

financialgenius.usbank.com

Financial Smarts for Seniors:

Protecting Your Assets from Financial Fraud

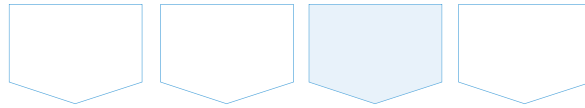


Financial **Genius**

Financial Education Powered by U.S. Bank

All of **us** serving you®

usbank®



Index

Financial Smarts for Seniors

Course Objectives 1
 The Concern 1

Why are Older Americans Targeted?

Why do these situations go unreported? 2

Scams that Target Older Americans

Other common fraud schemes 3
 Pop Quiz 4
 Scam Alert: “Hello, Grandma?” 4

Financial Exploitation by Relatives and Caregivers

Case Study 5
 How does Financial Exploitation Happen? 6
 Financial and Legal Arrangements 7
 Pop Quiz 7

Online Security Awareness

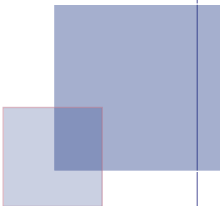
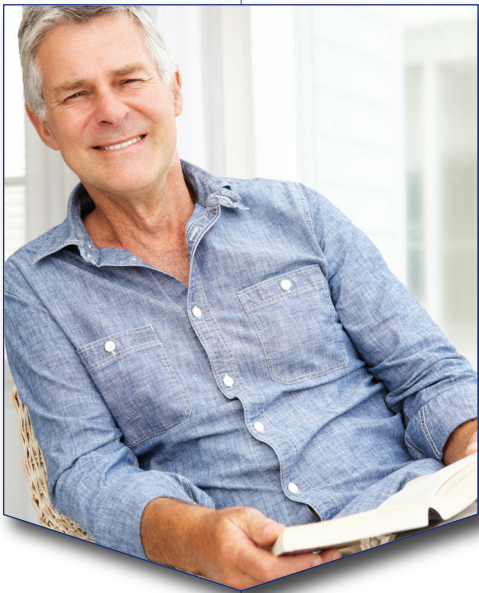
Are You Safe Online? 8

Protect Your Assets

Protect Your Personal Information 9
 Minimize Risk 9

Who to Call to Report a Financial Crime?

Additional Resources: 10



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.

Financial Smarts for Seniors

As an older American, you should be enjoying your “golden years”. You may have opportunities to travel, explore new fields of work or hobbies or spend time with family and friends. Unfortunately, scam artists or bad advice can take away these opportunities. U.S. Bank and the Office of Corporate Citizenship & Financial Education are here to provide you with tools and information to navigate safely through these financial challenges to enjoy those golden years.

After today's workshop, you will be able to:

- Identify common fraud schemes
- Identify financial exploitation
- Know who to contact to report financial fraud
- Minimize risk and protect your assets

The Concern

The FBI has identified elder fraud and fraud against those suffering from serious illness as two of the most insidious of all white collar crimes being perpetrated by today's modern and high tech con-man. The Internet, high speed dialers, mail drops and computers are just some of the tools available to the fraudster to separate a victim from his/her money.

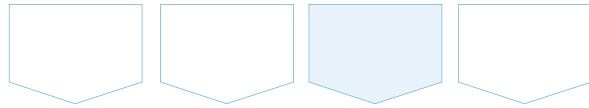
Research estimates that Americans over the age of 60 lose more than \$2.9 billion to fraud and financial abuse annually.

MetLife Inc. 2010

Like many older Americans, you may rely on pensions, social security and life savings to support you and your family. The losses inflicted by these unscrupulous con-men and their organizations are both financially and emotionally devastating to their victims.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Why are Older Americans Targeted?

As an older American, you were raised in an era when life was less complicated and had less crime. You were raised with traditional values, to be polite and trusting. Con artists know how to exploit these traits, and here are a few examples of how they do just that.

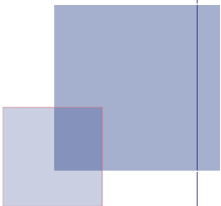
- Like many older Americans, you may be concerned about running out of money during your “golden years” of retirement. This opens the door to scams involving quick profits, especially investment fraud.
- You may have a “nest egg”, own your home and have excellent credit, all of which the con-man will try to tap into.
- Many of the products or services hawked by the con artists appeal to individuals of a certain age – i.e., health care and pharmaceutical products or investments related to retirement savings.



