

Federal Trade Commission Webinar

A white silhouette of a crowd of people is positioned above the main title box. The figures are of various heights and are arranged in a line, suggesting a diverse group of people.

Fighting Consumer Fraud & Identity Theft in Iowa

July 24, 2019

TO HEAR THE WEBINAR CALL 1-800-230-1059

Access Code: 468190

Welcome!

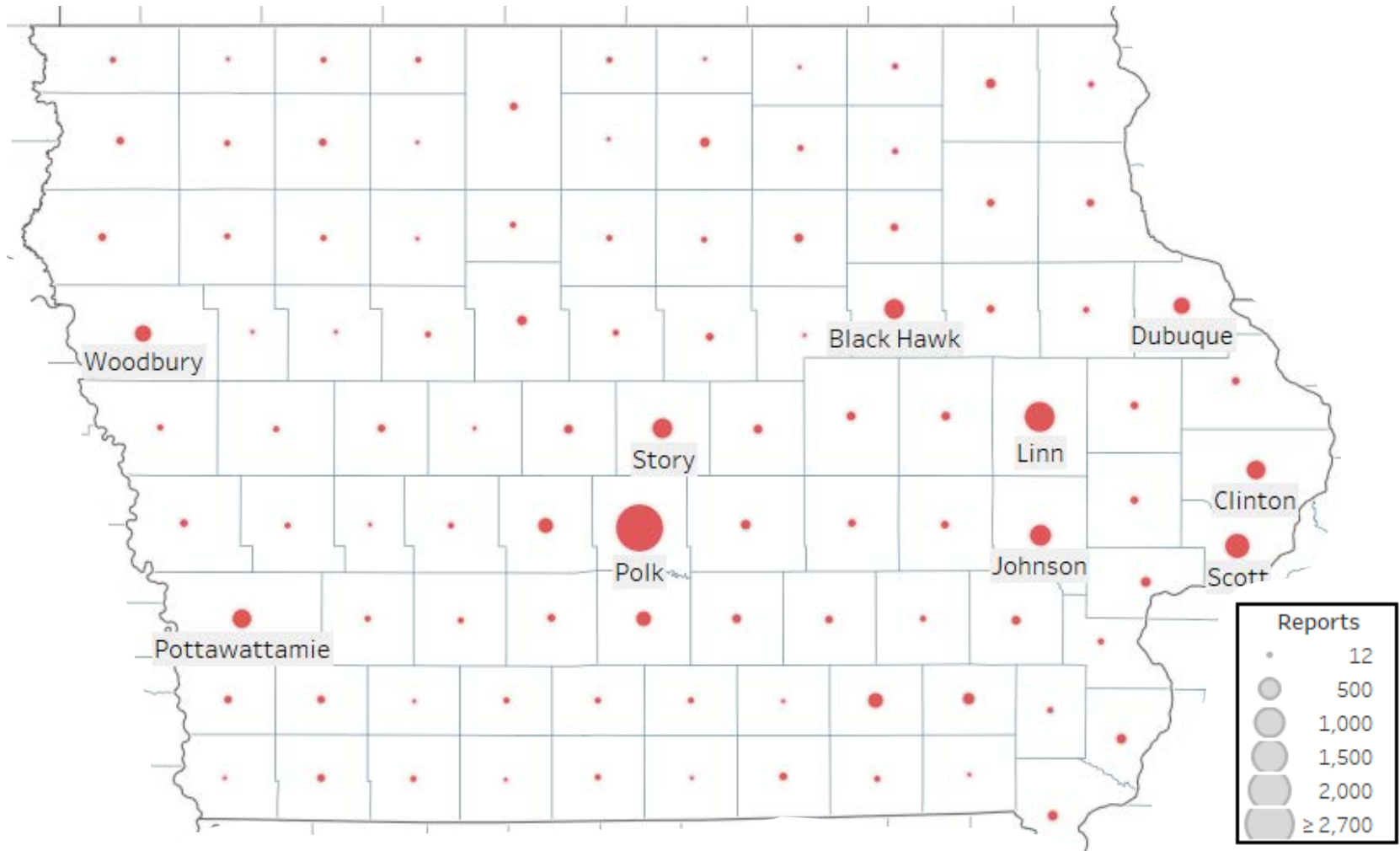
Presenters:

