs. Medicare fraud can lead to personal identity theft and increase the cost of insurance. That's why you should be aware of the most common Medicare scams Iowans are facing.

Common Medicare Scams

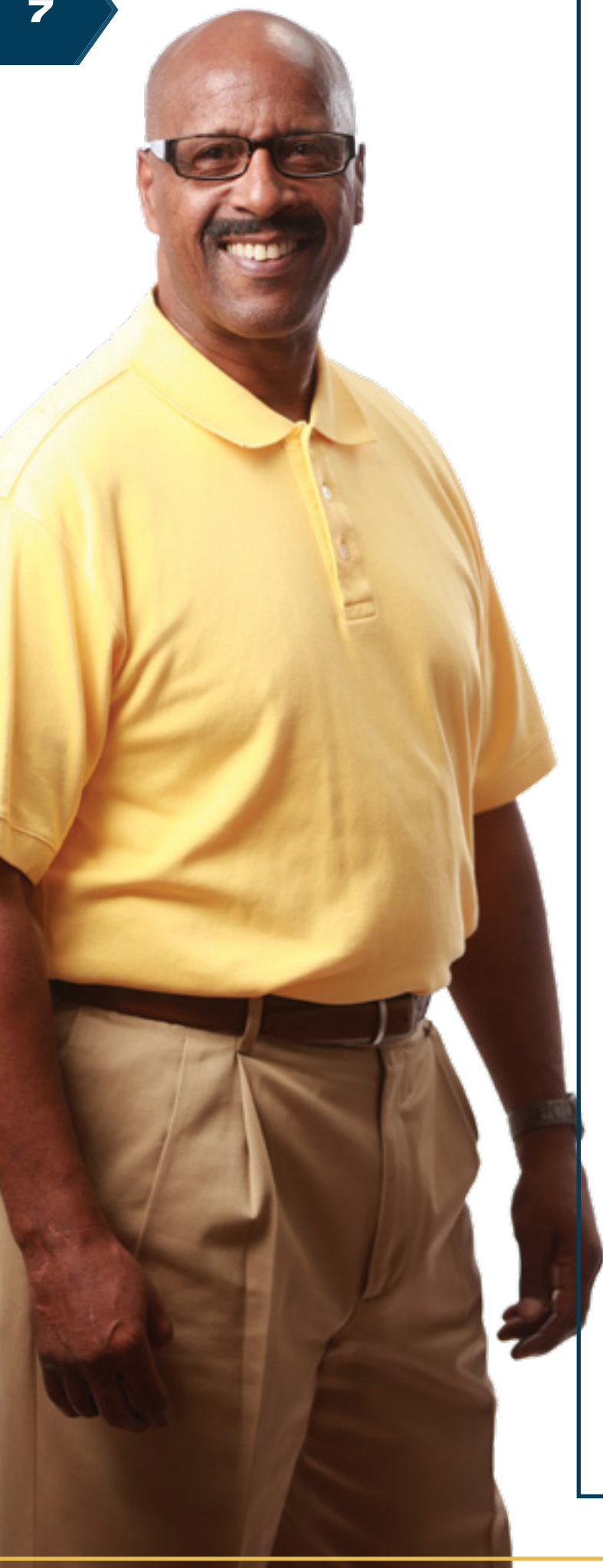
False billing occurs when Medicare is charged on your behalf for services, procedures or products you did not receive. These charges appear on your statements from Medicare.

Medicare number theft can happen in a number of ways, but the most common occurrence is when someone steals your Medicare card or you receive a fraudulent phone call requesting your Medicare number and personal financial information. Often the caller falsely states they are from Medicare and wish to provide you with a "new" or "updated" Medicare card.

Enrollment scams are common whenever it is time to renew or enroll in Medicare, Medicaid or other government health plans. Con artists might go door-to-door or use email and phone calls to try to enroll Iowans in false or inappropriate Medicare coverage plans, and collect your personal financial information in the process.

Medicare mail fraud occurs when fraudsters send fraudulent mail that imitates Medicare mailings in order to steal your personal financial information and/or Medicare number. If any mailing you receive looks suspicious, don't hesitate to report it and provide it to SHIIP to investigate.