Why do these situations go unreported?

- Pride or embarrassment
- A belief you are to blame
- Not knowing your rights or the resources available to assist you
- Fear of separation from your home or family
- Emotional or economic dependence on the abuser
- Fear of getting the abusing family member in trouble
- Fear of the criminal justice system

Consequently, if these situations go unreported, you will not receive the specialized services and intervention needed to get back on track financially.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.

Scams that Target Older Americans

Telephone and mail solicitation are the major tools used by scammers to communicate with elderly or vulnerable victims. They attempt to entice, confuse and trick older Americans into buying something they do not want or need. Scammers use deceptive sales techniques and misrepresent products or services. These scams can commonly include the following:

- Magazine sales or subscription renewal scams
- Travel fraud/timeshare resort scams
- Medicare/Medicaid Drug Plan scams
- Selling valueless or nonexistent products
- Soliciting donations to a nonexistent charity
- Investment and loan scams
- Life insurance scams
- Internet sweetheart scams
- Lottery/sweepstakes scams
- Social Security benefit scams
- Arrest ploy

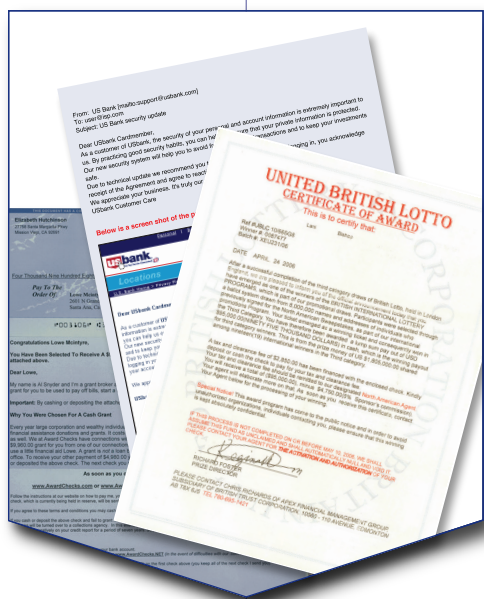
Other common fraud schemes:

- **Fake accident** – Scammer causes an accident in a parking lot and leads the elder victim to believe they are at fault. The scammer convinces the victim to pay them in cash for the damage in lieu of losing their driver's license if they report it to their insurance company or DMV. The victim goes to their bank to make a large cash withdrawal to pay the scammer.
- **Unsolicited work** – Scammer arrives unexpectedly at the elder/vulnerable adult's residence and offers to perform work for a reasonable fee. After starting the work, the scammer insists they pay more than originally agreed before the work is completed. The scammer may also ask for money up front for supplies or materials and doesn't return to complete the work.

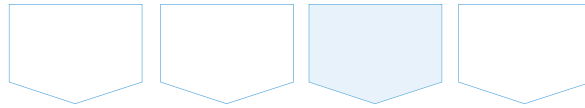
Be suspicious if...

- You hear you've won money, a prize or free gift, especially if you never entered a raffle or drawing.
- You've been selected to receive a special offer, and you must act now or the offer won't be good.
- You must pay for processing, shipping and/or taxes.
- You must give out your full credit card or bank account number.

If it sounds too good to be true, it probably is!



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Pop Quiz

You receive a \$3,500 check, which you're told is partial payment for winning a lottery. You're instructed to deposit the check and forward a certain amount to pay for taxes to a specific address.

What tells you the check is authentic?

- A. All edges on the check are smooth and the bottom numbers are shiny.
- B. Your bank accepts it for deposit.
- C. The deposit immediately shows as credited to your account.
- D. None of the above. These checks are always a scam.

Answer can be found on page 10 of this workbook.



Scam Alert: "Hello, Grandma?"

You get a phone call from your grandson who sounds very upset...

"Grandma, I'm in jail! I was in a car accident and the police think I drank alcohol, but it was really just cough medicine. I am so embarrassed! Please don't call mom or dad, I didn't know who else to talk to. I need you to wire bail money ASAP! And please, don't tell anyone!"