- **Todd Kossow**, FTC Midwest Regional Office
- **Jessica Whitney**, Iowa Attorney General's Office
- **Rachel Scherle**, Elder Justice Coordinator, U.S. Attorney's Office, S. D. Iowa
- **Chris Coleman**, BBB Serving Greater Iowa, Quad Cities & Siouxland Region
- **Christopher Merkle**, Iowa Legal Aid
- **Julie Brookhart**, Centers for Medicare & Medicaid Services
- **Patti Poss & Lisa Schifferle**, FTC

Overview

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

Fraud & Identity Theft Reports in Iowa for 2018

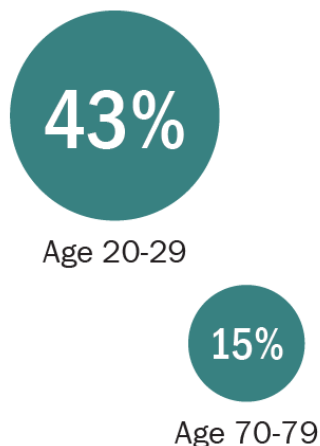


Iowa Top Reports - 2018

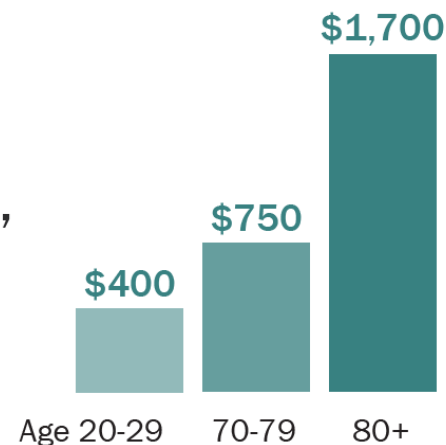
1. Imposter Scams	3,988	6. Banks and Lenders	693
2. Telephone and Mobile Services	1,281	7. Auto-Related	522
3. Prizes, Sweepstakes and Lotteries	1,025	8. Internet Services	384
4. Shop-at-Home and Catalog Sales	912	9. Health Care	373
5. Debt Collection	812	10. Credit Bureaus, Information Furnishers and Report Users	343

Consumer Sentinel Network Data Book 2018

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

Government Imposter Scams

IRS Impersonation

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

Fake Social Security Administration Calls

- Scammers claim a person's SSN has been suspended because of suspicious activity, or it's been involved in a crime.

Here's what to tell consumers:

- Your SSN is not about to be suspended!
- Don't trust Caller ID.
- What the SSA Scam sounds like at www.consumer.ftc.gov/blog/2018/12/what-social-security-scam-sounds
- Growing number of reports: <https://www.ftc.gov/news-events/blogs/data-spotlight/2019/04/growing-wave-social-security-imposters-overtakes-irs-scam>

