

**This second edition was printed by the Orange County Commission on Aging.**

Thank you to the following organizations for their financial contributions to the printing of the first edition of the Fraud Prevention Resource Guide:

Orange County Government  
Orange County Sheriff's Office  
The Dr. P. Phillips Foundation  
MV Transportation, Inc.

Thank you to the following organizations for their participation in the development of the Fraud Prevention Resource Guide:

AARP; Cramer, Price & deArmas, PA; Cuthill & Eddy; Dept. of Children & Families-Adult Services; First Baptist Church of Orlando; Florida Attorney General's Office; Orange County Consumer Fraud Unit; Orange County Sheriff's Office; Sawyer & Sawyer, PA; State of Florida Comptroller's Office; The Investment Trust Company of Florida.

*The Commission on Aging is a program of the Health & Family Services Department of Orange County Government.*



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# FRAUD PREVENTION RESOURCE GUIDE



Encouraging an elder-friendly community

# FRAUD PREVENTION RESOURCE GUIDE

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In July 2001, the Orange County Commission on Aging was established as a voice for older adults within Orange County. The Commission's goal is to create an elder-friendly community that respects elders and provides them with the resources needed for healthy aging.

Fraud among the elderly and all citizens is increasing at an alarming pace. Currently, fraud costs citizens and organizations in the U.S. more than \$660 billion a year, with Florida's share alone estimated at \$40 billion.

Fraud can happen to anyone regardless of age, race, gender or financial status. Seniors are especially susceptible to fraudulent schemes that involve telemarketing, charities, prize promotions and financial investments. Due to the increase of these crimes, the Commission on Aging teamed up with several organizations committed to protecting consumers against all types of scams. Please use this resource guide to help prevent fraud and find out who to call if you suspect fraud has occurred.

# RESOURCES

**Better Business Bureau of Central Florida**  
 407-621-3300  
[www.orlando.bbb.org](http://www.orlando.bbb.org)

**Better Business Bureau Wise Giving Alliance**  
 703-276-0100  
[www.give.org](http://www.give.org)

**FBI- Orlando**  
 407-875-9976  
[www.fbi.gov](http://www.fbi.gov)

**Federal Consumer Information Center**  
 800-688-9889  
[www.pueblo.gsa.gov](http://www.pueblo.gsa.gov)

**Florida Bar Association**  
 800-342-8060  
[www.flabar.org](http://www.flabar.org)

**Florida Department of Law Enforcement**  
 407-245-0801  
[www.fdle.state.fl.us](http://www.fdle.state.fl.us)

**Fraud Hot Line**  
 800-424-5454  
[www.gao.gov](http://www.gao.gov)

**Lawyer Referral Service**  
 407-422-4537  
[www.ocbanet.org](http://www.ocbanet.org)

**Lemon Law Hot Line**  
 800-321-5366  
[www.800helpfla.com](http://www.800helpfla.com)

**Medicaid Fraud (Provider)**  
 800-892-0375  
<http://legal.firn.edu>

**National Fraud Information Center**  
 800-876-7060  
[www.fraud.org](http://www.fraud.org)

**PHONEBUSTERS**  
 888-495-8501  
[www.phonebusters.com](http://www.phonebusters.com)

**Securities Exchange Commission**  
 800-SEC-0330  
[www.sec.gov](http://www.sec.gov)

**Seniors vs. Crime**  
 800-203-3099  
[www.senior-sleuths.org](http://www.senior-sleuths.org)

**Prevention & Education Websites**  
 Consumer Gateway  
[www.consumer.gov](http://www.consumer.gov)

Crimes of Persuasion  
[www.crimes-of-persuasion.com](http://www.crimes-of-persuasion.com)

Fight Fraud in Florida  
[www.fightfraud.org](http://www.fightfraud.org)

Internet Scambusters  
[www.scambusters.org](http://www.scambusters.org)

People tend to think of fraud victims as being someone frail or very elderly but that is not always the case. Research rebuts the notion that all elderly victims are vulnerable because they are socially isolated, ill informed or confused.

## HOW TO REPORT FRAUD

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Fraudulent insurance claims in Florida cost \$6.5 billion annually, adding over \$1,414 to premiums for the average family.