What do you do?

- A. Head to Western Union as instructed.
- B. Give your credit card number to the Police Officer your grandson puts on the telephone.
- C. Ask the caller for the name and location of the jail from which they are calling. Then look up the number yourself and call to see if your grandson is in fact there.
- D. Hang up and immediately call your grandson's cell phone or parents to check his whereabouts and safety.
- E. Answers C or D.

Answer can be found on page 10 of this workbook.

Two clear signs of a scam is 1) the sense of urgency and 2) the request to wire money. Any time a stranger on the phone asks you to wire money, it's a con – even when someone claims to be a family member.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.

Financial Exploitation by Relatives and Caregivers

Unlike strangers, relatives and caregivers often have a position of trust and an ongoing relationship with the elderly. Financial exploitation occurs when the offender steals, withholds or misuses their elderly victim's money, property or valuables for personal profit.

The National Center on Elder Abuse estimates that 66% of elder abuse in the U.S. is committed by a close friend, caregiver or family member.

(June 2013)

Case Study

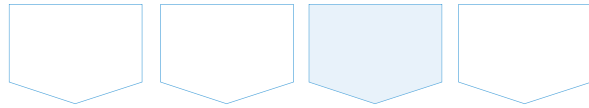
My name is Betty. I am a 75-year-old widow and for the past couple of years I have struggled emotionally, felt overwhelmed and could not handle my financial affairs. My younger brother, Bob, who had financial set-backs himself in the past, seemed to be back on his feet and offered to help – I gratefully accepted. I gave him complete access to my money. But instead of managing my finances, he stole my life's savings within a matter of months, more than \$315,000. I trusted my brother to look out for my interests, but he instead took advantage of that trust and left me financially destitute.

I didn't realize what was happening and it was not until I began working with an Adult Protective Services agency that I found out what my brother had done. They discovered that he pillaged my retirement accounts, opened installment loans and credit card accounts in my name without my permission or knowledge, and failed to pay my bills and income taxes.

Unfortunately I sought help too late to save my house from foreclosure, but the agency was able to help me save my car, cancel the credit cards he took out in my name, and remove him from my savings and checking accounts.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.

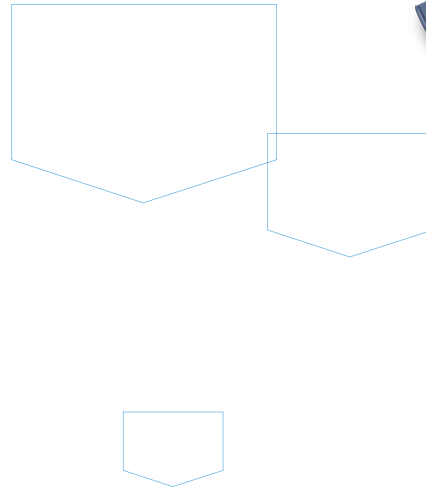


How does Financial Exploitation Happen?

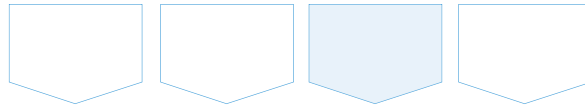
The tactics offenders often use include deceit, coercion, intimidation, emotional abuse or empty promises of lifelong care. Their methods can include the following:

- Simply taking the elder's money, property or valuables
- Borrowing money, sometimes repeatedly, and not paying it back
- Denying services or medical care to conserve funds
- Giving away or selling the elder's possessions without permission
- Signing or cashing pension or Social Security checks without permission
- Misusing ATM or credit cards
- Forcing the elder to sign over property or other valuables

Crooked caregivers usually try to isolate the victim from friends, family and other concerned parties. By doing so, they prevent family members from asking about the elder's well-being and prevent the elder from consulting with others on important financial decisions, and, perhaps most tragically, give the elder the impression that no one else cares about him or her.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Financial and Legal Arrangements

In addition, relatives and caregivers sometimes exploit the following financial and legal arrangements:

