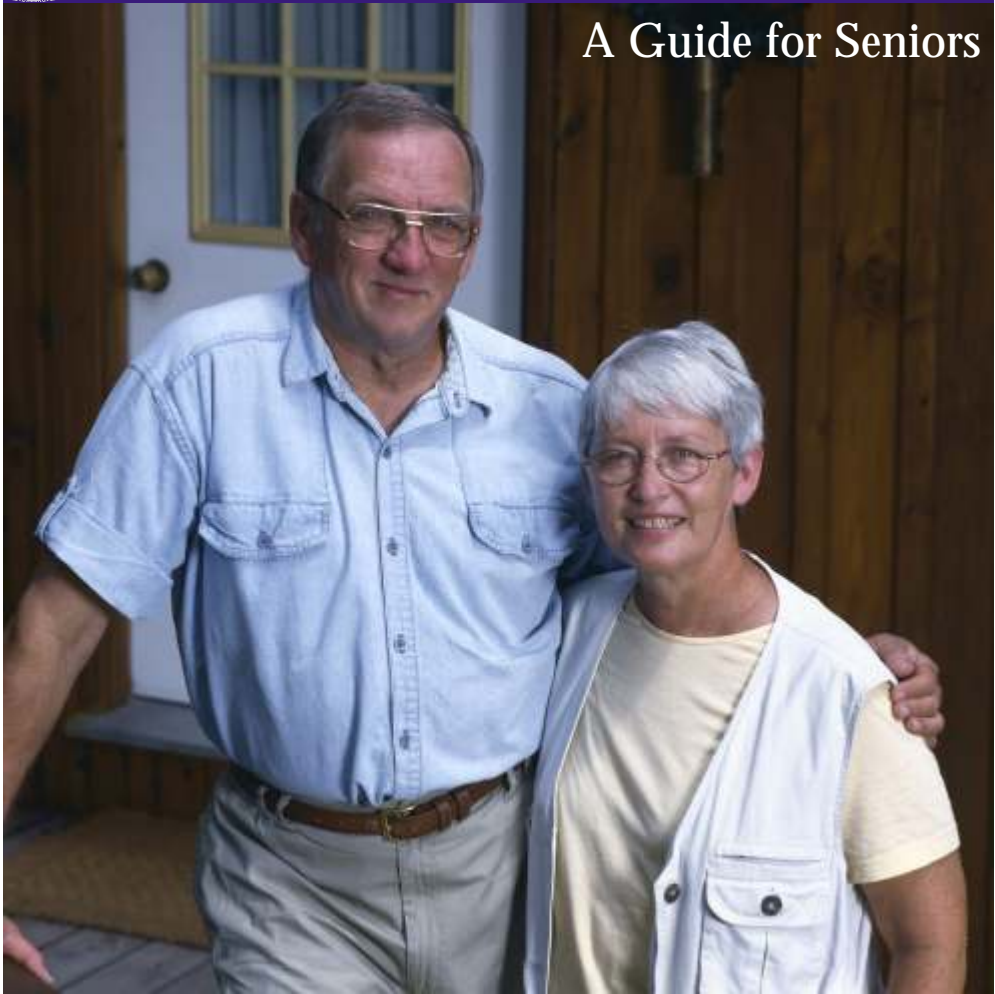




# Smart Consumers Can Stop Fraud

A Guide for Seniors



Office of the Attorney General  
Bill McCollum



Dear Fellow Floridian:

Florida is home to more than 17 million residents of all ages. We are the fourth largest state in the union and growing rapidly.

As Attorney General, I am committed to bringing to justice those who defraud and exploit our senior citizens. While our diverse population contains mostly good people, there are those who seek to take advantage of either you or your neighbor.

Scam artists believe that senior citizens are an easy target, but an informed senior—like any other consumer—can protect themselves from these financial predators.

The best way for government to fight these crimes is to work together. Federal, state, and local agencies, law enforcement and the Attorney General's Office are partnering to combat fraud, especially the defrauding of senior citizens.

