

## Tip Sheet: Avoiding Financial Exploitation and Scams

### Some safety rules that might be helpful

#### 1. **Be careful about telling your personal details to strangers.**

I get a lot of these calls lately: I pick up the phone and there is an automated voice saying “We are calling with important information about your credit card account. Please enter your account number to continue.” This is a scam. I get emails like this too, pretending to be from my bank or Amazon.com, asking me to send them my password. Legitimate businesses do not operate this way. If you receive an phone call, email, or letter that is not in response to anything you sent to a company, and the person on the phone asks you for personal details, such as

- bank or credit card account number
  - password
  - PIN number
  - social security number
  - driver’s license number
  - address
  - phone number
  - birthdate
  - answers to security questions, such as mother’s maiden name, pet’s name, city you were born in
- then do not provide this information. You can just hang up right away, or delete the email. If you want to try to see if they really are legitimate, then stay on the phone or email or mail back and ask the person or business contacting you for:
- their name
  - their company name
  - their company phone number and address
  - their company state ID number or national taxpayer ID number

They will usually hang up when you start asking these questions, or you’ll just never hear back from them. If they answer these questions, tell them you must check with the State of Colorado (Secretary of State and Office of Consumer Protection) and the Federal Trade Commission before you provide the information. Hang up and get someone to help you check it out with these organizations. (CO Secretary of State Office: 303-894-2200; CO Office of Consumer Protection: 800-222-4444 or online at [http://www.coloradoattorneygeneral.gov/departments/consumer\\_protection](http://www.coloradoattorneygeneral.gov/departments/consumer_protection) ; Federal Trade Commission: 1-877-FTC-HELP (382-4357).) A person with good intentions and a legitimate business will not get upset or displeased if you take safety precautions like these.

#### 2. **Do not give money to any person claiming to be from a charity right when they ask for it, but check first that it’s a real charity. Then send money only to the charity’s office or website.**

This is really sad, but a lot of people pretend to be from charities to get money from strangers. This is such a bad problem that the Colorado government has a whole office devoted to information about legitimate charities and frauds, and the IRS has a whole department for the same thing. If someone comes to your door, or stops you on the street or in a shopping center asking for money, don’t give the person money right then. Instead, get the organization’s name and information, and tell them you want to do some research first. You can check whether an organization is a legitimate charity by calling 303-894-2200 ext 6487, or going to this website: <http://www.sos.state.co.us/ccsa/CcsaInquiryMain.do> in CO. To check with the IRS, call 1-877-829-5500, or go to this website: <http://apps.irs.gov/app/eos/> .

Note: This is not at all an exhaustive list. You yourself and your family should decide whether these are appropriate, whether they are worded in an unambiguous way, whether particular dollar amount cutoffs are appropriate, and whether there are rules or exceptions you might want to add to this list.

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#### **3. Wait at least 3 days before accepting any financial deal that is offered to you.**

This is good advice for all of us. For any financial deal that is offered to you (for example, an investment scheme, an insurance policy, a car deal), think it over for at least three days, during which time you should discuss it with friends and family, considering the following:

- What are the costs that you will definitely pay?
- What are the benefits that you will definitely receive?
- How can you guarantee and legally enforce that you will receive those benefits?
- Is the definite benefit minus the definite cost a positive number?
- What are the potential costs that you might end up paying if things don't go well?
- What are the potential benefits that you might receive if things don't go well?
- Is the potential benefit minus the potential cost a positive number?
- Check with your state's Secretary of State Office, the Federal Trade Commission, the IRS. Is the person/business/charity offering the deal a legitimate registered business or charity? (See phone numbers and websites listed in numbers 1 and 2 on the first page.)
- What kinds of things might go wrong (for example, what if the person offering the deal is lying, or leaves the country, or suddenly changes the terms of the agreement)? If those things do go wrong, what will happen to you?

#### **4. If someone is taking care of your finances for you, check that they are really using the money for your benefit.**

If you are on disability and have a rep payee, or if you have someone helping you with your banking and paying your bills, you have the right to make sure that your money is being spent on you. A sad fact is that 55% of financial exploitation is committed by someone the victim knows. You have the right to ask questions about your money, such as:

- How much money do I have coming in every month?
- How much money is being spent each month on my food? My clothing?
- How much money is being spent on my rent or housing payments for me?
- How much money is being spent on my education?
- How much money is being spent on my medical care?
- How much money is being spent on utilities that I use, like electricity, water, phone, internet?
- How much money is being spent on my bodily care (things like soap, shampoo, toothpaste)?
- Are my money and your money in separate bank accounts? (Unless your rep payee is your parent, your bank account and the rep payee's personal bank account should be separate.)

There may not be enough money to make sure that you get everything you want, but your money should be spent on the basics that you need. Anyone who is handling your money should be willing and able to answer questions like these. If they become angry or defensive when you ask, that may be a sign that something is wrong. On the next page, there is information from the Social Security Administration on how to get help in reporting a rep payee who you think might be using your money on themselves. If the person helping you with your finances is not a rep payee, you can still talk to someone to get help. Contact the Brain Injury Alliance (303-355-9969), the Guardianship Alliance of CO (303-228-5382), or Colorado Legal Services (303.837.1321). You may want to get someone to help you with talking to these agencies.

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The information below is quoted directly from Social Security's web page  
<http://oig.ssa.gov/what-abuse-fraud-and-waste/misuse-benefits-representative-payee> :

#### **Responsibilities of a Representative Payee**

A Representative Payee must apply the payments for the use and benefit of the entitled individual. The funds should be spent on the beneficiary's current and reasonably foreseeable needs. The needs should be immediate and essential.

Examples of properly disbursed benefits are:

- Food
- Clothing
- Shelter
- Utilities
- Medical care and insurance
- Dental care
- Personal hygiene
- Education
- Rehabilitation expenses

If there are funds left over once the beneficiary's current needs are met, the representative payee must save and/or invest the remaining funds in trust for the beneficiary.

#### **What Representative Payees Should NOT Do**

Representative Payees cannot:

- Use a beneficiary's funds for their own personal expenses, or spend funds in a way that would leave the beneficiary without necessary items or services (housing, food and medical care)
- Put a beneficiary's Social Security or SSI funds in the Representative Payee's on another person's account
- Keep conserved funds once they are no longer a Representative Payee for the beneficiary
- Charge the beneficiary for services unless authorized by the Social Security Administration to do so

#### **Reporting Potential Violations**

If you feel the Representative Payee has in some fashion misused the benefits being issued for the beneficiary, contact the OIG Fraud Hotline (1-800-447-8477) or online at  
[https://www.socialsecurity.gov/fraudreport/oig/public\\_fraud\\_reporting/form.htm](https://www.socialsecurity.gov/fraudreport/oig/public_fraud_reporting/form.htm) .

You should provide as much identifying information as possible regarding the suspect. Such information should include:

- Name of the Representative Payee and the beneficiary
- Social Security Number of the Representative Payee and the beneficiary
- Date of birth of the Representative Payee and the beneficiary
- Details regarding the allegation, such as when it happened, how the abuse was committed, and where the abuse took place

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