- **Joint bank accounts.** Under the guise of helping the elder with his or her financial affairs, the offender has his or her name added to the elder's bank account, allowing the offender to deposit, withdraw or transfer funds. The offender may threaten or coerce the elder into giving consent, or get consent despite the elder's limited capacity to make an informed decision.
- **Deed or title transfer.** The elder transfers ownership of property such as homes, real estate or cars to the offender. This may occur as the result of force or intimidation, or as a "gift" or other transaction the elder does not fully comprehend.
- **Power of attorney and durable power of attorney.** These legal arrangements give a person the authority to manage the elder's affairs on the elder's behalf. When used properly, the legally appointed agent makes decisions that are in the elder's best interest. Misuse arises when the agent induces the elder to sign the document; makes decisions or transactions that benefit the agent, to the detriment of the elder; uses the power after it has been terminated; or uses the power for purposes other than what is intended.
- **Living trusts and wills.** To avoid potentially expensive probate fees and estate taxes, an individual can transfer property and other assets into a trust. The effectiveness of this legitimate estate-planning tool depends, of course, on the trustworthiness of the person appointed to manage the trust. In addition, through a variety of emotional appeals, a perpetrator may induce an elder to change his or her will, making the perpetrator the sole beneficiary upon the elder's death.

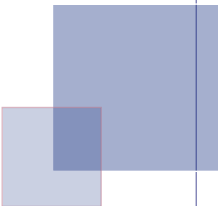
Distinguishing between an unwise, but legitimate financial transaction and an exploitative transaction resulting from undue influence, fraud or lack of informed consent can be difficult. Suspicious transactions may be well-intentioned but guided by poor advice. Generally, financial exploitation involves a pattern of behaviors, rather than single incidents.

Pop Quiz

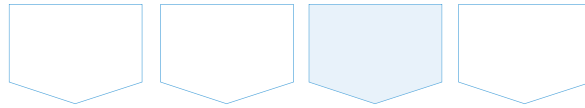
According to the National Center on Elder Abuse, what percentage of elder financial abuse in the U.S. is committed by family members, caregivers and friends?

- A. 29%
- B. 33%
- C. 66%
- D. 72%

Answer can be found on page 10 of this workbook.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Online Security Awareness

Computers and smartphones are gateways to a world of information, entertainment and services. Unfortunately, they can also open the door to criminals who want to gain access to your personal and financial information for fraudulent purposes.

Are You Safe Online?

You may be at risk if you answer 'Yes' to any of the following questions:

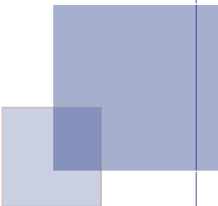
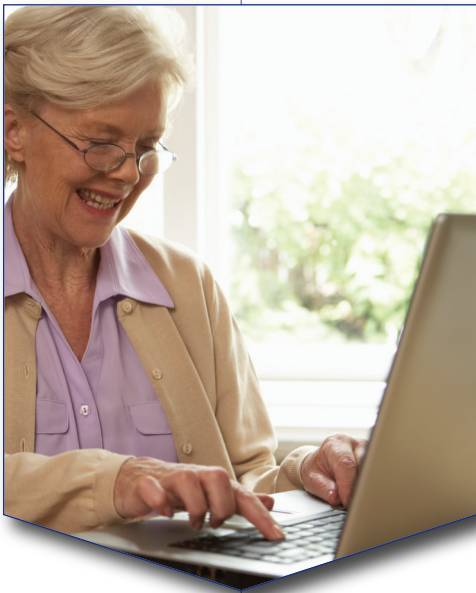
- Do you visit websites by clicking on links provided within an email?
- Do you reply to emails from companies or persons you are not familiar with?
- Have you received packages to hold or ship to someone you met on the Internet?
- Have you been asked to cash checks and wire funds to someone you met online?
- Would you provide your personal and/or banking information as a result of an email notification?

“Phishing” is a term used to describe activity where websites are copied and phony sites are established to acquire your personal and/or bank account information.

