

Federal Trade Commission Webinar

A white silhouette of a diverse crowd of people is positioned above the main title box. The figures vary in age and appearance, representing a cross-section of the population.

Fighting Consumer Fraud & Identity Theft in Minnesota

June 21, 2018

TO HEAR THE WEBINAR CALL 1-800-700-7784

Access Code: 449798

Welcome!

Presenters:

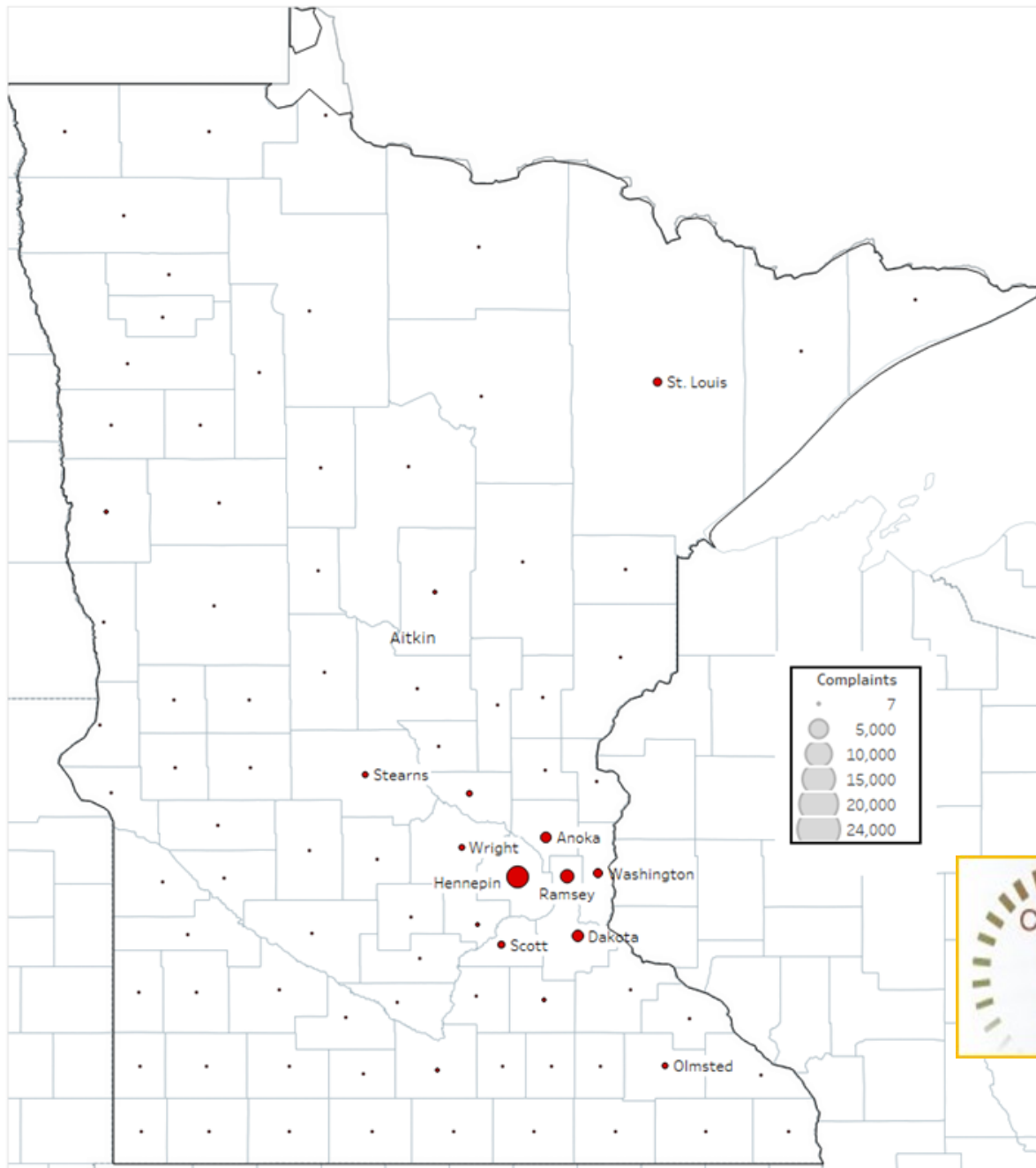
- **Jason Adler**, FTC Midwest Regional Office
- **Jason Pleggenkuhle**, Office of the Minnesota Attorney General
- **Susan Loyd**, Better Business Bureau of Minnesota and North Dakota
- **Brittany McCormick**, Mid-Minnesota Legal Aid
- **Brenda Delgado**, Centers for Medicare & Medicaid Services
- **Kelli Jo Greiner**, Minnesota Senior Medicare Patrol
- **Patti Poss & Drew Johnson**, FTC