Your role is just as important. You can stop the con artists before they strike. This brochure can help by providing you with valuable information and laying out steps to take to protect your interests. You will also read about tools designed to save you money, especially in the important area of prescription medication.

We are here to serve you.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill McCollum".

Bill McCollum

# You Can Protect Yourself

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Often it is difficult to spot fraud as it is happening. By the time it is discovered it may be too late. Entire bank accounts may be looted; con artists may have fled with your money; or, unsuspecting seniors may have sent money to strangers offering substantial sums for “small investments.”

There are a number of resources provided by the State of Florida to assist consumers in protecting themselves. The Office of the Attorney General of Florida provides consumers with pamphlets, consumer tips on its official website at <http://myfloridalegal.com>, and consumer advisories published periodically. A comprehensive source on Identity Theft prevention and follow-up action is available at this site. Consumers can report fraud directly by calling toll free 1-866-9-NO-SCAM.

The Florida Department of Agriculture and Consumer Services also has a wealth of consumer information that can be accessed at <http://www.800helpfla.com> or by calling 1-800-435-7352.

The Federal Trade Commission possesses extensive materials that are useful to consumers covering a multitude of topics. These materials may be obtained through the FTC’s website at <http://www.ftc.gov> or by calling them toll-free at 1-877-382-4357.

There are numerous Better Business Bureaus in our communities. Check with your local BBB before signing any contracts to see if there are any complaints against the business. You can also check the Attorney General’s website to see if the business is being investigated.

There will always be scam artists around looking to take your money by fraudulent means. By using the available tools, consumers can protect themselves now from headaches that would come later.

# What is Being Done to Help Seniors?

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While the U.S. population of people over 65 is 13% of the total population, seniors account for 30% of all scam victims.



Substantial public resources are being devoted to protecting seniors. Personal safety at assisted living facilities and nursing homes are a focus, plus fraud involving prescription drugs, identity theft, telemarketing fraud and home improvements, to name a few. Fraud and abuse can be reported by calling toll free at 1-866-9-NO-SCAM or 1-866-966-7226.



In 2004, the Division of Economic Crimes recovered more than \$80 million on behalf of Florida consumers. Authorized under Florida's Unfair and Deceptive Trade Practices Act. This statute provides legal remedies for consumers with penalties of up to \$10,000 per each occurrence and \$15,000 if the victim was over the age of 60.

The Anti-Trust Division recovered more than \$16 million for consumers in 2004 and distributed many of those funds to programs designed to help needy seniors. The division is charged with ensuring a free

prescription drug market where consumer access to lower priced generic medications are not illegally blocked.

# Seniors vs. Crime

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Consumer-conscious senior citizens in Florida have the opportunity to volunteer their time and energy to help the Attorney General's Office fight back against con artists who typically prey on their peers. They can become part of a statewide program known as "Seniors vs. Crime."

In 1989, some of Florida's most effective crime fighters were unleashed through the creation of the Attorney General's Seniors vs. Crime Project. This effective unit has allowed seniors to become involved in not only their own protection, but also that of their fellow citizens.

The Senior Sleuths program is well-known around the state and volunteers can serve as the Attorney General's "eyes and ears," or actively assist in consumer protection investigations. These crime fighters have been responsible for recovering more than \$3.1 million for seniors who were the victims of con artists.



Volunteers work in offices known as Storefronts. More than 2,000 Senior Sleuths volunteers are providing important assistance in 23 storefronts around the state to the crime fighting effort. Unethical businesses and individuals may believe that their senior target is helpless when, in fact, these citizens may be working for the Attorney General.

The Attorney General is proud to be a partner with these outstanding citizens.

For program information, consumer inquiries, consumer complaints, or to schedule a Consumer Seminar, please call 1-800-203-3099 or visit the Seniors vs. Crime web site at <http://www.seniorsvscrime.com>.