Tips to Prevent Medicare Fraud

- Stay informed about enrollment – Get the enrollment dates and plan information from an official source, make an appointment with a SHIIP representative to review plan options and remember that Medicare plans cannot be sold door-to-door.
- Don't carry your Medicare card – Unless you're going to the doctor's office, it is best to leave your card at home in a safe place.
- Protect your personal information – Medicare will never call to ask for your personal financial information or Medicare number because they already have it.
- Review your statements – Check your statements each month for unfamiliar charges or charges for services/products you did not receive.
- Confirm suspicious mailings – If a Medicare mailing looks suspicious, SHIIP and Senior Medicare Patrol can review it and confirm if it is an official mailing or a scam.
- If you need assistance to report Medicare fraud, learn more about your Medicare coverage options or review your statements, please contact a SHIIP representative or your local Senior Medicare Patrol.

ADVANCE DIRECTIVES

No matter how sharp you keep your mind, there are certain financial and medical decisions you may need someone else to make for you someday. Many lowans turn to their family members when this time comes.

As an Iowa Fraud Fighter, it's important to be informed about advance directives and how they can affect your future plans. The Iowa Department on Aging and your local Area Agencies on Aging are excellent resources to assist you in your planning or appointment of a guardian or conservator.

- Advance directives enable you to make decisions about future medical care and provide guidance for family members and doctors when you cannot speak for yourself.
- Durable power of attorney for healthcare allows you to name an attorney-in-fact to act for you in case you cannot make healthcare decisions due to a loss of decisional capacity.
- General power of attorney authorizes someone to act on your behalf in those selected financial decisions and affairs, should you need it. This can be used during a temporary period of need or you can wait until you feel you will need assistance permanently.
- Living wills provide direction to physicians and others about withholding or withdrawing certain life-sustaining procedures that could prolong the dying process if you are expected to die soon or remain permanently unconscious.



Powers of attorney are limited to those powers granted by you. They authorize someone to act on your behalf in matters specifically designated in the power of attorney document.

Remember to review these documents annually and ensure these legal documents still fulfill your wishes.

Guardianship vs. Conservatorship

While advance directives can do much toward protecting your wishes and future plans, sometimes additional care is needed. In those cases, you may find that you need the assistance of a guardian or conservator:

- Guardians are appointed by the court to manage medical treatments, living arrangements, meals, personal care and nonfinancial matters.
- Conservators are appointed by the court to manage your financial affairs on your behalf.

Signs of Victimization in Aging Adults

Unfortunately, not everyone is as trustworthy as they seem. It is not unheard of for scammers, caretakers, friends or even family to take advantage of symptoms of aging to commit fraud against someone who trusts them for care or financial assistance. If you witness or experience these signs of victimization, don't hesitate to get help.

- Sudden large withdrawals or unusual activity in bank accounts; unjustified selling of property; or unpaid bills when resources should be adequate
- Abrupt changes in will or other financial documents
- Isolation from friends and family
- Unkempt appearance, sudden weight loss or bed sores

DOUBLE-CHECK BEFORE YOU INVEST

Use this form to collect the information you will need to verify any investment seller or company before you make an investment. (Additional copies can be downloaded from www.iowaFraudFighters.gov.)

Seller/Agent and Company Information

Seller/Agent Name _____

Company/Business Name _____

Company/Business Address _____

Phone Number _____ Email _____

What Services Are Being Offered?

Investment:	Insurance:	Financial Planning:
<input type="checkbox"/> Stocks and Bonds	<input type="checkbox"/> Life	<input type="checkbox"/> Investment Advice
<input type="checkbox"/> Mutual Funds	<input type="checkbox"/> Annuities	<input type="checkbox"/> Financial Planning
<input type="checkbox"/> IRAs	<input type="checkbox"/> Viaticals	<input type="checkbox"/> Wealth Creation
<input type="checkbox"/> Private Placements		
<input type="checkbox"/> Oil & Gas/Minerals		

What written information will be provided? _____

Is seller/agent required to act in my best interest? Yes___ No___

Potential conflicts of interest _____

Explain commissions or fees charged _____

Licensing Information

(Call to check names and/or license numbers with Iowa Insurance Division at 877-955-1212.)

Insurance License No: _____ State _____

Securities License CRD No: _____

Other License: _____ No: _____

Always request a CRD report to learn of disciplinary actions taken against the company/business, criminal convictions, settlements, bankruptcies, civil proceedings and customer complaints.

TEST YOUR KNOWLEDGE

This workbook and event presentations cover a lot of information. Take this quiz to test your knowledge so far.

1. True or False

Older lowans are prime targets for investment scams and fraud.

2. True or False

You can reduce the number of telemarketing calls you receive.

