

TOL Workbook for Financial Exploitation Mini-Module

**Identity Theft and Credit Card Fraud**



Developed by Kevin Bigelow

**Topic:**

Identity theft and credit card fraud are two of the fastest growing crimes in the United States. Many of us have been victimized by one or the other; or know someone who has been victimized. Elders and dependent adults may be particularly vulnerable as they often are not as technologically savvy as many younger persons, and they may have a tendency to trust others when it comes to financial transactions.

Identity theft is defined as: **The use of a victim's personal information to commit theft or fraud.** Credit card fraud is defined as: **The unauthorized use of a credit /debit card, or card number, to fraudulently obtain money or property.** This Supervisor Transfer of Learning Activity Workbook is designed to provide further learning opportunities to enhance the information learned in the Financial Abuse Mini-Module on Identity Theft and Credit Card Fraud.

**Objectives**

At the end of the training, participants will be able to:

- **Identify specific types of identity theft and credit card fraud**
- **Describe the elements of the crimes**
- **Identify the steps to take an the investigation**
- **Identify partners in the field**

**Activities:** Supervisors can use this workbook to provide training for new staff or as a refresher or supplemental training for more experienced staff on identity theft and credit card fraud. This information provided in this Supervisor Transfer of Learning Activity Workbook will include identifying different types of identity theft and credit card fraud and detecting indicators that they may have occurred. Further information provided will provide guidelines on how to proceed step-by-step with an investigation, and which partners may be able to assist with the investigation and/or intervention on the client's behalf if identity theft and/or credit card fraud are found.

## **Suggested Readings:**

Informational material about elder financial abuse

[www.bewiseonline.org](http://www.bewiseonline.org)

IRS information about identity theft

<http://www.irs.gov/privacy/article/0,,id=186436,00.html>

Forgotten Victims of Elder Financial Crime & Abuse Report

[www.neca.aaa.gov](http://www.neca.aaa.gov)

General information about financial abuse and warning signs

[www.nolopress.com](http://www.nolopress.com)

Tips to protect seniors from theft

[www.onguardonline.gov](http://www.onguardonline.gov)

Postal Inspection Service - *Protect Your Identity: Identity Crisis* - Identity fraud is the fastest-growing crime in America. This video is about a couple whose credit is ruined and the criminals who defrauded them.

<https://postalinspectors.uspis.gov/pressroom/videos.aspx> - U.S.

## **Learning Objective #1:**

### **Identify specific types of identity theft and credit card fraud**

Identity theft may involve the misuse of personal information to obtain credit, loans, or make purchases using another person's information and credit worthiness. By obtaining someone's Social Security Number, birth date, and/or home address, unscrupulous persons can take control of an individual's accounts, redirect their mail (to cover up new credit cards they have applied for and use) or take out loans in the victim's name. Criminals have also been known to sell or transfer victim's property or redirect incoming funds to phony bank accounts that they have created and have access to.

Credit card fraud may involve obtaining a victim's credit card or ATM card number, or stealing their actual credit or ATM card to make purchases for themselves. At times, criminals have been known to create fake entities outside of United States jurisdictions from which they make purchases using stolen credit card numbers, and then to access the cash without supplying the goods that were allegedly purchased illegally. However it is accomplished, the intent of credit card fraud is to either purchase goods or obtain money from credit accounts belonging to other persons without their permission and for personal gain.

### **Discussion Questions:**

In a new employee orientation or staff meeting discuss some of the factors that may make elders or dependent adults more vulnerable to identify theft and/or credit card fraud.

1. Discuss how these factors may play a role in victimization, and a lack of/or delayed realization on the victim's part that they have been defrauded.
2. Discuss the need to screen for financial abuse even if the allegation prompting investigation is not financial abuse.
3. Discuss some methods that a worker might use to subtly screen for identity theft or credit card fraud.
4. Discuss an actual case example of identity theft or credit card fraud. How it was detected? Which interventions were used once the victimization was found? What were the outcomes were for the client/victim?