### Medicaid Fraud

Attorney General

### Merchandise Sales

Orange County Consumer Fraud

### Magazine Subscription Sales

County Consumer Fraud, Division of Consumer Services

### Nursing Homes/Assisted Living Facilities

LTC Ombudsman Council

### Pay Day Loans

State Comptroller

### Pet Sales

Orange County Consumer Fraud

### Prizes/Sweepstakes/Contests

Orange County Consumer Fraud, Division of Consumer Services, Attorney General

### Pigeon Drop

Local Law Enforcement

### Predatory Lending/Mortgage Brokers

State Comptroller

### Pyramid Schemes

State Comptroller, Attorney General

### Real Estate

Department of Business & Professional Regulation

### Telemarketing

Orange County Consumer Fraud, Division of Consumer Services

### Travel Agents

Division of Consumer Services

### Vehicle Towing

Orange County Consumer Fraud

### Work at Home Programs

Orange County Consumer Fraud, Division of Consumer Services, U.S. Postal Inspector

## GETTING INVOLVED

We all pay the cost of fraud, regardless of age, race, gender, or financial status.

### Orange County TRIAD

Orange County TRIAD is a partnership between the Orange County Sheriff's Office, Chiefs of Police, State Attorney's Office and the Commission on Aging. TRIAD has an advisory council called the SALT (Seniors and Law Enforcement Together) Council, whose mission is to reduce the victimization of senior citizens through education and the coordinated efforts of law enforcement, the courts, social and public services. For more information about TRIAD, SALT, and how you can get involved, please contact:

Orange County Sheriff's Office  
TRIAD/SALT Coordinator  
Community Relations Division  
2500 West Colonial Drive  
Orlando, FL 32804  
407-254-7371

### Speaker's Bureau Orange County Consumer Fraud Unit

Dynamic and interesting presentations in English and Spanish are provided to local civic and community organizations to help consumers learn how to protect themselves. The Unit also distributes a variety of educational literature to consumers.

# TYPES OF FRAUD

## DEFINITIONS

**Fraud:** A deception deliberately practiced in order to secure unfair or unlawful gain such as money or belongings.

**Con:** To swindle or defraud someone by first winning his confidence.

**Swindle:** To cheat or defraud someone of money or property. To obtain money by fraudulent means.

**Exploitation:** The unauthorized taking of personal assets.

Over 70,000 Floridians per year request help from state agencies for possible fraud.

**Identity Theft** A con artist obtains your name, address, Social Security number or other identifying information, and uses that information to open new credit card accounts, take over existing accounts, obtain loans in your name or steal funds from your checking, savings or investment accounts. This is the number one financial crime in the country, with 700,000 victims in the U.S. in 2001.

**Telemarketing Fraud** An individual or organization uses the telephone to contact you to steal money or property or to misrepresent the value of goods or services being offered or sold.

**Exploitation** A person who is in a position of trust and confidence, such as a caregiver, with a vulnerable adult and who knowingly, by deception or intimidation, obtains or uses a vulnerable adult's assets, funds or property for the benefit of another.

**Fake Charities** Some telemarketers falsely claim that they are calling on behalf of a charity by either making up the name of an organization or pretending to represent a group, such as the firefighters or police, when they do not. Always check out the telemarketer's claims by asking for information in writing and calling the State of Florida Consumer Services at 800-435-7352.

**Phony Prizes** Never pay for a free prize or cash award such as a lottery, sweepstakes or a cash settlement. Do not respond to any offer that requires you to pay even a small amount of money for a prize, sweepstakes or contest. Legitimate awards do not require cash advances. *Continued on page 4.*



## TYPES OF FRAUD

*continued from page 3*

**Cramming** This occurs when unauthorized or nonexistent telecommunication or service charges are put on your credit card, bank account or phone bill. Check your bills each month to make sure all charges are legitimate.

**Pigeon Drop** One member of a con team approaches you and tells you they have found a large amount of cash. During the scheme the cons will ask you to put up “good faith” money to show your commitment or trustworthiness. The cons then take the cash, give you phone instructions or switch envelopes or bags to ones containing nothing but cut-up paper.

**Investment Frauds** This occurs when investors are enticed with the promise of extremely high returns or dividends with little or no risk.

**Pyramid schemes** These are marketing and investment frauds that reward you for enticing other people to join the program. For each person you bring in, you are promised future monetary rewards or bonuses based on your advancement up the structure. Pyramid schemes focus on the exchange of money and recruitment rather than the sale of a product.

**Predatory Lending** Dishonest lenders advertise their services to people in financial need but instead of offering a fair loan they trick them into taking out loans they cannot afford to repay. You should also avoid lenders who promise guaranteed, low-interest loans or who offer next-day approval if you pay them some money today.