Overview

- The Minnesota landscape
- The latest scams
- Identity theft
- Working together to fight fraud and identity theft

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Fraud & Identity Theft Reports in Minnesota for 2017

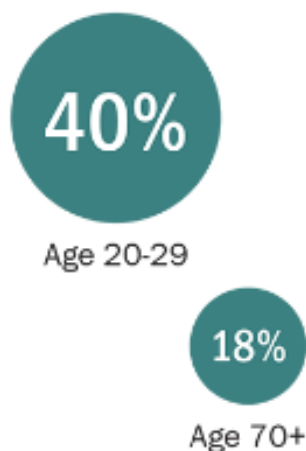


Minnesota Top Reports - 2017

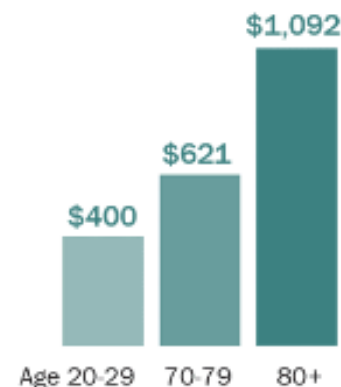
1. Imposter Scams	4,550	6. Shop-at-Home and Catalog Sales	1,685
2. Debt Collection	3,362	7. Credit Bureaus, Information Furnishers and Report Users	987
3. Prizes, Sweepstakes and Lotteries	2,315	8. Auto-Related Complaints	871
4. Banks and Lenders	1,797	9. Television and Electronic Media	688
5. Telephone and Mobile Services	1,689	10. Credit Cards	642

Consumer Sentinel Network Data Book 2017

Younger people reported losing money to fraud more often than older people.



But when people aged 70+ had a loss, the median loss was much higher.



For Consumers Who Have Been Scammed:

- **Contact the payment provider**
 - Tell them the transaction was fraudulent
 - Ask for the money back
- **Report the fraud to law enforcement:**
 - [FTC.gov/complaint](https://www.ftc.gov/complaint) or [FTC.gov/queja](https://www.ftc.gov/queja)

THE LATEST SCAMS

IRS IMPOSTER SCAMS

The Internal Revenue Service (IRS) is the government agency that collects federal taxes.

Scammers pretend to be IRS officials to get you to send them money.



You owe us
taxes



IRS Imposters

Tips for Consumers:

- Never send money to anyone who asks
- Requests to wire money or send prepaid cards or gift cards are always scams
- The IRS will never threaten to arrest or deport

www.consumer.ftc.gov/articles/0519-irs-imposter-scams-infographic

IRS Imposters: Twists

- Private debt collection for old IRS debts
- Get a letter first with name of debt collector & authentication number
- *Always pay the IRS directly*
- www.consumer.ftc.gov/blog/2017/04/irs-now-using-private-debt-collectors
- Scammers make IRS deposits, then demand the money
- *Follow the IRS's instructions to return money*
www.consumer.ftc.gov/blog/2018/03/watch-out-these-new-tax-scams

