

Pass it on: Older Adults, Fraud, and the Federal Trade Commission



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National Consumer Law Center

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Providing Legal Support to the
Aging Advocacy Network

- <http://www.nlrc.aoa.gov/>
- Collaboration developed by the Administration for Community Living/Administration on Aging between the National Consumer Law Center, National Senior Citizens Law Center, American Bar Association Commission on Law and Aging, Center for Elder Rights Advocacy, and the Center for Social Gerontology
- See upcoming trainings, conferences, and webinars
- Request a training
- Request consulting
- Request technical assistance
- Access articles and resources





Presenter – Jennifer Leach

- Jennifer Leach is a Consumer Education Specialist in the Federal Trade Commission's Bureau of Consumer Protection, where she works on a range of issues.
- Jennifer leads the agency's efforts to reach older adults, heading up the creation of [ftc.gov/PassItOn](https://www.ftc.gov/PassItOn), an education campaign for active older people. She also leads outreach to underserved groups through consumer education, spearheading [Consumer.gov](https://www.consumer.gov), the FTC's first resources for people with limited English reading proficiency.
- She also has guided the agency's outreach to children, leading the team that created [Admongo.gov](https://www.admongo.gov), an interactive game to teach advertising literacy and critical thinking skills to middle-level kids, and [ftc.gov/YouAreHere](https://www.ftc.gov/YouAreHere), a website to explain the FTC to kids. Prior to joining the FTC, Jennifer worked on AARP's Consumer Protection Team, and spent six years at the World Bank, three of them based in Bolivia, developing, supervising, and evaluating social development projects throughout Latin America, the Caribbean, and Eastern Europe.



Presenter – Lisa Schifferle

- Lisa Weintraub Schifferle is an attorney in the Federal Trade Commission's Division of Privacy and Identity Protection. At the FTC, she serves on the Identity Theft Team, in addition to handling data breach and privacy investigations.
- She regularly speaks on identity theft and elder fraud issues, training advocates across the country about how to assist identity theft and fraud victims. Before arriving at the FTC, Ms. Schifferle spent eight years at the Maryland Legal Aid Bureau, as a Staff Attorney and Supervising Attorney.
- Prior to that, she served as a law clerk to the Honorable Ronna Lee Beck. She received her B.A., *summa cum laude*, from Yale College and her J.D. from the University of Virginia Law School.





Presenter – Persis Yu

- Persis Yu is a staff attorney at NCLC and works in the Student Loan Borrower Assistance Project and on other consumer advocacy issues. Prior to joining NCLC, Persis was a Hanna S. Cohn Equal Justice Fellow at Empire Justice Center in Rochester, New York. Her fellowship project focused on credit reporting issues facing low-income consumers, specifically in the areas of accuracy, housing and employment.
- Persis is a graduate of Seattle University School of Law, and holds a Masters of Social Work from the University of Washington, and a Bachelor of Arts from Mount Holyoke College.



...PassitON

Federal Trade Commission
ftc.gov/PassItOn





What Is Pass It On?





Pass It On / ¡Pásalo!

- New consumer education campaign
- Just launched
- ftc.gov/PassItOn or ftc.gov/Pasalo



...Pass it ON

- Consumer education for active older adults
- Respecting a lifetime of experience
- Encouraging sharing of information on:



identity theft



imposter scams



charity fraud



health care scams



paying too much



"you've won" scams



Poll: Who are you?

- (a) Elder advocate/attorney
- (b) Consumer advocate/attorney
- (c) Consumer
- (d) Other



Pass It On – First steps

- Identified the target audience
 - FTC's normal audience: all consumers
 - This audience: active older adults



Testing hypotheses

- Who to reach
- Where to reach them
- How to reach them
 - Messages
 - How to deliver content



Not just your message

- A difficult idea for a federal agency:
“Tell people what they need to know, not what you need to tell them.”



Things we learned

- An excellent proxy
- Printed materials
 - Short and to the point
 - Friendly
 - Respectful



Things we learned

- Don't "protect yourself"
- Acknowledge life experience
- Ask them to share



Overall message

- “You’ve got this. But you probably know someone who doesn’t. So pass it on. Share what you know.”