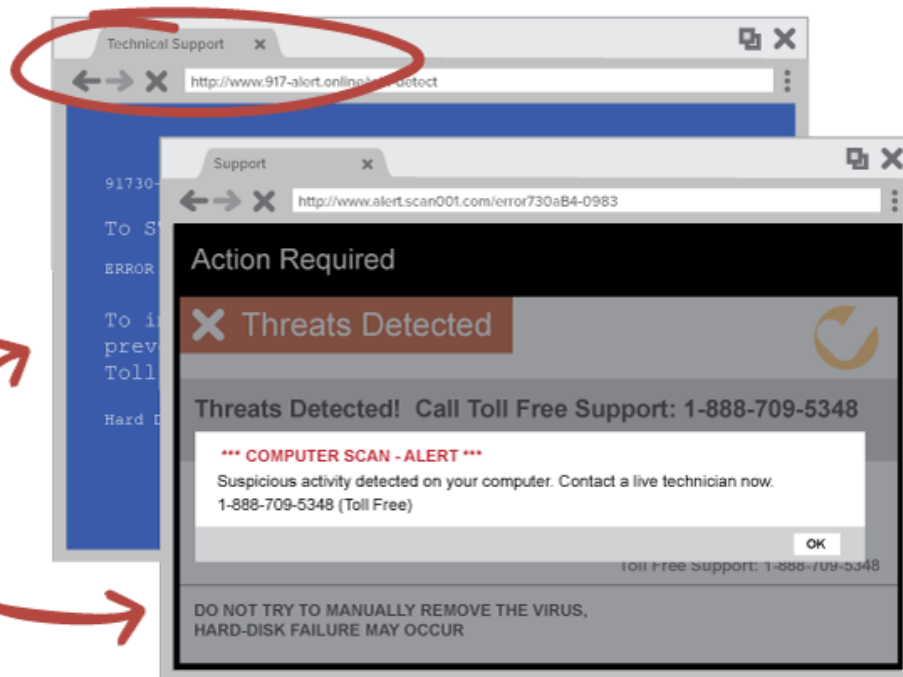
HOW TO SPOT A TECH SUPPORT SCAM

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:

- Legitimate tech companies won't contact you by phone, email or text message to tell you there's a problem with your computer.
- Security pop-up warnings from real tech companies will never ask you to call a phone number.

<https://www.consumer.ftc.gov/articles/how-spot-avoid-and-report-tech-support-scams>

Sweepstakes & Grant Scams

CONFIRMED PRIZE NOTIFICATION LETTER • CONFIRMED PRIZE NOTIFICATION LETTER • CONFIRMED PRIZE NOTIFICATION LETTER

With Winner Identification and
Claimant Transfer Paper

CASH CLAIM REQUEST
DATE: 07/15/2014

KELLER, SLOAN & ASSOCIATES
P.O. Box 208, CE Bonnik, The Netherlands

PROMPT REPLY REQUESTED

Pending Full Amount:

\$1,943,543.54

ISSUED TO:

[REDACTED]

ASSIGNMENT OF THIS MAIL TO
ANOTHER PARTY IS:
PROHIBITED

PRINTOUT INDIVIDUAL ONLY
ANITA [REDACTED]

V/P REFERENCE
70146312017

CONFIRMED SENDER
ORGANIZATION
KSA

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 the 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 [REDACTED] 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 premeditated fee (Section 9 / page 2) for outright access to the amount noted 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 documents 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 10 days upon receipt of all instructions and correspondence and insure 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

Fake Check Scams



www.consumer.ftc.gov/blog/2018/09/anatomy-fake-check-scam

FTC.gov/giftcards

ftc.gov/giftcards

Gift cards and reload cards are the
#1 payment method
for imposter scams.

More scammers are demanding payment with a gift card. The percentage of consumers who told the FTC they paid a scammer with a gift card has increased **270%** since 2015.



Reports to the FTC say scammers are telling people to buy gift cards at **Walmart, Target, Walgreens, CVS and other retail shops.**

42%

of people who paid a scammer with a gift card used **iTunes** or **Google Play**.

How to **donate wisely** and **avoid scams**



Look up a charity's report & ratings:

- give.org
- charitywatch.org
- guidestar.org
- charitynavigator.org



Never pay by **gift card** or **wire transfer**.
Credit card and **check** are safer.



Watch out for names that only
look like **well-known** charities.



Search the charity name online.

Do people say it's a scam?



Ask **how much** of your
donation **goes to the program**
you want to support.



Donating online?

Be sure where that money is going.