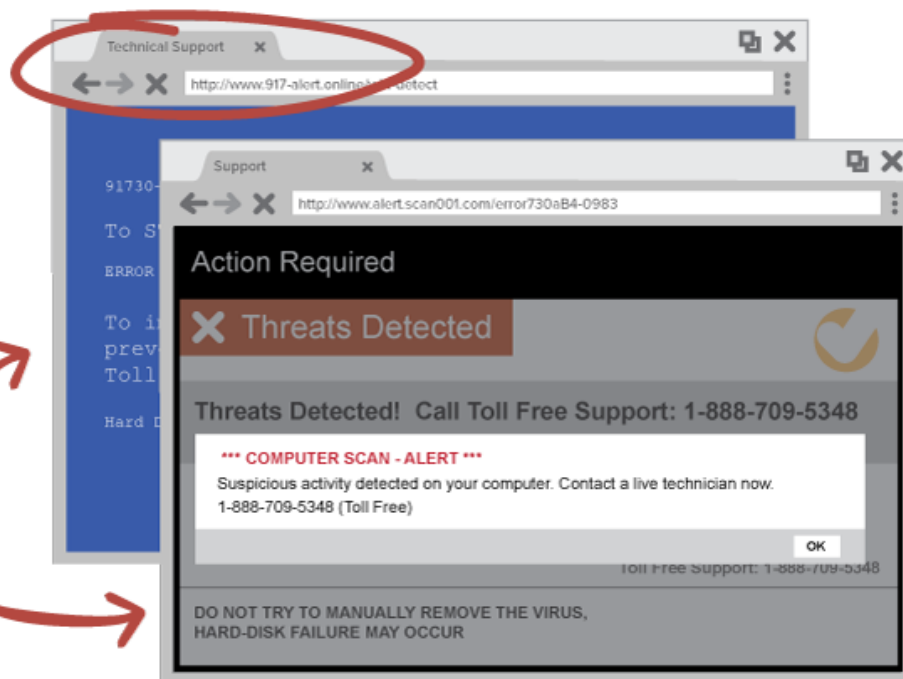
HOW TO SPOT A TECH SUPPORT SCAM

It often starts with a pop-up . . .

Shows up
within your
**internet
browser**

Might
imitate a
blue error
screen

or trusted
antivirus
software



CALL	NOW	OR ELSE...
Wants you to call a toll-free number	Urges you to call immediately	Threatens that you may lose personal data if you don't call

Tech Support Scams

Tips for Consumers:

- Hang up on callers who say you have a computer problem
- Ignore pop-ups that say to call tech support
- Never share passwords or give remote access
- Questions? Call the legitimate company **before** you do anything

www.consumer.ftc.gov/articles/0346-tech-support-scams

Sweepstakes & Grant Scams



ANITA – Substantive information contained herein for a Major Cash Prize. Please respond immediately!

CASH CLAIM VERIFICATION LETTER MESSAGE: JULY 15, 2014

Dear ANITA

Pursuant to the headline above and through which we are now contacting you via this dated correspondence, please understand that this is NOT a preliminary or qualification letter of cash prize status; **YOU HAVE WON A CASH PRIZE!**

This letter constitutes actual designation of ANITA as a cash prize winner! May we offer our warmest wishes at this moment from the management and executive offices, as well as our entire organization and staff.

Please be assured of the accuracy of this documentation!

Your name was identified among a tiny percentage of ALL eligible individuals who could have received this notice. The fact that you have won a cash prize must be thrilling and somewhat overwhelming - we ask that you read carefully. Do not skip ahead. Your response to this letter is MANDATORY to claim the cash prize you have been selected to receive.

To initiate issuance of your Prize Check, you must RETURN THE ACCOMPANYING DOCUMENT before the deadline date specified on the enclosed according to the rules and terms herein. Failure to do so will invalidate the prize confirmation and result in forfeiture of the Check awaiting dispatch to you directly by secured mail.

We would like to proceed with resolution of your cash prize quickly!

[#1] Your cash prize will be drawn and paid in single lump sum (Section A / page 2)

[#2] Sweepstakes report documentation for the total aggregate funds amount of \$1,943,543.54 as noted above is awaiting your reply with proceeding fee (Section B / page 2) for outright access to the amount listed above. [This is not a mistake.]

The total amount, \$1,943,543.54, being awarded by independent prize sponsors is confirmed and will be resolved at final proceedings pending. We are delighted to provide notification of the winners total entitlement amount, in writing, and to issue upon your reply and payment of the processing fee, full report documentation and claim procedures for the maximum aggregate funds as filed by this recorded letter and validated at \$1,943,543.54.