3. True or False

A conservator is responsible for managing your living arrangements and daily needs, such as meals and personal care.

4. True or False

You do not have time to double-check every investment offer or get outside advice before you decide to invest.

5. True or False

You should always carry your Medicare card in your wallet.

6. Match the Directive

Match the types of advance directives to their purposes.

- | | |
|--|---|
| 1. General Power of Attorney | a. Names an agent to make healthcare decisions if you cannot |
| 2. Living Will | b. Provides direction about use of life-sustaining procedures |
| 3. Durable Power of Attorney for Healthcare | c. Authorizes someone to broadly handle financial and legal matters on your behalf |
| 4. Limited Power of Attorney | d. Authorizes someone to handle specific matters or a set of activities on your behalf, usually for a specified time |

7. Match the Fraud

Match the type of fraud to the agency you should report it to.

- | | |
|-----------------------------------|--|
| 1. Iowa Insurance Division | a. Identity theft |
| 2. Iowa Attorney General | b. Medicare enrollment scam |
| 3. SHIIP | c. Oil drilling program investment scam |

Remember to check yourself! The answer key is on page 13 of this workbook.

Y	M	P	W	B	E	R	A	C	I	D	E	M	U	A	X	O	T	S	I	D	Y	J	Q	S
I	O	W	A	F	R	A	U	D	F	I	G	H	T	E	R	K	R	S	N	V	U	E	S	K
Z	W	V	B	F	Q	K	Y	Z	N	S	Q	K	T	K	J	A	O	V	V	X	H	M	K	Q
S	I	I	D	C	J	R	E	D	F	S	M	E	K	G	T	E	P	J	E	X	R	E	I	O
Q	L	I	Q	T	K	B	W	C	O	N	A	R	T	I	S	T	E	F	S	O	Y	H	N	X
E	C	I	F	F	O	S	L	A	R	E	N	E	G	Y	E	N	R	O	T	T	A	C	S	I
Y	E	V	I	T	C	E	R	I	D	E	C	N	A	V	D	A	K	A	M	K	Z	S	U	P
D	S	D	I	M	I	P	D	P	R	R	U	D	E	L	E	F	V	O	E	K	Y	I	R	A
C	L	D	W	Q	U	P	K	K	M	Q	O	C	D	H	Q	R	C	G	N	O	Z	Z	A	O
R	E	T	U	R	N	O	N	I	N	V	E	S	T	M	E	N	T	Q	T	R	J	N	N	T
H	H	D	Y	M	J	A	G	D	B	C	M	P	I	S	I	A	C	J	O	B	V	O	C	Q
W	N	Y	C	G	G	N	O	R	T	A	T	X	N	V	U	J	L	J	F	C	J	P	E	Q
G	F	F	W	S	S	D	C	G	C	R	A	O	O	W	D	F	L	G	F	Y	N	B	E	F
V	B	M	U	A	C	Y	U	S	Z	K	C	V	B	S	Y	A	X	W	E	M	F	P	L	B
T	F	E	H	T	Y	T	I	T	N	E	D	I	Y	Q	F	K	C	S	R	O	S	J	P	V

WORD SEARCH

Advance Directive	Con Artist	Medicare
Report	Investment Offer	Attorney General's Office
Iowa Fraud Fighter	Advisor	Ponzi Scheme
IID	Insurance	Conservator
Scams	Identity Theft	Return on Investment

FREQUENTLY ASKED QUESTIONS

How can I avoid telemarketing calls?

Add your number to the National Do Not Call Registry. Register your phone number by calling 888-382-1222 or visiting www.DoNotCall.gov.

How can I deal with pushy telemarketers?

Don't feel that you have to be nice or polite. You don't have to talk to these people. You can just say no and hang up.

What if I'm asked for personal information?

Never send money or give out credit card numbers and expiration dates, bank account numbers, dates of birth, personal identification numbers or Social Security numbers to unfamiliar companies or people you don't know, or if you have not initiated the conversation.

What terms should raise concern about a proposed investment?

Be wary of these terms: high rate of return, risk-free investment, or guaranteed or insured against loss. High rates of return are usually accompanied by high risk, and legitimate investments are not guaranteed against loss.

What if I'm pressured into making an immediate decision?

Don't let a salesperson pressure you into a quick decision. Do your own research, fill out the Double-check Before You Invest form, call the Iowa Insurance Division at 877-955-1212 and consult with someone you trust before making any purchase or investment.

What protects me from losses associated with my investment?