Some of the factors in the discussion should include:

- Dependence on others to make purchases or deliver services to their homes if their mobility is limited.
- Limited access to online accounts or notices, delaying notification that their funds are being misused.
- A lack of knowledge about modern day criminal methods related to defrauding victims by means of identity theft or credit card fraud.
- Limited vision or other impairments that may make reading complicated financial statements difficult.
- A lack of awareness about disposal of receipts or other documentation containing credit card numbers or other personal information.
- Susceptibility to telephone or internet scams that “phish” for personal information by making the victim believe that the perpetrator is an authority figure preventing a crisis, or a that they are a relative (especially a son/daughter/or grandchild) in urgent need of funds to assist in a crisis.



## **Learning Objective #2:**

### **Describe the elements of the crimes**

Identity theft or credit card fraud may be discovered in a variety of ways. Unfortunately, the realization that you have been victimized and the related feelings of personal invasion are always unpleasant. Depending on the nature and severity of the theft, the results of the theft may not become known until a crisis is generated, such as a notice of foreclosure on a home, a call from a collections agency, or the discovery that your credit has been damaged. Elements indicating identity theft and credit card fraud are listed below.

#### **Identity Theft Elements:**

- Changes in an account's beneficiaries
- Denial of credit for no apparent reason
- Failing to receive mail or bills
- Credit reports that contain inquiries or information about accounts that the client did not open
- Bills arrive from unknown or unfamiliar sources
- Calls from creditors or collection agencies about services or purchases that your client did not initiate

#### **Credit Card Fraud Elements:**

- Large debit or credit card charges that your client cannot explain
- Changes in authorized signers on debit or credit card accounts
- Inappropriate or unusual charges to a debit or credit card
- Calls from creditors or collection agencies about services or purchases that your client did not initiate

#### **Discussion Questions:**

In order for workers to understand how the elements listed above for identity theft or credit card fraud present themselves to clients, it is important to be able to imagine how we, ourselves might become aware of such elements, or clues indicating that we have been victimized. In a new staff orientation, or at a staff meeting, ask members to identify at least one way that they might become aware of each of the elements listed above.

**Example: “Denial of Credit for no apparent Reason”** – If your credit rating has been good, and you have few, if any credit accounts, you might receive a denial for a loan or credit card request with a notation such as “too many

credit card accounts” or credit balance too high. Further investigation would be in order to ascertain if this is a mistake, or if you have been a victim of identity theft or credit card fraud, especially if the notation explaining denial has to do with credit balances or credit cards you were not aware of.

**Activity:**

See Handout at end of the workbook.

For each of the elements or indicators of possible financial abuse listed below fill in the blank with a brief statement with information about the following:

1. What could you yourself do to investigate this ‘element’ to see if you are a victim of identity theft or credit card fraud?

**Changes in an account’s beneficiaries:**

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**Denial of credit for no apparent reason:**

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**Failing to receive mail or bills:**

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**Credit reports that contain inquiries or information about accounts that the client did not open:**

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**Bills arrive from unknown or unfamiliar sources:**

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**Calls from creditors or collection agencies about services or purchases that your client did not initiate:**

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**Large debit or credit card charges that your client cannot explain:**

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**Changes in authorized signers on debit or credit card accounts:**

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**Inappropriate or unusual charges to a debit or credit card:**

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**Calls from creditors or collection agencies about services or purchases that your client did not initiate:**

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**Activity:**

See Handout at end of the workbook.

In some cases, the initial allegation that brings the worker to the client’s home may be financial abuse, while in other situations financial abuse may be discovered after an initial investigation of other allegations has begun. It is important to screen for financial abuse as many clients may not be aware that they have been victimized, or may be hesitant or embarrassed about bringing up financial matters. After reviewing the elements listed above, identify 3 possible interview questions that you might use to steer your interview with a client toward their finances and possible financial abuse.