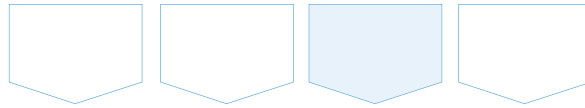
Be alert and take these steps:

1. Protect your account and password information. Do not share your log-in user identification and password information with anyone, and do not re-use the same password for multiple sites.
2. Create passwords that are not easily guessed. Avoid using single words or predictable phrases, variations of family names, number patterns like 1234, birthdates or other easily guessed information in your password. When possible, a password should have at least nine characters composed of letters, numbers and special characters like percentage or slash signs.
3. Do not use your credit card or check card number on the Internet unless you have initiated the transaction and the site has a secured, encrypted system. The web address should begin with <https://> rather than <http://>. The “s” is easy to miss, but it stands for “secure” and it means a secure data exchange has been established. Don’t log in if you don’t see it.
4. Protect your home computer by installing antivirus software to prevent viruses, anti-spam software to help prevent spam and junk mail from entering your inbox, and spyware software to block the installation of spyware on your computer.
5. Keep your computer operating system and Internet browser current to provide additional protection against fraud and theft.
6. Delete any suspicious emails without opening them if you do not recognize the sender.

For more helpful tips on online security, visit [usbank.com/security](https://www.usbank.com/security).



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Protect Your Assets

You can avoid being victimized by following these basic tips:

Protect Your Personal Information

- Never send money or give out personal information such as credit card numbers and expiration dates, bank account numbers, dates of birth or social security numbers to unfamiliar companies or unknown persons.
 - Never give out this information over the phone, unless you've initiated the contact.
 - Never give out this information via email.
- Do not place outgoing mail to pay bills in an unsecured home mail box. Take it to the Post Office or postal box, or sign up for online bill pay with your bank.
- Shred all personal documents, account statements and unwanted mail. Criminals often work in groups looking through garbage.
- Sign up for free online statements and online bill pay to eliminate paper records and manage your finances online.
- Close unused credit cards and bank accounts.

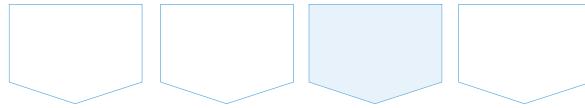


Minimize Risk

- Do not allow strangers to come into your home.
- Never believe that a stranger will use your money for a good purpose.
- Never assign a Power of Attorney to someone you don't know very well.
- Never sign blank forms.
- Do not respond to an offer that you do not thoroughly understand.
- Never pay for a "free prize." If a caller tells you the payment is for taxes, he or she is violating federal law.
- Do not pay for services in advance.
- Hire caregivers from a reputable company and order background checks.
- Discuss investments with a trusted friend, family member or financial advisor.
- Register your phone number(s) on the National Do Not Call Registry to reduce telemarketing calls. Visit www.donotcall.gov or call 888-382-1222.
- Order a free credit report annually to monitor your credit activity. Visit www.annualcreditreport.com.



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.



Who to Call to Report a Financial Crime?

- Your local Police Department
 - Get a copy of the police report and case number to reference later.
- Your bank and credit card company
- The fraud department of any of the three credit reporting agencies to place a “fraud alert” on your credit file:
 - Equifax: 800-525-6285
 - Experian: 888-397-3742
 - TransUnion: 800-680-7289
- The Federal Trade Commission (FTC) if you become aware of someone using your identity: 877-ID-THEFT (877-438-4338)
- Report Health Care Fraud: 800-MEDICARE (800-633-4227)
- The Internet Crime Complaint Center (IC3) at www.ic3.gov



Sources and Additional Resources:

The information included in this booklet was adapted from some of these resources. Visit the websites to learn more.

- Federal Bureau of Investigation: fbi.gov/news/testimony/fraud-against-the-elderly
- Association for the Advancement of Retired Persons (AARP): www.aarp.org
- Consumer Financial Protection Bureau (CFPB) Financial Protection for Older Americans: www.consumerfinance.gov/older-americans
- Elder Care Locator: www.eldercare.gov
- National Center on Elder Abuse: www.ncea.aoa.gov
- National Adult Protective Services: www.napsa-now.org
- U.S. Bank’s Online Security site: www.usbank.com/security

Pop Quiz and Scam Alert Answers

- Pop Quiz #1: Answer D
- Scam Alert: Answer E
- Pop Quiz #2: Answer C



Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank Package Checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association, Member FDIC.