Please take a moment to read and complete the accompanying paperwork carefully. We are prepared to process and make delivery of the cash prize within your state upon the below all instructions and requirements, and inspect that your name and address is correct as it

Sweepstakes Scams

- Never pay to collect a so-called prize or grant
- Legit sweepstakes don't make you pay a fee
- www.consumer.ftc.gov/articles/0199-prize-scams

Grant Scams

- No surprise government grants
- No charge for a government grant or for a list of government grants-making agencies
- Grants.gov – one place to apply
- www.consumer.ftc.gov/articles/0113-government-grant-scams

Family Emergency Scams



Family Emergency Scams

Tips for Consumers:

- SLOW DOWN
- Get off the phone and check with a family member or friend. (Even if they say it's a secret)
- Do not wire money or buy a prepaid card or a gift card and give someone the card's numbers
- www.consumer.ftc.gov/articles/0204-family-emergency-scams

Charity Scams



“... thank you for your kind and generous donation on behalf of the Children’s Cancer Fund of America. You’re helping these children with their hospice equipment, medical supplies, and medication ...”

LIES

Charity Scams

Tips for Consumers:

- “No thanks” and hang up; or “I don’t give money over the phone. If you send something in writing, I’ll consider it”
- Do some research:
 - [give.org](https://www.give.org); [charitynavigator.org](https://www.charitynavigator.org); [charitywatch.org](https://www.charitywatch.org); [guidestar.org](https://www.guidestar.org)

Other tips at:

www.consumer.ftc.gov/articles/0074-giving-charity

Unwanted Calls

- Telemarketing robocalls are more than just annoying: ***they are illegal***
- The FTC has sued operations selling:
 - medical alert and home security systems
 - interest rate reduction services
 - auto warranties
 - free vacations

Unwanted Calls

- Report them:
 - [DoNotCall.gov](https://www.donotcall.gov) or 1-888-382-1222
- FTC shares information about reported unwanted calls with phone companies
 - Helps them block numbers
- Don't trust caller ID: easy to spoof
- Just hang up! It's ok to be rude
- Call-blocking technology
 - www.consumer.ftc.gov/articles/0548-blocking-unwanted-calls

How to Stop Unwanted Calls

www.consumer.ftc.gov/articles/how-stop-unwanted-calls-landline



How to stop unwanted calls ON A MOBILE PHONE

See what **built-in features** your phone has.



Download a **call-blocking app**.

- Some apps are **free**, but others charge a monthly **fee**.
- Some apps will **access your contacts**.
- Calls might be **stopped, ring silently**, or go straight to **voicemail**.



See what services your **carrier** offers.



Report unwanted calls at ftc.gov/complaint

FEDERAL TRADE COMMISSION • ftc.gov/calls




How to stop unwanted calls ON A LANDLINE

See what services your **carrier** offers.




Some services are **free**, but others charge a monthly **fee**.



Install a **call-blocking device**. Some use **blacklists** to

- stop unwanted calls
- divert calls to voicemail

Some use **whitelists** of approved numbers.



Report unwanted calls at ftc.gov/complaint

FEDERAL TRADE COMMISSION • ftc.gov/calls

Debt Collection and Debt Scams

- **Fake Debt Collection Scams**

www.consumer.ftc.gov/articles/0258-fake-debt-collectors

- **Mortgage Relief & Foreclosure Rescue Scams**

www.consumer.ftc.gov/articles/0100-mortgage-relief-scams

www.consumer.ftc.gov/articles/0193-facing-foreclosure

- **Student Loan Debt Scams**

www.consumer.ftc.gov/articles/1028-student-loans

www.studentaid.ed.gov/sa

Opportunity Scams

- Investments
- Job scams
- Business opportunities



Real People
Achieving Real Results

- ✓ **BE YOUR OWN BOSS**
- ✓ **NO EXPERIENCE NEEDED**
- ✓ **EARN THOUSANDS MONTHLY**
- ✓ **BECOME PART OF A WINNING TEAM**
- ✓ **WORK FROM ANYWHERE IN THE WORLD**

**CALL TODAY AND START
EARNING TOMORROW!**

Small Business Scams

- Unordered supplies
- Business directory listings
- Domain name/website registrations
- Payment processing
- Charity scams

www.FTC.gov/SmallBusiness



IDENTITY THEFT

Someone uses your personal information to

- Open accounts
- File taxes
- Buy things



Examples of Misuse

- Open Credit Cards
- Open Utility Accounts
- Apply for a Tax Refund
- Get a Loan
- Apply for Employment
- Get Medical Care



Impact on Victims

- Denial of credit/loans
- Denial of public benefits
- Denial of medical care
- Denial/loss of employment
- Harassment by debt collectors
- Legal issues/arrest
- Stress/anxiety
- Recovery time/expense