Federal Trade Commission • [ftc.gov/charity](https://www.ftc.gov/charity)

Charity Scams

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

www.ftc.gov/calls

- Hang up. It's okay to be rude!
- Sign Up for the Do Not Call Registry at www.donotcall.gov
- Don't trust caller ID — it can be faked
- Report robocalls to the FTC at donotcall.gov
- Ask your carrier about call blocking
 - <https://www.consumer.ftc.gov/articles/how-block-unwanted-calls>

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

New Law, New Credit Rights

- **FRAUD ALERTS** now last one year rather than 90 days
- **CREDIT FREEZES** are free for all
 - Also for kids under age 16
 - Also for incapacitated adults
- **FREE CREDIT MONITORING** for active duty military
- For more information, go to ftc.gov/newcreditlaw

Data Breaches

- What to do?
 - Check credit reports
 - Review payment card statements carefully
 - Consider a fraud alert or credit freeze
- To learn more about steps to take after a data breach, visit IdentityTheft.gov/databreach

Equifax Data Breach Settlement

The Equifax Breach – A Global Settlement



\$575,000,000+ settlement



Free credit monitoring
and identity theft services



Strong **data security** requirements

➔ **Learn more: ftc.gov/Equifax**

Source: Federal Trade Commission | [FTC.gov](https://ftc.gov)



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



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

Don't Have Your Medicare Card?

To get your Medicare card or number:

- Sign in to your **MyMedicare.gov** account. If you don't have an account yet, visit **MyMedicare.gov** to create one. You can sign in to see your Medicare Number or print an official copy of your card.
- Call **1-800-MEDICARE** (1-800-633-4227). TTY users can call 1-877-486-2048. There might be a problem that needs to be corrected, like updating your mailing address.
- Ask your doctor or other health care provider if they can look up your number when you get care.

Tips to Avoid Medicare Fraud

www.medicare.gov/fraud

General Tips to Protect Yourself:

- Don't share your Medicare number or other personal information with anyone who contacts you by telephone, email or by approaching you in person, unless you've given them permission in advance.
- Review your Medicare Summary Notice to be sure you and Medicare are only being charged for actual services that you received.

Report Anyone Who:

- Sends you products through the mail that you didn't order, and your doctor didn't prescribe for a medically necessary reason.
- Contacts you about Medicare plans unless you gave them permission.
- Offers you "early bird discounts" or "limited time offers." There are no early bird discounts with Medicare.
- Offers you free expensive gifts, free medical services, discount packages or any offer that sounds "too good to be true."

Reporting Suspected Medicare Fraud

- Call the HHS fraud hotline: Toll Free: 1-800-447-8477 (which is 1-800-HHS-Tips) or;
- Call and report it to 1-800-Medicare, which is 1-800-633-4227 or;
- Call the nationwide toll-free number of the Senior Medicare Patrol program (SMP) and ask them for your state's phone number at 1-877-808-2468

Report Fraud to the FTC



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

IOWA ATTORNEY GENERAL'S OFFICE

Jessica Whitney
Special Assistant Attorney General
Director, Consumer Protection Division
Iowa Department of Justice





IOWA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

Attorney General Tom Miller

- AG Miller was first elected in 1978.
- Chief Legal Officer for State of Iowa.
- Duties range from criminal appeals to administrative law.
- National leader in consumer protection multistate actions, including tobacco, Microsoft, national mortgage settlements, and for-profit colleges.



What Consumer Protection Does:

- Protect the Public and Prevent Consumer Fraud
- Bring Lawsuits/Investigations on Behalf of the State
- Handle Consumer Complaints
- Propose and Monitor Legislation
- Policy Role
- Education and Community Outreach



Lawsuits/Prosecuting Fraudsters

- Bring suit on behalf of the State of Iowa
 - Goals: stop the harm, punish the wrong doing, prevent further harm, and restitution for the consumers
 - Mainly civil suits, but we have criminal authority and will exercise it when warranted
- Iowa Consumer Fraud Act, Iowa Code Chapter 714.16
 - Other statutes are violations of 714.16 like Door-to-Door Sales, lemon law, prize promotion, etc
 - Iowa Consumer Credit Code, Iowa Code 537
- Multistates
 - Work together with other states to maximize our resources
 - Tackle nationwide problems
 - Recent examples: Equifax, For-Profit Colleges, Wells Fargo
- Work with Federal Partners like FTC