# Telemarketing Fraud

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Most telephone sales are placed by legitimate businesses offering legitimate products and services. However, telemarketing fraud is a billion-dollar business in the United States. Consumers should always be on the alert when asked to send money to unfamiliar companies. Fraudulent telemarketers are skilled liars, adept at sounding believable, and use high-pressure sales tactics. They want you to buy their products and get your money before you can check them out or change your mind. Victims of telemarketing fraud seldom get their money back. Before responding to a phone solicitation, consider the following:

- Don't be Pushed into a Hasty Decision
- Fraudulent telemarketers are trained not to accept "no" as an answer and some resort to insult and argument as a sales technique. Don't be intimidated by the phrase "you're going to be sorry if you do not act now."

## Beware of These Common Telemarketing Schemes

- Free "Prize Offers" are never free—The consumer usually has to do something for the "Free Prize," such as pay an advanced fee, buy another product, pay a tax, or attend a sales presentation. The prizes are generally worthless or overpriced.
- "Free" or "low-cost" vacations usually cost the consumer much more than originally presented due to hidden costs and often the trips don't materialize.
- Don't Provide Financial Information Over the Phone to Unfamiliar Companies—The only time you should provide credit card or bank account information is if you decided to make a purchase after researching the company. Be careful if the company wants to send a courier to pick up your money. What is the big hurry? If you paid by credit card and have not received the product, immediately notify your credit card company in writing.

# Telemarketing Fraud

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## Research the Company

- Legitimate businesses understand when you want written information about their offers or companies - Always request written material about any offer, investment, or charity. Ask someone who is knowledgeable about investments to review documents and offers. Find out how long the company has been in business. Call your Better Business Bureau and government agencies to learn whether any complaints or lawsuits are pending.

## Helpful Contact Information

Office of the Attorney General: <http://www.myfloridalegal.com>  
Florida Toll Free: 1-866-966-7226 (toll free)  
Florida Relay/TDD: 800-955-8771 (hearing impaired)

Florida Dept. of Agriculture and Consumer Services:  
1-800-435-7352 (toll free)

Federal Trade Commission: <http://www.ftc.gov>  
1-877-382-4357 (toll free)

Consumer Sentinel: <http://www.consumer.gov/sentinel>



# Identity Theft

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"I don't remember opening that credit card account. And I certainly didn't buy those items I'm being billed for."

Guess what? You didn't open that account, but someone else did... someone who used your name and personal information to commit fraud. When an imposter uses your name, your social security number (SSN), your credit card number, or some other piece of your personal information for their use, without your knowledge—it's a crime.

The problem? You may not know your identity's been stolen until:

- You start receiving bills for a credit card account you never opened
- Your credit report includes debts you never knew you had
- A billing cycle passes without your receiving a statement
- You see charges on your bills that you know nothing about and didn't authorize

## Protect Your Personal Information

Do not give your credit card or banking information over the phone unless you initiated the call.

Destroy all personal, financial, credit card, and banking receipts and statements before throwing them away.

Review and reconcile your monthly banking statements.

If someone has stolen your identity, immediately take these steps:

- Contact the fraud departments of each of the three major credit reporting companies. Tell them to flag your file with a fraud alert including a statement that creditors should get your permission before opening any new accounts in your name. (See contact information on page 7)
- Ask the credit bureaus for copies of your credit reports and review them carefully for any inaccuracies. In a few months, order and review new copies of your reports. Floridians are entitled to one free report per year.

# Identity Theft

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- Contact the creditors for any accounts that have been tampered with or opened fraudulently. Speak with someone in the security or fraud department, and follow up in writing as required in the Fair Credit Billing Act for resolving errors on credit billing statements, including charges that you have not made.
- File a report with your local police or the police in the community where the identity theft took place. Keep a copy in case your creditors need proof of the crime. Fraudulent use of personal identification information is a violation of Florida law.

## Take Control of Your Identity

Although identity thieves can damage or destroy your personal finances, there are some things you can do to take control of the situation. The Attorney General and the Florida Department of Law Enforcement launched the Identity Theft Resource and Response Center where consumers can find detailed information on dealing with this crime.