Securities regulators make sure companies abide by securities laws and rules, but they do not insure investments. You should determine what degree of risk you are willing to take and be prepared to experience possible losses.

Can I trust that professional promotional materials and websites are reliable indicators of legitimate investment opportunities?

Promotional materials, websites, company addresses and testimonials from investors can all be part of a fraudulent scheme to lure you into a scam. Do your homework before you part with your money.

How can I make sure the people trying to sell me investments or insurance are reliable?

One way is to ask for written materials, complete a Double-check Before You Invest form and then verify the information they provide with the Iowa Insurance Division.

Should I report fraud?

Yes. Don't let embarrassment over your investment stop you from reporting fraud or suspicious activity and protecting others from the same scheme. It is a brave and responsible step to report fraud. Use the contact information in this booklet if you need assistance in reporting fraud.

Quiz Answer Key
1) True
2) True
3) False
4) False
5) False
6) 1c, 2b, 3a, 4d
7) 1c, 2a, 3b

SEMINAR EVALUATION SURVEY

- 1) Overall, how useful was the Iowa Fraud Fighters seminar?
 Very useful Useful Not very useful

Comments:

- 2) How useful were the seminar materials provided?
 Very useful Useful Not very useful

Comments:

- 3) How useful did you find the information about the Iowa Insurance Division's services?
 Very useful Useful Not very useful

Comments:

- 4) How useful did you find the information about the Iowa Attorney General's Office services?
 Very useful Useful Not very useful

Comments:

- 5) How useful did you find the information about SHIIP's services?
 Very useful Useful Not very useful

Comments:

- 6) How useful did you find the information about the Iowa Department on Aging's advance directives services?
 Very useful Useful Not very useful

Comments:

- 7)** Did you feel the length of the seminar was too long, just about right or too short?
 Too long Just about right Too short

Comments:

- 8)** The content of the seminar was appropriate and informative.
 Strongly agree Agree Disagree Strongly disagree

Comments:

- 9)** What did you like most about the seminar?

- 10)** In what ways could this seminar be improved?

- 11)** How would you rate this public education seminar compared to similar public education seminars of this type that you have attended?

- Excellent Very good Average
 Poor Very poor This is my first time

Comments:

- 12)** Please check all the ways you saw or heard a Fraud Fighters Event advertisement.

Options:

- Radio TV
 Newspaper Local News Coverage
 Community Group Bulletin Board Poster
 Direct Mail Facebook/Online Ad
 Friend or Family Member

CONTACT INFORMATION

Now that you know what to do when you spot scams and fraud, here are the contacts to help you report it.

Iowa Insurance Division
 601 Locust Street, 4th Floor
 Des Moines, IA 50309
www.IID.iowa.gov
www.IowaFraudFighters.gov
 515-281-5705
 877-955-1212 (toll free)

Iowa Department on Aging
www.IowaAging.gov
 800-532-3213

Find Your Local Agency on Aging
www.LifeLongLinks.org
 866-468-7887

Iowa Attorney General's Office
www.IowaAttorneyGeneral.gov
 515-281-5926
 888-777-4590 (toll free)

Legal Hotline for Older Iowans
www.IowaLegalAid.org
 800-992-8161

Senior Health Insurance
 Information Program (SHIIP)
www.TheRightCallIowa.gov
 800-351-4664
 800-735-2942 (TTY)
 Email: SHIIP@IID.iowa.gov

Elder Abuse, Neglect
 or Financial Exploitation
 800-532-3213

Additional Fraud Prevention Resources

AARP
www.AARP.org/FraudWatchNetwork

U.S. Securities and Exchange
 Commission (SEC)
www.Investor.gov

Do Not Call Registry
www.DoNotCall.gov
 888-382-1222

Financial Industry Regulatory Authority (FINRA)
www.FINRA.org

Free Credit Reports
www.AnnualCreditReport.com
 877-322-8228

Investor Protection Trust (IPT)
www.InvestorProtection.org

FBI
[www.FBI.gov/Scams-and-Safety/
 Common-Fraud-Schemes](http://www.FBI.gov/Scams-and-Safety/Common-Fraud-Schemes)

North American Securities
 Administrators Association (NASAA)
[www.NASAA.org/1723/Senior-
 Investor-Resource-Center](http://www.NASAA.org/1723/Senior-Investor-Resource-Center)



**iowa
insurance
division**

877-955-1212
www.IowaFraudFighters.gov
www.IID.Iowa.gov