Reduce the Risk

- Review your mail, especially financial statements
- Check your credit report every year:
 - Free report from AnnualCreditReport.com
- Protect your Social Security and Medicare numbers
- Store documents securely and shred before discarding
- File your taxes as early as you can

Equifax Data Breach

- Check if you're affected: equifaxsecurity2017.com
- What can you do?
 - Monitor your accounts
 - Fraud alert or credit freeze
 - File taxes early
- Visit ftc.gov/equifax



Report identity theft and get a recovery plan

Get Started →

or browse recovery steps

IdentityTheft.gov can help you report and recover from identity theft.

HERE'S HOW IT WORKS:



Tell us what happened.

We'll ask some questions about your situation. Tell us as much as you can.



Get a recovery plan.

We'll use that info to create a personal recovery plan.



Put your plan into action.

If you create an account, we'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.

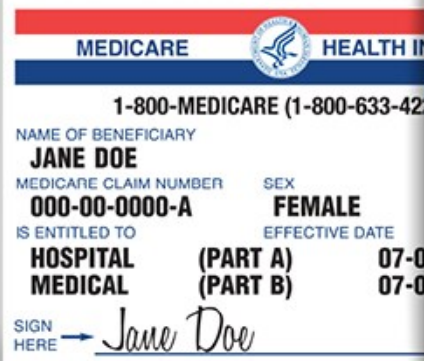
New Medicare Cards Starting In April 2018

New Card! New Number!

Mailing in 2018

NEW Medicare Card

Current Medicare Card



MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4225)

NAME OF BENEFICIARY
JANE DOE

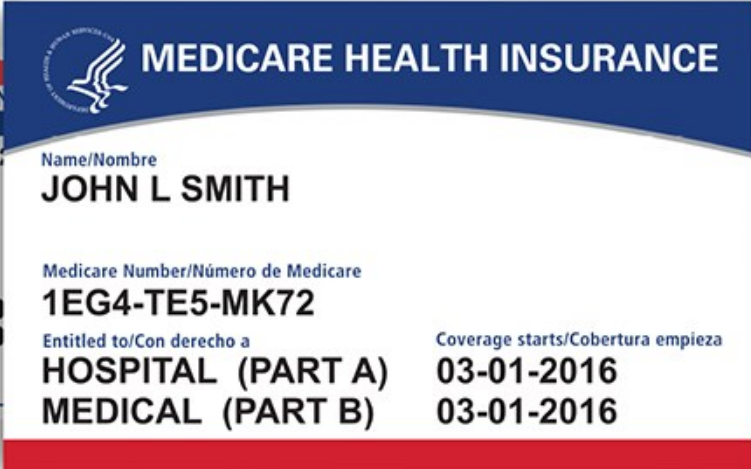
MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

IS ENTITLED TO
HOSPITAL (PART A)
MEDICAL (PART B)

EFFECTIVE DATE
07-01-2016
07-01-2016

SIGN HERE → *Jane Doe*




MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
HOSPITAL (PART A)
MEDICAL (PART B)

Coverage starts/Cobertura empieza
03-01-2016
03-01-2016



CMS Product No. 12009-P
September 2017

New Medicare Cards – Stay Connected

- Find more technical information, detailed updates, training opportunities, and materials to share on the web:
 - [CMS.gov/newcard](https://www.cms.gov/newcard)
- Comments and questions are always welcome! Send to:
NewMedicareCardSSNRemoval@cms.hhs.gov
 - Information for people with Medicare:
 - [Medicare.gov/newcard](https://www.medicare.gov/newcard)

Report Fraud to the FTC



**FTC.gov/complaint or
FTC.gov/queja
1-877-FTC-HELP**

Office of the Minnesota Attorney General

The Office of MINNESOTA ATTORNEY GENERAL LORI SWANSON

[Home](#) [How Can We Help?](#) [Topics](#) [Charities](#) [About Our Office](#)

We want to hear from you.

(651) 296-3353, (800) 657-3787, TTY: (651) 297-7206, TTY: (800) 366-4812

445 Minnesota Street, Suite 1400, St. Paul, MN 55101, M-F 8am-5pm



Click the "Other News & Information" button to read more about other recent announcements from the Minnesota Attorney General's Office.