# TIPS TO

1. Do not be pushed into an immediate payment or donation.
2. Always request and receive written information.
3. Do not do anything if you have questions.
4. Find out if the company and/or individual is licensed or registered.
5. Do not provide information that could jeopardize your safety.
6. Have your telephone number included in the Florida “No Sales Solicitation Calls List”.
7. Determine what recourse you have if you are not satisfied with the purchase.
8. Beware of testimonials or references you cannot independently verify.
9. Do not provide personal financial information over the phone, by mail or over the Internet when you have not initiated the contact.
10. If you suspect fraud, hang up and immediately notify the proper authorities.

*Elderly victims commonly receive five or more calls a day from high-pressure telephone sales people once they make their first purchase or contribution.*

### Advance Fee

State Comptroller, Orange County Consumer Fraud, Division of Consumer Services

### Appliance Repair

Orange County Consumer Fraud

### Auto Financing

State Comptroller

### Auto Sales and Repair

Orange County Consumer Fraud, Division of Consumer Services

### Bait and Switch

Orange County Consumer Fraud, Attorney General

### Business Opportunities

Orange County Consumer Fraud, Division of Consumer Services

### Chain Letter Schemes

U.S. Postal Inspector

### Collection Agencies

Orange County Consumer Fraud, State Comptroller, Federal Trade Commission

### Cramming/Slamming

Public Service Commission

### Door-to-Door Sales

Orange County Consumer Fraud, Local Law Enforcement

### Employment Services

Orange County Consumer Fraud, Division of Consumer Services

### Exploitation (by a caregiver)

Department of Children and Families

### Fake Charities

Division of Consumer Services

### False Advertising

Division of Consumer Services, Attorney General

### Funerals/Cemeteries

State Comptroller, Department of Business & Professional Regulation

### Home Repair

Orange County Consumer Fraud, Department of Business & Professional Regulation

### Household Moving

Orange County Consumer Fraud

### Identity Theft

Federal Trade Commission, Local Law Enforcement

### Insurance Fraud

Division of Insurance Fraud

### Internet Chain Letter Schemes

Orange County Consumer Fraud

### Internet Sales

Orange County Consumer Fraud, Division of Consumer Services

### Investment Fraud

State Comptroller

### Lawn Maintenance

Orange County Consumer Fraud

### Mail Order

Orange County Consumer Fraud, Division of Consumer Services, U.S. Postal Inspector

*Continued on page 10.*

## NON-EMERGENCY POLICE NUMBERS

Orange County Sheriff’s Office .....	407-737-2400
Apopka Police Department .....	407-703-1757
Eatonville Police Department .....	407-623-1303
Edgewood Police Department .....	407-851-2820
Lake Buena Vista Police Department .....	407-737-2400
Maitland Police Department .....	407-539-6262
Oakland Police Department .....	407-656-9797
Ocoee Police Department .....	407-905-3160
Orlando Police Department .....	407-246-2470
Windermere Police Department .....	407-876-3757
Winter Garden Police Department .....	407-656-3636
Winter Park Police Department .....	407-644-1313

# HOW TO REPORT FRAUD

## Orange County Consumer Fraud Unit

This department provides three major services for the citizens of Orange County: mediation of consumer complaints, criminal investigations of consumer fraud and consumer education.

Orange County Consumer Fraud  
415 N. Orange Avenue  
Orlando, FL 32802  
407-836-2490  
www.orangecountyFL.net/dept/fraud

## State of Florida Office of Financial Regulation

This Office regulates several financial industries in Florida.

Office of Financial Regulation  
400 W. Robinson Street  
Hurston South Tower, Ste. 225  
Orlando, FL 32801  
407-245-0760  
www.fldfs.com/OFISR

## Dept. of Children & Families: Adult Protective Services

This program is a system of specialized social services directed toward assisting vulnerable adults, who are unable to manage their own affairs, carry out activities of daily living or protect themselves from abuse, neglect or exploitation.

DCF: Adult Protective Services  
400 W. Robinson Street  
Hurston South Tower, Ste. 1014  
Orlando, FL 32801  
800-96-ABUSE (2873)

## Florida Attorney General's Office

The Economic Crime Unit of the Florida Attorney General's Office investigates, and may file lawsuits in civil court, against any business or individual engaging in deceptive and misleading

business practices, false advertising, and violations of Florida State Statutes related to most consumer fraud issues.