**Example: You mentioned that you were having some financial concerns Mrs. Jones, can you tell me a little more about that?**

**Example: You mentioned that your bank statements were ‘confusing’ can you tell me what you mean...or can I perhaps take a look at them?**

- 1. \_\_\_\_\_
  
- 2. \_\_\_\_\_
  
- 3. \_\_\_\_\_

After all participants have had time to identify three possible interview questions, ask them to role-play speaking with a client and directing their interview toward exploring possible financial abuse. This can either be done by having two participants role-play in front of the group (one playing the client, one the worker), or by dividing the group up into pairs and having one person be the client and the other be the worker. In this approach, you may want to have the role players switch roles, giving each of them a chance to try out their transitions.

### **Learning Objective #3:**

#### **Identify the steps to take in the investigation**

The Financial Abuse Mini-Module on identity theft and credit card fraud identifies three steps to take in the process of investigating a case where identity theft or credit card fraud has been identified. They are:

Step 1: Gather preliminary information & then turn over to law enforcement

Step 2: Call credit card companies, credit reporting agencies (e.g. Equifax, Experian, Trans Union) or financial institutions on behalf of the client

Step 3: Partner with nonprofit legal services who can issue a letter to credit card companies on behalf of your client to request that they be categorized as judgment proof – or set up a payment plan if they do not wish to work with law enforcement

#### **Discussion Questions:**

##### **Step #1 - “Gather preliminary information and then turn over to law enforcement.”**

Discuss the law enforcement entities in your area that workers might make such a report to. Discuss any specialized task forces or law enforcement units in your area that have been or could be used to report this type of financial abuse such as fraud units, elder abuse units, or other relevant investigatory law enforcement units in your area.

##### **Step #2 - “Call credit card companies, credit reporting agencies (e.g. Equifax, Experian, Trans Union) or financial institutions on behalf of the client.”**

Identify where you can find these contact numbers (hint-they were provided in the resource section of the identity theft and credit card fraud Mini-Module).

##### **Step #3 - “Partner with nonprofit legal services who can issue a letter to credit card companies on behalf of your client to request that they be categorized as judgment proof – or set up a payment plan if they do not wish to work with law enforcement.”**

As a group, discuss non-profit legal services that are available in your area, and how to make contact with them. If a specific contact is known, or if any group members have contacted one of these entities (such as Legal Aid or a

local Legal Action Workshop) encourage them to share details of this experience with the group.

**Activity:**

See Handout at end of the workbook.

Sometimes knowing (and being able to communicate to clients) the type of information that law enforcement may need to investigate financial abuse/identity theft and/or credit card fraud can facilitate rapid and thorough action from law enforcement when investigating financial abuse allegations. In addition, knowing what to gather may also give the client a greater sense of control, and make your job easier. Law enforcement personnel may request additional information, however, starting out with some pertinent information in hand may speed up the investigation process

**Selecting from the various documents or pieces of evidence, determine which items law enforcement would be likely to need or want in order to pursue their investigations (note: correct answers are in bold type):**

- |                          |                               |                              |
|--------------------------|-------------------------------|------------------------------|
| <b>credit reports</b>    | birth certificate             | <b>home loan documents</b>   |
| marriage license         | <b>collections notices</b>    | <b>canceled checks</b>       |
| medical bills            | <b>credit cards</b>           | vehicle registrations        |
| <b>bank statements</b>   | income tax returns            | driver's license             |
| <b>telephone bills</b>   | <b>Western Union receipts</b> | utility bills                |
| <b>credit card bills</b> | <b>check registers</b>        | proof of insurance documents |

## **Learning Objective #4:**

### **Identify partners in the field**

Once identity theft or credit card fraud are discovered, it is important to involve law enforcement and community partners as soon as possible in an effort to stop the victimization of the client, to protect the client from future victimization, and to have the best chance of recovering some of the victim's assets.