Consumer Complaints

- 2018 we handled 3,495 consumer complaints.
- 8 Investigators who handle consumer complaints.
- Top complaints in 2018: Vehicles, home improvements, and imposter scams
- How to file a complaint:
<https://www.iowaattorneygeneral.gov/for-consumers/file-a-consumer-complaint>



Legislation

- Propose Legislation
 - Recent Legislation Proposals:
 - Increasing Lemon Law Coverage to Motorcycles
 - Updating Data Privacy/ID Theft Laws
 - Home Contractor Bonds
- Monitor Legislation Concerning Consumers
 - Example: We have opposed, triple-digit interest legislation these past several sessions.



Policy/Advisory Role

- Amicus Briefs
 - Where there is a consumer interest
- Comments on Federal Rules
- Work/Comment on Federal Legislation
- Highlight New and Developing Issues



Education/Community Outreach

- Abuse in Later Life Grant
 - Grant obtained from federal government to provide training and services to end elder abuse through a coordinated community response model.
 - Work with others in government & non-profits.
 - Train law enforcement, judges, prosecutors, & other professionals.
 - Build coalitions and groups.
- Presentations
- Publications
- Website
- Press Releases



Contact Us

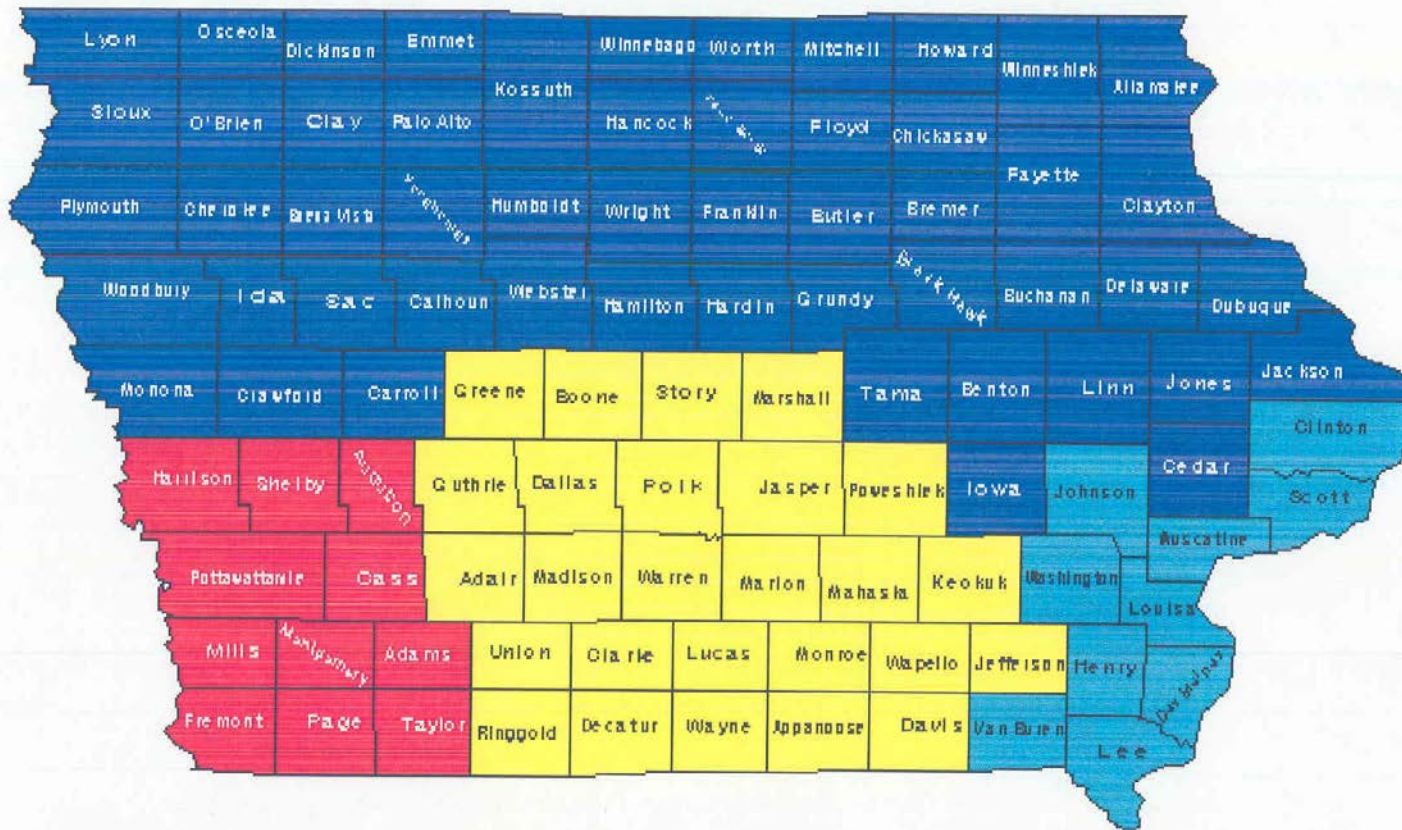
- 515-281-5926 – outside Polk Co. call 888-777-4590
- consumer@ag.iowa.gov
- www.iowaAttorneyGeneral.gov
- Consumer Protection Division
1305 E. Walnut Street
Des Moines, IA 50319