Florida Attorney General's Office  
Economic Crime Unit  
135 W. Central Blvd., Suite 1000  
Orlando, FL 32801  
(407) 245-0833  
http://legal.firn.edu

## Department of Business & Professional Regulation

400 W. Robinson Street, Ste. 501  
Orlando, FL 32801  
407-245-0750

## Division of Consumer Services

800-435-7352  
www.800helpfla.com

## Division of Insurance Fraud

407-245-0875  
www.fldoi.com

## Federal Trade Commission

877-FTC-HELP  
www.ftc.gov

## Long-Term Care Ombudsman Council

400 W. Robinson Street, S-1014A  
Orlando, FL 32801  
407-245-0640

## Public Service Commission

2540 Shumard Oaks Blvd.  
Tallahassee, FL 32399-0850  
800-342-3552

## U.S. Postal Inspector

PO Box 620124  
Orlando, FL 32862-0124  
407-850-6388

*If you do not know which agency to contact, please contact the Orange County Consumer Fraud Unit for assistance. The following is a list of fraudulent activities and the organizations to which you should report your complaint.*

# AVOID FRAUD

## TIPS TO DETERMINE IF SOMEONE IS A CROOK

- May use high-pressure sales tactics or offers that are only good today.
- Wants you to make an immediate decision.
- Offers a free prize and then wants money for taxes, service charges, etc.
- Offers investments with high returns with little or no risk.
- Makes excuses for not sending you written information.
- Will not provide local references that you can check.
- Offers to send someone to pick up your money or wants you to send the money by overnight delivery.
- Suggests that you should make a decision based on trust.
- Makes an offer that sounds too good to be true.

## REMEMBER

- Before signing any contract, read it thoroughly and get answers to all your questions.
- Keep copies of all documents and correspondence; keep records of all telephone calls.

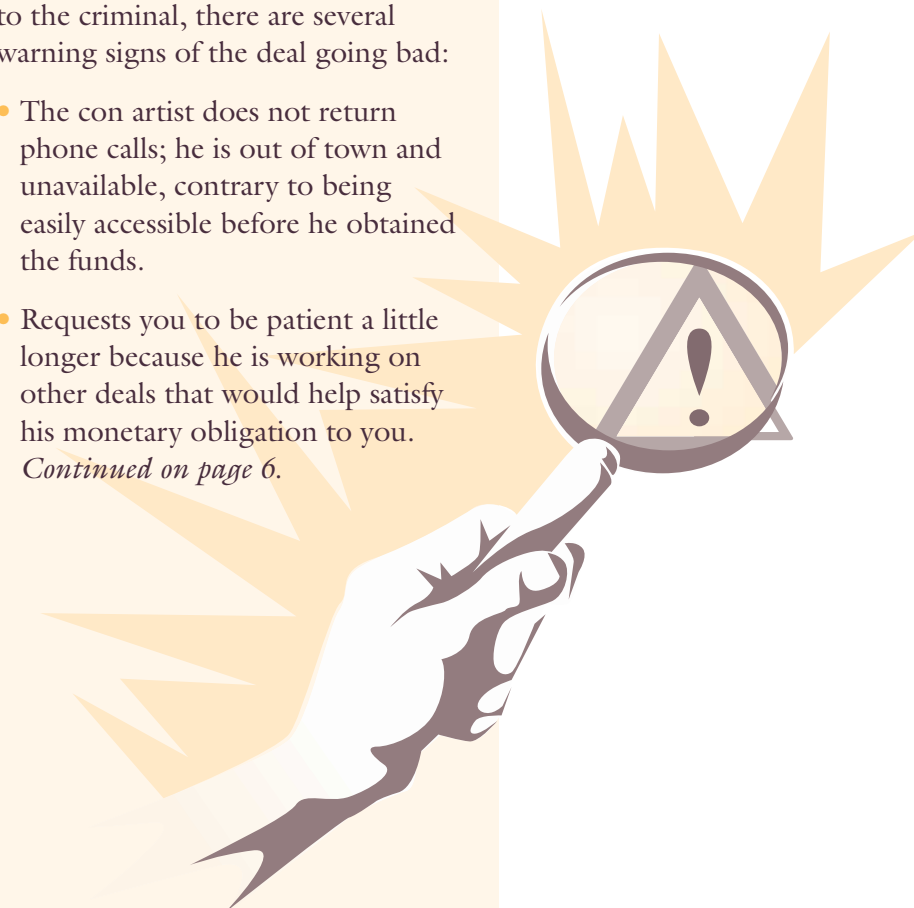
- Con artists give the appearance of being respectable members of society. They may go to your church, social groups, schools, etc.
- They are believable and smooth-talking. They often present brochures and legal documents that are impressive, demonstrating that they are legitimate.
- "If it sounds too good to be true, it probably is."