Overall message

- Not more vulnerable
- Not a frail victim
- Part of the solution, not the problem



Applying learnings

- One-page articles
- Bookmarks
- Coffee cup
- Conversational, not scary



Applying learnings

- Activities
- Video
- Presentations
- Sample press release
- Tweets



Applying learnings

→ Things we wish we could do:

- Do the talks ourselves
- Bring food
- Offer prizes

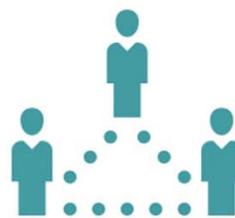


Things to do

- Grab and post the video
- Use the text for newsletter articles
- Do a presentation
- Tell us what else you need

...Pass it ON

→ Start a conversation



→ Share what you know, your strategies, your ideas

→ Get more information at ftc.gov/PassItOn





In Demand

- 200,000+ pieces distributed in 5 weeks
- Veterans groups, AAAs, state and local government, police officers, non-profits, social groups
- 49 states + Puerto Rico, USVI, Guam



The Scams





Types of Scams

- Imposter Scams
- Charity Scams
- Identity Theft
- Health Care Scams
- Paying Too Much
- You've Won



Poll: What scams are you seeing most?

- (a) Imposter scams
- (b) Charity scams
- (c) Identity theft
- (d) Health care scams
- (e) Lottery scams



Imposter Scams





Imposter Scams – How They Work

- Someone who pretends to be somebody else calls you, emails you
- Asks for personal information
- Asks for money – wire transfer or money card



Imposter Scams – Examples

- “Grandma, I need money for bail. Don’t tell mom.”
- “I’m from the IRS and you owe back taxes.”
- “I wish I could come meet you, but I don’t have enough money for a plane ticket.”



Imposter Scams – What You Can Do

- Stop. Check it out before you wire money to anyone.
 - Don't give out personal information unless you're sure who you're giving it to
 - Call back at a number you know to be correct
- Sign up for Do Not Call



Imposter Scams – *FTC v. Grant Connect*

- Scammers used websites designed to look like government
- Scammers falsely claimed they could help consumers get government grants
- Court ordered web sites shut down
- \$1.7 million redress paid to 22,764 injured consumers



Charity Fraud





Charity Fraud – How it Works

→ Here's how it works:

- Phone call
- Charity name sounds familiar
- Pressure you to pay quickly



Charity Fraud – What You Can Do

- Take your time
- Say no
 - “No, thanks.” Hang up. ...OR:
 - “I don’t give money over the phone. If you send something in writing, I’ll consider it.”
- Never send cash, wire money or load prepaid debit cards



Charity Fraud – *FTC v. Handicapped & Disabled Workshops*

- Telemarketers duped consumers into buying overpriced garbage bags & light bulbs
- Falsely claimed that proceeds would benefit handicapped and disabled individuals
- Court ordered company shut down & defendants to pay \$15 million to injured consumers



Identity Theft





Identity Theft – How it Works

- Someone uses your personal information to fraudulently obtain goods or services
- Can be the result of imposter scams, data breaches, theft



Identity Theft – What You Can Do

- Protect your information
- Read your statements
- Read your explanations of benefits
- Watch your bills
- Check your credit at www.annualcreditreport.com
- Practice online safety



Identity Theft- Federal Prosecution

- Southern District of Florida
- Woman was indicted and pleaded guilty to federal charges
 - obtaining a fraudulent driver's license in the name of the victim,
 - using the license to withdraw more than \$13,000 from the victim's bank account
 - obtaining five department store credit cards in the victim's name and charging approximately \$4,000 on those cards.



Health Care Scams





Health Care Scams – How It Works

→ They'll say you need...

- A new Medicare card
- A new health insurance card
- Discounted health insurance
- To act now!