The seal of the Department of Justice, Southern District of Iowa, is a circular emblem. It features a central eagle with spread wings, perched on a shield with red and white stripes. The eagle is set against a blue background with white stars. The words "DEPARTMENT OF JUSTICE" are written in a blue arc at the top, and "SOUTHERN DISTRICT OF IOWA" is written in a blue arc at the bottom. The entire seal is surrounded by a gold rope-like border.

Marc Krickbaum
United States Attorney
Southern District of Iowa

Rachel J. Scherle, AUSA
Elder Justice Coordinator



Western Division
 Central Division
 Davenport Division

DEPARTMENT OF JUSTICE

ElderJustice INITIATIVE

- ▶ The mission of the Elder Justice Initiative is to support and coordinate the Department's enforcement and programmatic efforts to combat elder abuse, neglect and financial fraud and scams that target our nation's seniors. We engage in this work by focusing on the following mission areas:

BUILDING FEDERAL, STATE & LOCAL CAPACITY TO FIGHT ELDER ABUSE

PROMOTING JUSTICE FOR OLDER AMERICANS

SUPPORTING RESEARCH TO IMPROVE ELDER ABUSE POLICY AND PRACTICE

HELPING OLDER VICTIMS & THEIR FAMILIES

www.justice.gov/elderjustice

Better Business Bureau

Serving Greater Iowa, Quad Cities
& Siouxland Region

BBB Vision:

To create an ethical marketplace where buyers and sellers trust each other.

BBB 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

Better Business Bureau

Serving Greater Iowa, Quad Cities
& Siouxland Region

For Consumers:

- Provide educational information and expert advice that is free of charge and easily accessible (www.bbb.org).
- The first line of defense for consumers encountering scams with counseling and referral to the correct agency/organization.
- Receive complaints for valid marketplace interactions and work with the business & consumer towards a resolution.

**BBB is the resource to turn to for objective, unbiased
information on businesses.**

Better Business Bureau

Serving Greater Iowa, Quad Cities
& Siouxland Region

For Businesses – BBB Accreditation:

- Businesses that meet our high standards are invited to join BBB (Accreditation), agreeing to our Standards of Trust – a comprehensive set of best practices for how businesses should treat the public in a fair and honest manner
- We do not compare businesses against each other but rather evaluate businesses against our standards
- Identity theft victimizes businesses impacting local business and consumers

When making a buying decision, including identity protection plans, contact the Better Business Bureau.



Iowa Legal Aid is a nonprofit organization providing critical legal assistance to low-income and vulnerable Iowans who have nowhere else to turn.

Iowa Legal Aid closed approximately 15,000 cases in 2018, helping nearly 35,000 people, 15,000 of whom were children. Over 70% of the primary clients were women and 23% were seniors. Almost 32% reported having a disability.