Some of the community partners that may be helpful to your clients with regard to identity theft and credit card fraud issues include:

- Financial Institutions
- Credit Reporting Agencies:
  - [www.Equifax.com](http://www.Equifax.com)
  - [www.Experian.com](http://www.Experian.com)
  - [www.TransUnion.com](http://www.TransUnion.com)
- Government Agencies
  - ID Theft Resource Center - <http://www.idtheftcenter.org/>  
Assisting victims with identity theft
  - Internet Crime Complaint Center - [www.ic3.gov](http://www.ic3.gov)  
Reporting agency for identify theft
- Credit card companies
- Law enforcement

Federal Trade Commission - [www.ftc.gov](http://www.ftc.gov)

File a complaint online for the Federal Trade Commission

Informational brochures / Information on data breach letter

- Other Partners

**Activity:**

Read the following vignette. Using the information learned in **Objective #3: Identify the steps to take on the investigation** and **Objective #4: Identify partners in the field** after each step of the investigation, answer the questions asked related to that stage of the investigation. Do not read ahead to the next steps until you have answered the questions after each step. This may be done individually or as a group exercise.

**Vignette: Mrs. Ella**

**Part 1-** You are assigned a report on Mrs. Ella, a 79 year old woman. It is alleged that Mrs. Ella is unable to manage her finances, and is two months behind in her mortgage payments. She is now facing possible eviction and foreclosure from her home. Mrs. Ella has a daughter and a son, both living on the east coast. The reporting party indicates that Mrs. Ella does not want to tell her children about her situation because “it would worry them.” The reporting party, who is one of Mrs. Ella’s neighbors, says that Mrs. Ella has been more confused over the last year. Mrs. Ella’s husband who always used to manage the family finances, died three years ago.

You make an initial home visit to Mrs. Ella and she invites you into her home without hesitation. It is not until you are inside her home that she asks you if you are from the bank and here about the house payment. You tell her no, and identify yourself. When you ask her about financial matters, and explain that there is a concern about her losing her home, she tells you that she has received notices, but that she doesn’t really think that it will ‘come to that.’

When you ask why she is not worried about losing her home, she says “my late husband told me that there would be enough money to pay everything after he was gone, so I’m sure it’s all a misunderstanding. “

Mrs. Ella claims that her bank statements have been very confusing, and that she stopped receiving some of her statements a couple of months ago. You tell Mrs. Ella that you would like to help and ask if you can look at her financial records. Mrs. Ella agrees to let you look at everything she has and shows you a neat pile of bills and statements. As you look through the pile, you see that although they are neatly stacked, they are not organized in any particular manner. Mrs. Ella tells you “my Frank always handled all of that stuff.”

Looking through her credit card bills you find that her credit card is nearly at its \$5000 limit. Also, some unusual purchases appear on her credit card including several hundred dollars of music download charges, and 5 transactions to vendors with foreign sounding names, adding up to over \$3000. You ask Mrs. Ella about these purchases, and she says “that’s part of the confusion, I never bought those things...I don’t have a computer.” Mrs. Ella tells you that she called the credit card company, but that they told her the purchases were made with her card, and she did not argue. Mrs. Ella says, “I’m sure it’s all a mistake, and someone will catch it and take the charges off soon.”

You begin to suspect that Mrs. Ella is the victim of credit card fraud. You notice that there are no banking statements for the last several months, but that there is a letter from the bank advising Mrs. Ella that they have received her address change. Mrs. Ella tells you “that’s another mistake, I haven’t moved.” With Mrs. Ella’s permission, you call her bank and ask about her accounts. Even with Mrs. Ella present, you have a hard time obtaining information as the teller tells you that Mrs. Ella’s address and personal information have changed and it seems suspicious that Mrs. Ella does not seem to know this. Finally, the bank manager comes on the line, and with Mrs. Ella’s permission, you explain that you are concerned about financial abuse. The bank manager says that Mrs. Ella’s statements and accounts have a completely new address and that large sums of money have been removed from her accounts. Nearly \$50,000 has been taken from savings and IRA accounts either through telephone transactions or computer transfers. You tell the bank manager that Mrs. Ella has no computer and ask about her accounts being frozen. The bank manager says she will have to come in to the bank in person to arrange this and show identification. As you hang up the phone you are now convinced that Mrs. Ella has also been the victim of Identity theft.

