



Real Estate Matters

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Combat Financial Scams

You don't have to tango only with people like Bernie Madoff to get wiped out financially. Especially in this struggling economy, a host of scam artists are out in force and many are targeting the 50-plus generation.

According to Maren Beermann, an assistant project attorney with the Elder Financial Empowerment Project of the Madison, Wis., there's a direct correlation between a poor economy and a rise in the financial abuse of seniors.

Perpetrators of abuse include strangers, like salespeople, stock brokers and telemarketers. But they're also trusted people, such as children and caregivers. Among the crafty ways scam artists separate people from their dollars include:

Spoofing: Don't trust your caller ID, especially when the name of a financial institution pops up and someone requests personal data. There are technologies that allow scammers to create fake caller ID identities that appear legitimate. Decline any offers or requests such callers make. Look up the phone number of your bank or mortgage lender and call them directly to verify whether they actually require information from you.

Grandchild scam: Another scam involves a supposed kid calling in a panic and saying, "Grandma?" The supposed grandma answers, "Yes, Johnny." The scammer then tells her of an emergency--a car accident, lawyer fees, or a need for bail money--and requests a wire transfer, often to Mexico or Canada. He begs her not to tell his parents. Such scammers create a sense of urgency and play on the emotions of seniors.

Phishing: Fraudsters send e-mails requesting personal information, such as usernames, passwords, Social Security numbers, birth dates and bank card pin numbers and credit card numbers. The institutions seem legitimate and the sender line may include recognizable bank names or even the IRS. Don't open such messages or click on links. Your computer may catch a virus designed to steal the personal information on your computer.

Financial fraud: Be wary of opening joint checking accounts, even with children, because it gives that person full access to your assets. If you need help managing finances and paying bills, put in place some checks and balances, even with family members. A power of attorney *with* an accounting provision allows you to appoint someone to pay bills if you're unable to do so. But with an accounting provision in place, bill payers must provide an accounting to an outside entity, a CPA for instance, of monthly expenditures on a regular basis.

Cell phone scams: A lost or stolen cell phone can be a treasure trove for thieves. One scam entails thieves searching for pet names--honey, baby, hubby--on contact lists and texting an emergency message about needing a lost credit card number or a pin number. Agree in advance with loved ones that they won't respond to such queries. Also, be cautious about using pet names that reveal your relationships.

Foreclosure rescue scams: An array of scams aim to squeeze the equity from your home. Those behind on mortgage payments or those facing foreclosure are especially vulnerable to foreclosure rescue scams. Familiarize yourself with the strategies (for

more information, see "Online Resources") people use to strip away your equity or steal your house. Don't sign blank documents, beware of people or companies offering miracles, don't give mortgage payments to anyone other than your mortgage lender and don't accept offers from anyone claiming that he or she will pay your mortgage and rent the house back to you while you get back on your feet.

Property fraud: Sometimes children convince a parent to sign over houses to them, especially if a parent is facing costly nursing home care. "Some children don't know better and argue, 'let's keep the house in the family. Give it to me so the nursing home doesn't get that money.' But it's possible that the parent, should he or she need care, could be subject to a divestment penalty that could disqualify

them for Medicaid help for long-term care for a period. Consult an elder law attorney, especially if you're facing significant nursing home costs.

Online Resources:

- The Federal Trade Commission addresses foreclosure rescue scams at <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre42.shtm>
- The U.S. Department of Housing and Urban Development has a section on foreclosure and foreclosure rescue scams at http://portal.hud.gov/portal/page/portal/HUD/to pics/avoiding_foreclosure.

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