Christopher Merkle, Staff Attorney
Equal Justice Works Crime Victims Justice Corps Fellow



This program is supported by a subaward from Equal Justice Works as part of an original award from the U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime, Award Number 2017-MU-MU-K131. The opinions, findings, conclusions or recommendations expressed are those of the author(s) and do not necessarily represent the official position or policies of the U.S. Department of Justice or Equal Justice Works.

CONSUMER LAW

- Public Utilities: Gas, Electricity, Telephone, Water, etc.
- Foreclosures
- Foreclosure Reconveyance Scams
- Debt Collection, Garnishment, and Bankruptcy
- Unfair Sales Practices and Consumer Fraud
- Loans, Student Loans, and Installment Purchases
- Contract and Warranty Problems
- Vehicles: Lemons, Financing, and Repossessions
- Identity Theft and Scam Recovery
- Credit Reports and Credit Access

Private Right of Action For Identity Theft – Iowa Code section 714.16B

A person who suffers a pecuniary loss resulting from identity theft, or a financial institution on behalf of an account holder victim, may bring an action against the perpetrator to recover:

- Greater of \$5,000 or three times actual damages; plus
- Reasonable costs incurred due to the identity theft, including the following:
 - Costs for repairing the victim's credit history or credit rating;
 - Costs incurred for bringing a civil or administrative proceeding to satisfy a debt, lien, judgment, or other obligation of the victim; and
 - Punitive damages, attorney fees, and court costs.



Private Right of Action For Foreclosure Reconveyance Scam – Iowa Code section 714F.9

A private cause of action brought under this chapter by a foreclosed homeowner is in the public interest. If the court finds a violation of this chapter, the court shall award to the foreclosed homeowner actual damages, appropriate equitable relief, and the costs of the action, and shall award reasonable fees to the foreclosed homeowner's attorney. The court may award exemplary damages not less than one and one-half times actual damages.



Call 1-800-532-1275 Monday – Friday 9:00 – 11:00 a.m. and 1:30 – 3:30 p.m.

Iowans age 60 and over, call our Legal Hotline for Older Iowans at 1-800-992-8161.

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

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

Sign up for FTC's Consumer Alerts

GET EMAIL UPDATES

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

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

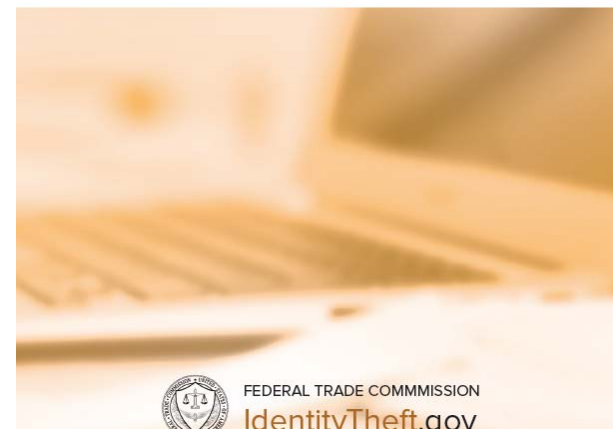
Use and Share Free FTC Resources

Bulkorder.FTC.gov



Identity Theft

What to know, What to do



Talk to Us

- **Help for Iowa'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:

- **Todd Kossow**, FTC Midwest Regional Office
- **Jessica Whitney**, Iowa Attorney General's Office
- **Rachel Scherle**, Elder Justice Coordinator, U.S. Attorney's Office, S. D. Iowa
- **Chris Coleman**, BBB Serving Greater Iowa, Quad Cities & Siouxland Region
- **Christopher Merkle**, Iowa Legal Aid
- **Julie Brookhart**, Centers for Medicare & Medicaid Services
- **Patti Poss & Lisa Schifferle**, FTC

Thank you for joining us!

Slides available at: Consumer.gov/StateWebinars

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

Feedback about the webinar:
everycommunity@ftc.gov