[Other News & Information](#)

[\(PREVIOUS SLIDE](#)

SLIDE 6 OF 6

[NEXT SLIDE \)](#)

**TAKE
ACTION** 

 **FILE A
COMPLAINT**

 **ORDER
PUBLICATIONS**

 **CONTACT US**

Office of the Minnesota Attorney General

- Tech Support Scams
- Phantom Debt Collection Scams
- Overseas Lottery and Sweepstakes Scams
- IRS Imposter Scams
- Student Loan Debt Settlement Scams

Report Fraud to the Office of the Minnesota Attorney General

• Website: www.ag.state.mn.us

- **Consumer Assistance Request Form** – Used for help with a consumer problem such as unsatisfactory service, bill disputes, or other concerns.
- **Fraud Report Form** – Used to report a fraud or scam.

• Write to the MN AGO in any format and send to the following address:

Office of Minnesota Attorney General Lori Swanson

445 Minnesota Street, Suite 1400

St. Paul, MN 55101

• Call:

- **Twin Cities Calling Area** – (651) 296-3353, TTY: (651) 297-7206
- **Outside the Twin Cities** – (800) 657-3787, TTY: (800) 366-4812

Better Business Bureau

Vision

- An ethical marketplace where buyers and sellers trust each other.

Mission

BBB's mission is to be the leader in advancing marketplace trust. We do this by:

- Setting standards for marketplace trust
- Encouraging and supporting best practices by engaging with and educating consumers and businesses
- Celebrating marketplace role models
- Calling out and addressing substandard marketplace behavior
- Creating a community of trustworthy businesses and charities

BBB remains one of the most trusted institutions ➡ report scams.

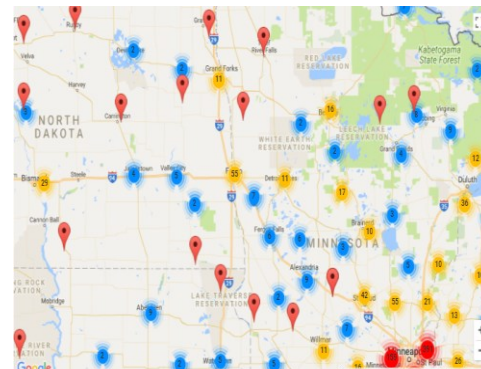


Fighting Consumer Fraud with Scam Tracker

BBB Scam Tracker

bbb.org/scamtracker/us

- Invaluable tool for consumers, law enforcement, media and consumer advocates
- Tracks pulse of the marketplace
- More than 115,000 nationally and 2,300 locally scam reported
- Allows people the ability to see where scams are happening locally and nationally and the ability to search by keyword or geographical region
- These reports are compiled and shared with law enforcement
- Help us help others!



Top Scams as reported to BBB's Scam Tracker

Top 10 scams for 2017 in Minnesota were:

- Phishing
- Online purchases
- Travel/vacation offers
- Tech support schemes
- Suspect debt collect calls
- Unwanted credit card offers
- Tax/IRS collection schemes
- Counterfeit products



- ➡ Our data shows the percentage of those reporting who lost money to a scams fell from 18.8% in 2016 to 15.8% in 2017. We also saw a 17% decrease in median monetary loss, down to \$228.
- ➡ As of March 2018, online purchase scams are now the riskiest. The most common online scams were related to pets, clothing, cosmetics, electronics and automobiles. As of today, online purchase scams are trending #1.
- ➡ The offer of free trials was a common tactic. For example, 67% of scams involving cosmetics and 60% involving nutrition products mentioned a free trial opportunity.



BBB Scam Risk Index

BBB utilizes our Scam Risk Index to determine riskiest scams based on:

- Exposure
- Susceptibility
- Monetary loss



Scam Tracker warns the consuming public of scams. *An ounce of prevention is worth a pound of cure.*

Key findings:

- Young people continue to be at a higher risk for scams
- Susceptibility decreases with age...BUT – dollars lost increases when victims are older
- One of the most common tactics of scammers is impersonation, where the scammer pretends to be a legitimate business that is well known and trusted by the consumer.
- The primary means of contact is telephone, but websites are the top means of contact for scams with monetary loss.



Visit [BBB.Org/ScamTips](https://www.bbb.org/scamtips) for more!