## GOOD DEAL GOING BAD

Once you have provided the money to the criminal, there are several warning signs of the deal going bad:

- The con artist does not return phone calls; he is out of town and unavailable, contrary to being easily accessible before he obtained the funds.
  - Requests you to be patient a little longer because he is working on other deals that would help satisfy his monetary obligation to you.
- Continued on page 6.*

Over half of the victims of telemarketing fraud are 50 years old and older.



It is estimated that there are 14,000 illegal telemarketing operations bilking U.S. citizens of at least \$40 billion annually.

### TIPS TO AVOID FRAUD

*continued from page 5*

- Convinces you to wait just a little longer because the economic climate is sure to turn around soon.

### KEEP YOUR EYES OPEN

#### Warning signs to identify if someone is being scammed

- Visitation patterns to church or old friends are changing.
- Caregivers or those giving medication are now handling finances.
- Major changes in spending patterns.
- Increased isolation from family and friends.
- The vulnerable person has just one possibly dominating caregiver or companion.
- The caregiver or companion is overly accommodating.
- The address has changed one or more times after a long period of stability.
- The telephone number changes or becomes unlisted.
- Bank accounts change in a significant way.
- Bills are delinquent.
- Financial information is not readily available.
- Excessive mail.
- Frequent visits from sales people.

## NO SALES SOLICITATION CALLS LIST

There are now two ways in which you can limit telemarketing calls. The Federal Trade Commission recently launched a National Do Not Call Registry. You can reach the registry by visiting [www.donotcall.gov](http://www.donotcall.gov) or calling 1-888-382-1222 and listing up to three phone numbers.

Registration is free and is valid for five years. Placing your name on the National Do Not Call Registry will stop most, but not all, telemarketing calls originating from outside of Florida.

To prevent unwanted telemarketing calls originating from Florida, you can also register your residential telephone, cellular or pager number

with the Florida Division of Consumer Services. They will place your number on the No Sales Solicitation Calls List. The cost of being placed on the Florida registry is \$10 for the first year and \$5 per year thereafter. To register send your name, address, phone number with area code, and a check for \$10.00 payable to the Florida Department of Agriculture and Consumer Services to:

Florida Department of Agriculture and Consumer Services  
No Sales Solicitation  
P. O. Box 6700  
Tallahassee, FL 32314-6700

Or call 1-800-HELP-FLA  
(1-800-435-7352)  
[www.800helpfla.com](http://www.800helpfla.com)

# SELF QUIZ

- T F** A telemarketer may call you at 9:15 p.m. to make a sales presentation. *(False. Telemarketers are restricted to calling between the hours of 8:00 a.m. and 9:00 p.m.)*
- T F** The Florida Lemon Law applies to new cars only. *(True. It applies to new car purchases or leases, not the purchase of used cars.)*
- T F** The right to cancel a contract within three days applies to all purchases. *(False. It only applies to certain types of contracts such as home solicitation sales greater than \$25. Most contracts do not have a cancellation right.)*
- T F** If unsolicited merchandise is received from a company, it must be returned or paid for by a consumer. *(False. When a consumer receives goods or services not actually ordered or requested, the goods or services may be considered a free gift.)*
- T F** A store must give cash refunds for merchandise. *(False. A store may establish its own refund policy. Consumers should inquire about a store's return policy prior to any purchase.)*
- T F** A purchase may be required before entering a contest or sweepstakes offer. *(False. It is against state law to require an individual to make a purchase in order to enter a drawing by chance.)*
- T F** When your long distance company has been switched without your permission, you have been slammed. *(True. It is against state law to change your long distance carrier without your permission. Report violations to the Public Service Commission.)*
- T F** Dialing the "10-10" numbers advertised on television for long distance calls will always save you money. *(False. Compare calling plans carefully; there may be minimum charges or connection fees.)*
- T F** There are legitimate companies which can repair and erase bad credit reports from your credit history. *(False. No one can legally remove accurate and timely information from a credit report.)*
- T F** Telling you that an offer is only available for a limited time is a high-pressure sales tactic. *(True. When a business pressures you to make a quick decision, it is often not in your best interest. Give yourself time to check out an offer and think it over.)*
- T F** The only time a motor vehicle repair shop must give you an estimate is when you request one. *(False. A shop must give you an estimate if the cost will exceed \$100.)*

A fraud victim may be someone who is very outgoing, has many ties in the community, well educated and has some money. Victims are also very trusting and feel the salesperson could just as easily be their grandchild on the phone trying to make a living. Many of the victims come from a time and place where a man's word was his bond.

*Taken from an article in the "Financial Exploitation of Elders" July/August 2001*