The Resource and Response Center can be found at <http://www.MyFloridaLegal.com/IdentityTheft>

## Helpful Contact Information

Federal Trade Commission (FTC) Identity Theft Hotline:  
1-877-IDTHEFT (438-4338); or TDD at 202-326-2502

Social Security Administration (SSA): 1-800-772-1213

Credit Report Companies:

Equifax: (800) 525-6285; (800) 685-1111

Experian: (888) 397-3742; (888) 397-3742

Trans Union: (800) 680-7289; (800) 916-8800

# “Winning” a Sweepstakes Prize?

If you receive a letter or phone call announcing you won a substantial cash award or other fantastic prize, be extremely cautious. You are likely the victim of a slick merchandising trick designed to induce you to purchase the company's products.

**Don't Pay To Win** Legitimate sweepstakes do not require you to pay anything—not fees, shipping, or pre-paid taxes—to receive the prize you “won.” Taxes can be withheld from a cash award or reported by the company to the IRS. You then declare prizes on your annual tax return.

**Question Prize Descriptions** That “2005 model car” you just “won” for a delivery charge of \$29.95 is probably a toy-sized scale model car. Enticing descriptions are designed to deceive you as to the size, quality, and value of a product you “won.” Ask questions and demand detailed descriptions of prizes.

**Question Official Appearing Documents** Legitimate sweepstakes companies do not attempt to mislead you about who they are. Be suspicious of offers that appear to be from a government agency or government sponsored or approved. If mail or telephone solicitations suggest you must respond immediately without taking time to investigate the offering, you are probably being deceived.

**Don't Give Your Credit Card Numbers** Legitimate sweepstakes companies have no need for your credit card number “to secure your prize” or “for verification.” There is an excellent chance this information is really being sought for another purpose that will cost you money.

**Investigate the Company** Be sure any company you deal with has a good track record in the business community. Verify their name and address—be wary of a company whose only address is a post office box or other mail drop. Do your homework—contact:

Better Business Bureau  
Florida Dept. of Agriculture and Consumer Services  
Federal Trade Commission (FTC)  
Local county consumer service agencies  
Attorney General's Office and consumer agencies in other states  
National Fraud Information Center at 1-800-876-7060

## Price Gouging After a Disaster

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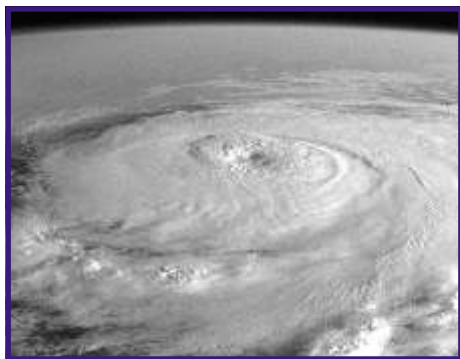
The victims of any natural disaster, whether a hurricane, flood, or tornado, have unfortunately become victims of scam artists out to profit from the misery of others. Florida has a tough price gouging law designed to protect Floridians from becoming victims for a second time after a storm.

The law bans unconscionable prices in the rental or sale of essential commodities, such as lumber, ice, water, generators, and shelter once a state of emergency has been declared by the Governor. In addition, those selling goods or services must possess an occupational license.

There are ways to protect yourself from unscrupulous profiteers. Be suspicious of anyone selling items from the back of vehicles. Ask to see their license. Beware of anyone knocking on your door offering their services. Before signing any contract for repair services, check out the company. Do not pay them for the work in advance.

Your insurance company should have the opportunity to assess damage before you agree to any repairs that may or may not be covered.

If you believe you are the victim of price gouging, call the Attorney General's Office at 1-866-9-NO-SCAM (1-866-966-7226).



# Prescription Drug Card

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Consumers considering the purchase of a medical discount card or joining a medical discount plan should be aware that these programs are not health insurance and probably are not regulated by the State of Florida.



Due to the increase in the number of advertisements and promotions for prescription drug and healthcare discount programs, it is very important for consumers to understand the benefits provided and the terms and conditions of these programs. Since these programs are not considered health insurance, the companies and

their marketing representations are not regulated by the Florida Department of Financial Services.