MID-MINNESOTA LEGAL AID

Consumer Unit

Homeowner

Tax

Consumer debt

612-334-5970

mylegalaid.org

Post-Foreclosure Crisis: New Homeowner Issues



- Reverse Mortgage Foreclosures
- Contracts for Deed
- Property Tax Forfeitures
- Refinancing Scams



VA Refinancing

- Fixed rate to adjustable rate
- Misleading solicitation letters
- Misleading communication from lenders
- Huge closing costs

Contracts for Deed

- Severe habitability issues
- No disclosures; inspections
 - Huge down-payments
 - Unaffordable balloons



Senior Medicare Patrol (SMP) Program

SMP Mission

Empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse through outreach, counseling, and education.

- SMP is an education and prevention program that teaches people with Medicare how to prevent, detect, and report health care fraud
- Senior LinkAge Line® is the SMP for Minnesota – 1-800-333-2433
- Senior Surf Days – used to educate about fraud, waste and abuse
- SMPs oversee a volunteer-based network of 6,200 team members and provide a link from Medicare beneficiaries to fraud investigators
- Funded by the Administration for Community Living (ACL)

Senior Medicare Patrol (SMP) Program

- Report fraud, waste and abuse to the Office of Inspector General
- Medicare Cost Plan sunset in MN for most beneficiaries end of 2018
 - Could be opportunity for fraud and abuse in MN
 - 370,000 Medicare beneficiaries affected
 - MN Medicare population is 1,007,000
- Case example: 3 leg braces billed to Medicare for beneficiary who never requested even one brace

HOW CAN WE WORK TOGETHER TO FIGHT FRAUD AND IDENTITY THEFT?

Keep up with the latest scams and share with your community



SCAM ALERTS

what to know and do about scams in the news

- Sign up for scam alerts at [FTC.gov/scams](https://www.ftc.gov/scams)
- Share these alerts on your website, in your newsletter or emails, or on social media

Keep up with the latest scams and share with your community

- Follow us on social media and share:
 - @FTC
 - @laFTC
 - @MilConsumer
 - Facebook.com/FederalTradeCommission
 - Facebook.com/MilitaryConsumer

Use and Share Free FTC Resources

- [Consumer.FTC.gov](https://consumer.ftc.gov): hundreds of fraud articles
- [Consumer.gov](https://consumer.gov): consumer protection basics, plain and simple
- [FTC.gov/PassItOn](https://ftc.gov/PassItOn): helping older adults protect others from fraud
- YouTube.com/FTCVideos: view and share videos

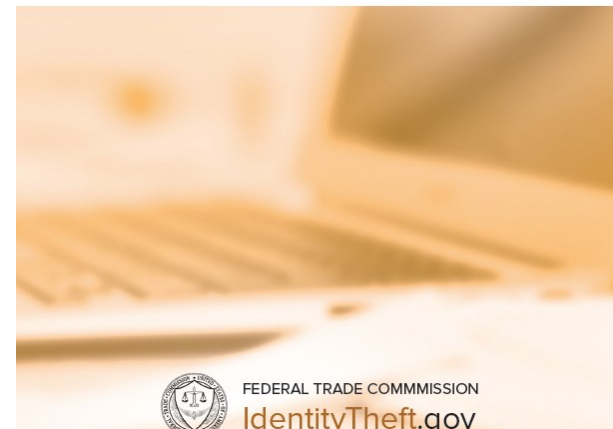
Use and Share Free FTC Resources

Bulkorder.FTC.gov



Identity Theft

What to know, What to do



Talk to Us

- **Help for Minnesota's Congressional delegation**
 - Derick Rill, FTC's Office of Congressional Relations
drill@ftc.gov or 202-326-3007
- **Consumer Sentinel Network**
www.ftc.gov/enforcement/consumer-sentinel-network
 - Law enforcement groups can obtain access to complaints by contacting Nick Mastrocinque at
nmastrocinque@ftc.gov

Thank you for joining us!

Speakers:

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- **Susan Loyd**, Better Business Bureau of Minnesota and North Dakota
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Thank you for joining us!

Slides available at: [Consumer.gov/StateWebinars](https://consumer.gov/StateWebinars)

***Please spread the word to fight fraud and
identity theft throughout Minnesota!***

Feedback about the webinar:
everycommunity@ftc.gov