## Questions:

- What steps do you take next to work your investigation and to protect Mrs. Ella?
- What are your priorities with regard to Mrs. Ella?
- What law enforcement agency would you contact and what information do you believe would be the most relevant to them?

**Part 2** - You contact law enforcement from Mrs. Ella's home and an officer arrives approximately 30 minutes later and takes a report. He tells you and Mrs. Ella that he agrees that her identity has probably been stolen, and says that he will forward his report to a fraud detective who usually investigates cases like this and that he will be contacting her in a few days. You explain to the officer that this is an urgent situation as Mrs. Ella's funds are nearly gone and may be entirely gone soon. He sympathizes with Mrs. Ella, but says "we have so many cases like this." He advises Mrs. Ella to close or freeze her accounts immediately.

Mrs. Ella has become more and more upset as the gravity of the situation sinks in for her. The more upset she becomes, the more confused she seems. You make her a cup of tea, and help her to calm down. With Mrs. Ella's permission, you call the bank manager that you spoke to earlier and ask him to freeze Ella's accounts and to correct her home address and delete any computer access to her accounts. The manager agrees to help, but tells you that he requires Mrs. Ella to come down to the bank and show ID to make these changes. You assist Mrs. Ella with gathering up relevant identification and paperwork (some of which you have to hunt for with Ella before finding). Since Mrs. Ella seems too shaky to drive, and her bank is only a mile away, you drive Mrs. Ella to her bank with the supporting documentation to prove that she is who she says she is and assist her in talking with the bank manager. He arranges to freeze her accounts, assigns her a new telephone password for phone transactions, and lets her know that there has been another large withdrawal. Her accounts, once totaling around \$100,000 are now down to \$3000. The bank manager tells you that he has done all that he can do. When you discuss replacing Mrs. Ella's stolen funds, he says that the bank's policy is to restore funds reported stolen within a certain period of time. You assist Mrs. Ella in completing paperwork notifying the bank about the theft of her funds. You drive Mrs. Ella home and promise to contact her tomorrow.

**Questions:**

- Now that you have contacted law enforcement and have assisted in freezing her accounts, what steps would you take next?
- How can you be certain that you have identified everything that has been taken from Mrs. Ella?
- Does she have any other assets that could be at risk?
- If you suspect that her mail may have been illegally forwarded, what can you do to correct this?
- What Federal Agency may be able to assist both Mrs. Ella and other victims of these types of crimes? How would you contact them?
- Mrs. Ella has been increasingly upset and confused as this process has unfolded, what concerns do you have about her mental status?
- Does Ella have a support system...perhaps her neighbor (although you can't tell her that the neighbor is the reporting party) or her children?

**Part 3-** A week has gone by and you have made two additional visits to Mrs. Ella. Her neighbor has been helping Mrs. Ella out, and her daughter has flown out to be with her and support her. The bank and credit card companies are investigating the identity theft/credit card fraud issues. You are hopeful that Mrs. Ella will be able to recover some, if not all of her money, however, you still do not feel comfortable that Mrs. Ella has received all of the assistance that she can. You are concerned that her bank and/or credit card company may not refund all of the money that is due her and that Mrs. Ella may have difficulty asserting herself. You are also concerned about her ability to testify if police can actually arrest the perpetrator of her financial abuse crimes. Also, you are concerned about Mrs. Ella's ability to manage her money even after her funds (or what is left of them) can be recovered.