Health Care Scams – Examples

- Miracle cures
 - Offers quick cures to MS, Alzheimer's, cancer
- Affordable Care Act scams
- Medicare-related scams



Health Care Scams – What You Can Do

- Take your time
- Check it out
 - 1-800-MEDICARE
- Consult reliable sources of health information (healthcare.gov, cdc.gov)
- Do not delay medical treatment



Health Care Scams - *FTC v. 9107-4021 Quebec*

- Prescription discount scam
- Online pharmacy sold sham memberships to seniors
- Claimed you could save 30% to 50% on prescriptions
- Consumers got nothing or a worthless prescription card
- Court ordered company to pay \$7.5 million to injured consumers



Paying Too Much





Paying Too Much – How it Works

- Charges on bills
 - Rate increase
 - Interest rate change
 - Unexpected charges



Paying Too Much – What You Can Do

- Read your bills
 - every statement, every time
- Read contracts carefully before you sign them
 - look for balloon payments, variable interest rates



Paying Too Much- *FTC v. T-Mobile*

- Complaint filed 7/1/14 in W.D.Wa.
- Alleges that T-Mobile put hundreds of millions of dollars on mobile bills for bogus charges never authorized by customers
- “cramming” = phone company puts charges on bill for 3rd party & gets a percentage



“You’ve Won” Scams





“You’ve Won” Scams— How They Work

- You get a call, an email, a card
- Says that you’ve won a prize, lottery, trip
- You just need to pay fees, taxes, custom fees first
- They want you to wire money or give your credit card information



“You’ve Won” Scams – What You Can Do

- What you can do:
- Keep your money to yourself
 - Keep your information to yourself
 - If in doubt, check it out
 - Never wire money



You've Won Scams –

FTC v Dayton Family Productions

- American Health Associates called and said you've won a car, boat, vacation
- All you have to do is buy \$300 to \$500 in vitamins to claim it
- Consumers never got items, got nothing or junk
- FTC won injunctive relief shutting down company

...Pass it ON

Report frauds and scams to the Federal Trade Commission



→ 1-877-FTC-HELP

→ ftc.gov/complaint



Questions? Comments?

- Lisa Schifferle: lschifferle@ftc.gov
- Jennifer Leach: jleach@ftc.gov



Protections under the Fair Credit Reporting and Fair Credit Billing Act

FCRA ID Theft Remedies

- Initial fraud alert (“one-call” alert)
 - 90 days
 - Only requires “good faith suspicion” of ID theft
 - 1 free report
- Extended fraud alert
 - 7 years
 - Requires ID Theft report
 - 2 free reports



FCRA ID Theft Remedies

- User obligations re: fraud alerts
 - Requires users (generally lenders) to form a reasonable belief about ID before extending credit
 - For extended alert, requirement extends to credit scores and lender must call consumer at listed telephone number



State law security freezes

- Best defense against ID Theft
 - Required by 49 states and D.C.
 - Available nationwide on a voluntary basis
 - Cost anywhere from \$0 (for ID theft victims and sometimes seniors) to \$10 per credit reporting agency.
 - Prevent credit report from being used by new lenders
 - Exceptions for existing lenders, government agencies, insurers, prescreening
- 

FCRA ID Theft Remedies

- Blocking of items resulting from ID theft
- Consumer must send:
 - Proof of consumer's ID
 - Copy of an Identity Theft Report*
 - Consumer's identification of fraudulent information
 - Statement by consumer stating the information does not relate to any transaction by consumer
- General dispute rights

Credit Card Dispute Rights

Three credit card dispute rights under the Truth in Lending Act

- Unauthorized use provisions
- Right to withhold payment
- Billing error procedures (often referred to as “Fair Credit Billing Act”)



Unauthorized Use Protection

- Limits liability for unauthorized use to \$50
 - In some cases, not even \$50 imposed
 - Consumer can give notice orally or in writing
 - No written dispute required
 - Lender must conduct investigation

 - Can be useful in ID theft case
- 

Right to withhold payment

- Can raise claims against merchant by withholding payment from credit card company
 - Exception for tort claims
 - Could be useful in the case of a scam
- Must not have paid disputed amount already
- Requirements
 - Must make good faith effort to resolve with merchant
 - \$50 or more at issue
 - Goods or services bought in home state or within 100 miles
 - Does not apply when lender mailed ad or is seller
 - Issue – telephone and Internet sales

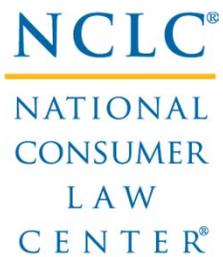


Billing Error Procedures

- Require written notice of dispute within 60 days of statement in which error appears
- Lender required to investigate and report results to consumer within 2 billing cycles or 90 days.
- Can withhold payment of disputed amount (but only disputed amount)



Questions?



Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. **www.nclc.org**