While some of these medical discount programs may offer savings, consumers should consider the following before making the decision to join a plan:

- Consumers may be required to pay a monthly fee of \$20 to \$100 before getting access to any savings.
- Discount card programs offer only a reduction in the actual cost of prescriptions or medical services. For example, a card that provides a 20% discount or savings would still require that the consumer pay 80% of the cost of the medical services (\$100,000 medical expense would require that the consumer pay \$80,000). This is important since most participating providers require advance payment.
- Most of these plans require advance notice of utilization of discounts in order to honor them. In some cases, 7 days notice is needed for a doctor's visit, and 30 days notice is often required for hospitalization.

# Prescription Drug Card

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- Some discount medical/prescription plans offer discounts only on certain drugs. In many cases, purchasing a generic drug may be cheaper than applying the discount to a name brand drug. Therefore, check with your local pharmacist to confirm their participation and note the discounts offered.
- Terminating health insurance and opting into a medical discount card program may prevent or hinder an individual's ability to regain coverage at a later date. Also, consider pre-existing conditions when terminating health insurance.
- A few plans may use marketing tactics that lead consumers to believe they are purchasing insurance coverage. These plans do not pay for any products or services, but instead offer discounts on the prices of products and services. They are not insurance cards.



Do not sign up for any program in which the benefits are not clearly defined.

Do not sign up for a program until you have independently confirmed participating doctors or providers in your home area.

Always research the company by checking with consumer protection organizations such as the Better Business Bureau, and local and state consumer protection agencies.

# MyFloridaRx.com

Wherever possible, it is important for government to provide a useful service to the citizens. While taking legal action against con artists and recovering taxpayer funds is a primary function of the state, a tool that can help Floridians save money is also a service that is well worth doing.



Prescription drug costs are taking up a larger share of a senior's budget. A new website, MyFloridaRx.com allows citizens to shop online for the cheapest drugs in their community. MyFloridaRx was created by the Office of the Attorney General in conjunction with the Florida Agency for Healthcare Administration.

Prices are available for comparison in all 67 Florida counties. While seniors are a focus of this service, both young and seniors may be able to save several dollars on prescriptions. The site is available in both English and Spanish.

Already, hundreds of Floridians visit this site daily, taking advantage of the opportunity to save on needed medication. This is most important to those on fixed incomes.

The full address is <http://www.MyFloridaRx.com>

Sort by Price by clicking on the column title.

| Drug Name            | Quantity | Price ▲ |
|----------------------|----------|---------|
| LIPITOR 20 MG TABLET | 30       | 102.93  |
| LIPITOR 20 MG TABLET | 30       | 106.58  |

# Operation Spotcheck and PANE: Patient Abuse, Neglect & Exploitation

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Florida's seniors who reside in nursing homes and assisted living facilities deserve to be treated properly. Two programs operated by the Office of the Attorney General are designed to ensure that seniors receive the dignity they deserve.

**Operation Spotcheck:** Operation Spotcheck is a community law enforcement program that performs unannounced multi-agency inspections of residential health care facilities. Led by the Attorney General's Medicaid Fraud Control Unit, Spotcheck inspection teams visit facilities of all types— nursing homes, assisted living facilities, and group homes, among others. The inspections cover areas such as fire safety systems, food handling, and resident health care. Other agencies participating in Operation Spotcheck include local law enforcement, code enforcement and fire marshals, and state social service agencies and advocacy organizations. Operation Spotcheck is now a statewide program that has placed teams in all of Florida's major metropolitan areas.

**The PANE Project—Patient Abuse, Neglect, and Exploitation:** The Attorney General's PANE Project is another community law enforcement effort that combines resources of the Department of Children and Families (DCF) and the Attorney General's Medicaid Fraud Control Unit (MFCU). The PANE pilot project is expanding throughout Florida to focus on detecting and investigating criminal acts committed against residents in health care facilities. When a complaint of abuse, neglect, or exploitation at a health facility is called into the DCF Abuse Hotline, MFCU criminal investigators are notified of the complaint. This collaborative project has resulted in faster law enforcement responses, more effective law enforcement communications, and an increase in the detection and investigation rate of criminal acts against seniors living in Florida facilities. The Florida PANE Project is growing into a statewide community policing effort to combat crime in healthcare facilities. Furthermore, this project has become a national model for similar programs in other states.



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