**Questions:**

- What steps do you take next?
- What other partners could you involve to assist Mrs. Ella?
- Is this a case that might benefit from discussion at a Multidisciplinary Team Meeting or at a Financial Abuse Specialists Team meeting? If so, what salient issues would you bring up, and what type of information or assistance would you hope for?

**Conclusion:**

Identity theft and credit card fraud are wide spread problems facing our society and the global economy as well. There are countless victims of identity theft and credit card fraud annually of all ages. As with many crimes, elders and dependent adults may be hit harder by these crimes, and for them recovery will be harder and take longer. Many of these clients may be isolated, and many (especially elderly clients) may be unfamiliar with the world of computer scams, phishing, and identity theft. In many cases, the APS worker may be the first or primary advocate for these people, and the efforts of APS staff may mean the difference between resuming their lives relatively unchanged, and facing a lifetime of poverty without the life savings that they worked so hard to accumulate.

Because of the significance of the APS role, the knowledge of the APS worker about identity theft and credit card fraud, their skill level in investigating and intervening in these cases, and their ability to identify and work effectively with partners to assist their clients is crucial. We hope that you have found this Supervisor Transfer of Learning Activity Workbook for useful.



## Handout

### Indicators of Identity Theft and Credit Card Fraud

#### Activity:

For each of the elements or indicators of possible financial abuse listed below fill in the blank with a brief statement with information about the following:

1. What could you yourself do to investigate this 'element' to see if you are a victim of identity theft or credit card fraud?

#### Changes in an account's beneficiaries:

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#### Denial of credit for no apparent reason:

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#### Failing to receive mail or bills:

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#### Credit reports that contain inquiries or information about accounts that the client did not open:

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#### Bills arrive from unknown or unfamiliar sources:

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#### Calls from creditors or collection agencies about services or purchases that your client did not initiate:

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**Large debit or credit card charges that your client cannot explain:**

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**Changes in authorized signers on debit or credit card accounts:**

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**Inappropriate or unusual charges to a debit or credit card:**

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**Calls from creditors or collection agencies about services or purchases that your client did not initiate:**

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## Handout

### Identity Theft and Credit Card Fraud

#### Transfer of Learning Activity:

In some cases, the initial allegation that brings the worker to the client's home may be financial abuse, while in other situations financial abuse may be discovered after an initial investigation of other allegations has begun. It is important to screen for financial abuse as many clients may not be aware that they have been victimized, or may be hesitant or embarrassed about bringing up financial matters. After reviewing the elements listed above, identify 3 possible interview questions that you might use to steer your interview with a client toward their finances and possible financial abuse.

**Example: You mentioned that you were having some financial concerns Mrs. Jones, can you tell me a little more about that?**

**Example: You mentioned that your bank statements were 'confusing' can you tell me what you mean...or can I perhaps take a look at them?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

After all participants have had time to identify three possible interview questions, ask them to role-play speaking with a client and directing their interview toward exploring possible financial abuse. This can either be done by having two participants role-play in front of the group (one playing the client, one the worker), or by dividing the group up into pairs and having one person be the client and the other be the worker. In this approach, you may want to have the role players switch roles, giving each of them a chance to try out their transitions.

## Handout

### Identity Theft and Credit Card Fraud - Investigation Steps

#### Activity:

Sometimes knowing (and being able to communicate to clients) the type of information that law enforcement may need to investigate financial abuse/identity theft and/or credit card fraud can facilitate rapid and thorough action from law enforcement when investigating financial abuse allegations. In addition, knowing what to gather may also give the client a greater sense of control, and make your job easier. Law enforcement personnel may request additional information, however, starting out with some pertinent information in hand may speed up the investigation process

**Selecting from the various documents or pieces of evidence, determine which items law enforcement would be likely to need or want in order to pursue their investigations:**

credit reports	birth certificate	home loan documents
marriage license	collections notices	canceled checks
medical bills	credit cards	vehicle registrations
bank statements	income tax returns	driver's license
telephone bills	Western Union receipts	utility bills
credit card bills	check registers	proof of insurance documents