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ID Theft Scam Uses Health Insurance Worry to Target Seniors

Telephone scams targeting older Americans are nothing new, but a recent variation attempts to use seniors' concerns about their health care coverage to trick them into providing personal information.

It might go like this:

A "representative" calls the senior, claiming to be with the "Medicare Program Unit" or some other official-sounding health foundation. The senior is told that they need a new Medicare card because the old one has expired, or another reason that suggests urgency on the part of the senior. Medicare cards don't expire, but many people are unaware of that. If the caller is persuasive, the deception gets underway. The scammer may already know the name of the bank, or may guess which bank gets the beneficiary's Social Security check. The next step is to convince the senior into revealing the bank account number, often with a series of misleading questions bent on "verifying your information so you can keep your health coverage." With that critical piece of information, the scammer is poised to use the senior's bank account and other resources for their own gain.

This scam is identity theft in Medicare clothing. The variations may differ but the results are usually the same. Phone scams can be expected to increase during these tough economic times and culprits will come up with any number of new schemes.

Seniors are often targeted for these con games because they are likely to have a nest egg, own their own homes, and have established credit – all of which the con artist will want to tap. Scammers also know it may take weeks or months before the senior realizes the scam has occurred.

This is a common sense reminder: Don't give out personal or financial information over the phone to anyone, even if they say they can help you. Seniors should not assume that an unknown caller who knows a few details, such as name, address and phone number has a legitimate reason for calling and asking for more information.

Older Americans need to be aware that scams could happen any time. The contact may seem legitimate and the caller may sound trustworthy. If there is any suspicion, cut the call short, or ask for a call-back number. If the caller hesitates to provide a call-back number, that is a "red flag" by itself. If the caller does provide a callback number, compare it to the agency's website to see if it's a real number, not a cell phone or temporary number.

For more information on Identity Theft and Fraud, see the DORA's Division of Insurance website at: www.dora.state.co.us/insurance/fraud/fraud .

The SMP Medicare Fraud Program is funded through a grant from the Administration on Aging to the Colorado Department of Regulatory Agencies, Division of Insurance. The program provides education and counseling on Medicare fraud and abuse. To consult on this type of activity or to report suspected fraud, call the SMP Medicare Fraud Program at 1-800-503-5190. To reach the Division of Insurance, dial 303-894-2946.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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