

Protect Your Nest Egg

As an older investor, you are a top target for con artists. The files of state securities agencies are filled with examples of senior investors who have been cheated out of savings, windfall insurance payments and even the equity in their homes.

You can avoid becoming a victim of investment fraud by following a few self-defense tips:

- Check out strangers touting “strange” deals.
- Watch out for investment advisers or sale representatives who prey on your fears.
- Demand details and insist on getting it in writing.
- Beware of promises that offer a “high rate of return” and “no risk.”

Call the Department at (877) 471-3445 to make an inquiry or to file a complaint.



Resources

Call the following entities with questions about their areas of focus:

Fraud of any kind, including identity theft:

Nebraska Attorney General
Consumer Protection Division
(800) 727-6432

Information on national banks:

Office of the Comptroller
of the Currency
Consumer Assistance Hotline
(800) 613-6743

Federal savings banks:

Office of Thrift Supervision
Consumer Affairs Hotline
(800) 842-6929

Visit Our Website

For detailed information on how to file a complaint and search our online databases, visit our Website:

www.ndbf.org

NDB&F

NEBRASKA DEPARTMENT
OF BANKING AND FINANCE

1230 “O” Street, Suite 400
Lincoln, NE 68508-1402
Consumer Hotline:
(877) 471-3445 (toll-free)
(402) 471-2171 (in Lincoln)
www.ndbf.org

Seniors & Fraud... Protect Yourself with Information



Your regulators and advocates in banking and finance since 1890.

NDB&F

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Senior Investment Specialists: Look Beyond the Designation

Carefully check the credentials and background of individuals holding themselves out as “senior specialists.”

Individuals may call themselves “senior specialists” to create a false level of comfort among seniors by implying a certain level of training on issues important to the elderly. The training they receive may be nothing more than marketing and selling techniques.

Before doing business with any investment professional, check with the Nebraska Department of Banking and Finance to determine whether

the individual is properly licensed and if there have been any complaints or disciplinary problems involving the individual or his or her firm.



Senior-Targeted Fraud

1 Free Lunch or Dinner Investment Seminar

Many free lunch or dinner seminars are advertised as “educational.” A recent study of free-meal investment seminars by state securities regulators across the nation highlighted the abusive tactics sometimes employed by seminar sponsors. Typically, free seminars are designed to be sales presentations. Sales pitches might include confusing comparisons of dissimilar products, or misleading information about the safety, performance and return on investment.

2 Credit Card Fraud Protection

A caller pretends to represent credit card companies. The caller will often say your information has been compromised, or that they can offer you protection if your credit card is stolen. Federal law already protects credit card users with consumer liability capped at \$50. Many credit card issuers offer free “zero” liability protection policies which provide full liability protection.

3 Money Transfer and Fake Check Scam

There are many variations of the money transfer and fake check scam. Someone could offer to buy something you advertised, give you an advance on a sweepstakes you have supposedly won, or ask you to transfer money from a foreign country to your bank account, or a bank account set up for that purpose.

The scammer sends you a check or another type of financial instrument and asks you to deposit it. They will tell you to wire the money back to them and keep a portion as your “commission.”

The check is counterfeit. Worse, the bank is within its legal right to hold you accountable. You could have your account information stolen and be out thousands of dollars.

There is no legitimate reason for someone who is giving you money to ask you to wire money back.



4 Predatory Lending

Every year, seniors become victims of predatory lending or loan fraud. Predatory lenders often take advantage of seniors and others who are vulnerable to high pressure tactics.

The term “predatory lending” is used to describe the fraudulent or abusive practices of some lenders. These practices may involve excessive fees or interest rates, deceptive or fraudulent marketing tactics or representations, or encouraging a borrower to frequently refinance in order to charge excessive fees and points.

Do your research before you contact a lender. Talk to more than one lender. Shop around. Ask questions. Don’t sign loan documents or documents related to a reverse mortgage until you fully understand the terms.

5 Bogus Officials or Investigators

Con men pose as bank examiners, police, or the like and ask you to assist in their investigation. They will ask you for personal information or to withdraw funds from your bank account. Don’t believe them. Real officials will never ask you to do this.



Protect Yourself from Con Artists

The clever con artist is an excellent actor who disarms his or her victims with a “nice guy/gal” approach. Behind this friendly exterior is a person who is a shrewd judge of people and chooses his or her victims carefully.

Here’s how to protect yourself:

- Your name, Social Security number, bank and credit card numbers, and other personal financial information should never be given to a stranger who contacts you.
- Ask tough questions.
- Seek advice from someone you trust.
- Don’t be rushed into making a decision. *Take your time.*
- Don’t let embarrassment or fear keep you from reporting fraud.