



Personal Wealth Advisory, LLC

Wise strategies for your wealth and your life

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The News You Need to Know

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PROTECTING YOURSELF FROM SCAMS

Beware of the financial schemes aimed at mature Americans.

Retirement lasts longer and longer, and the retired population is growing. So the conditions are right for a “perfect storm” of financial swindles aimed at baby boomers and elders. Just an alert ... here are some common scams to watch out for ...

The fill-in-the-form scam. In this scam, a “senior specialist” or “senior benefit consultant” calls you or sends you a letter and offers to help you create a living trust or living will or qualify for prescription benefits. (Yes, this can even happen at the mall or the senior center or the health fair.) This can be a pretext to collecting all kinds of financial information from seemingly simple forms. If people want sensitive personal information, ask them point blank why they need it, and ask them to show you information about their business or agency. (That’s a good rule of thumb in any face-to-face interaction that makes you feel suspicious.)

The offshore bank scam. This one has been going on for years. It works like this: you get a letter that lets you know about a “great opportunity usually reserved for the rich.” Usually it contains phrases like “bank debentures” and “offshore trading” and a headline like “Why Wall Street Doesn’t Want You to Know About This”. It mentions tax-free income, maybe even immediate income. But there is no legitimate investment: your money is simply taken and stashed. There are reputable offshore investment companies, but there are also some sophisticated white-collar criminals hiding behind bogus offshore entities. Very, very few licensed financial services professionals specialize in offshore investing.

The foreign lottery scam. Wow, great news - you have just won an amazing amount of money! The only thing is ... you’ve won this money in some kind of international sweepstakes. (Hmm – do you remember entering any such contest?) How can you claim your prize? All you have to do is pay off some “fees and taxes” since the lottery is based overseas. Sometimes bogus cashier's checks are sent with these kinds of announcements, adding insult to injury.

Upcoming Events

Timely Conversations
Workshop

Topic:
Asset Protection

Wednesday
June 22, 2011

Session I
10:00 a.m. to 11:00 a.m.

Session II
7:00 p.m. to 8:00 p.m.

Location: Personal Wealth
Advisory, LLC

To register:
Please contact Pam Snow at
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psnow@pwallc.net
Seating is limited.

Mission:

*To help our clients
make wise financial decisions
that sustain their personal
goals and values*

The home repair scam. Another old favorite. It used to be done door-to-door, now it is arranged mostly over the phone. This usually involves an initial payment to a “salesman” who claims to be calling you legally since his company has had some undefined prior contact with you. A “handyman” shows up on schedule (or perhaps not even on schedule) and takes his sweet time on the repair. Which by the way, is usually not done well. Or maybe it’s done too well: step two often involves a call or visit from a “bill collector” explaining that there were cost overruns with the work and that you owe more money.

The recovery room scam. A phone call or letter from what seems to be a credit bureau tells you that you are a victim of identity theft. But don’t worry. All you have to do is pay a “recovery fee” (upfront, of course) to restore your credit. This scam can also be a “second act” pitched to an already defrauded party: it has been “discovered” that you are a fraud victim, but just pay a fee now and the “consumer affairs department” will make it right.

Your defenses. The Internet is your friend here: when you get nebulous or suspicious offers in the mail or over the phone, use Google or Yahoo! or any of the other Internet search engines to see if what you are being offered is a scam. In short, make educated decisions. You can also talk to your financial advisor or your attorney. The great majority of victims do not.

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