

SPOTLIGHT ON FINANCE

The Grandparent Scam: How Scammers Target Older Americans to Take Their Money

The telephone call began innocently with the voice on the other end of the call saying, "Hi, Grandpa." Although the voice was that of a young man, the grandfather couldn't tell whether it was his grandson. Next, the grandfather was asked, "Can I tell you something that you'll promise you won't tell to anybody else?" Slightly alarmed, the grandfather asked if anything was wrong. The caller responded, "I'm in trouble and need money to get out of jail."

Have you or an older relative received a call similar to this? This is one of a growing number of scams aimed at the elderly, in particular, those individuals that are known to be grandparents. The troubling part to this and many other scams is the information, sometimes personal, that the scammers tend to know. Most often they know the grandparent's name, the grandchildren's names, phone numbers and even addresses where either the grandparent or grandchildren live. Unfortunately, many of the details of our lives that are on social media websites are easily available for scammers to search and learn about us.

Often in these type of phone calls, another individual may come on the line and advise they are an attorney attempting to "help" the grandchild and they will explain the amount of money to get the loved one out of the supposed situation they are involved. The scammer's goal is that the person on the other end of the call will be so emotional that they will quickly provide the funds.

Recently, two members of the Department's staff had their parents contacted with similar phone calls. Luckily, in both of these instances, their parents knew some tips to follow, in order to avoid becoming a victim to the scam. Some of the tips they used include the following:

Ask specific questions that would be hard for an impostor to answer-

If the grandchild is in college, ask them their dorm, apartment, or college P.O. Box number, who is their favorite teacher or professor, what



degree are they working towards in college, or what is their major, etc.

Never commit to a money transfer from a single phone call-

Try to stay calm during the call and don't act without checking some things before agreeing to send money. Hang up and call other relatives that may know the whereabouts of the grandchild to learn if they are truly where the impostor may have stated, try calling the grandchild's cell phone or work number directly to determine if they are where they should be.

Keep antivirus and anti-spyware software updated on your computer-

This may help keep scammers from being able to obtain personal data information that may be housed in your computer.

Limit the amount of personal information posted on social media websites -

If it can be avoided, don't post every single detail about your life on social

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Managing Someone Else's Money

You or someone you know may be facing the challenge of becoming a caregiver for a family member or friend in the near future. In today's world millions of Americans manage money or property for a loved one who's unable to pay bills or make financial decisions. In that role, you are a fiduciary. A fiduciary is anyone named to manage money or property for someone else and carries with it legal responsibilities.

Below are examples of four fiduciary capacities and their differences to consider when managing money or property for someone else.

1. **Power of Attorney (Tenn. Code Ann. § 34-6-101, et seq.)**-your family member or friend is worried that they will get sick and will not be able to pay their bills or make other decisions about their savings and their house. That person can sign a legal document called a power of attorney that gives you the power to make decisions about money and property for them. Once you have been named to manage money or property for someone else, you are a **fiduciary**.

As the fiduciary, you must read the power of attorney and do what it says, meaning, your authority is strictly limited to what the document and state law allow. Understand when the power of attorney becomes effective, and as much as possible, involve the person in decisions.

There are four basic duties you must keep in mind when acting as a fiduciary such as, act only in the person's best interest, manage money and property carefully, keep their money and property separate from yours, and keep good records. The law re-

quires you to manage their money and property for their benefit, not yours.

2. **Court-Appointed Conservator (Tenn. Code Ann. § 34-3-101, et seq.)**-your family member or friend may no longer be able to make decisions on their own about their money or property. After a hearing, the court has found they cannot manage their property and has named you conservator of property for them. You now have the duty and power to make decisions on their behalf about some or all of their money and property. Since the court has given you a lot of responsibility as conservator of their property, you are a fiduciary.

As a court-appointed conservator, you have double duty-accountability to both the person you are serving and to the court. Read the court order, do what the court order says and don't do what it says you should not do. Your powers may be limited to certain actions or certain amounts of money. You must keep complete records of the money and property to share with the court.

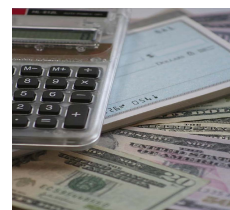
The court may require you to buy a bond which is a special type of insurance policy so the court can make sure you carry out your duties. You must always keep the person's best interest in mind and you must report to the court regularly and be ready to answer any questions.

3. **Trustee (Tenn. Code Ann. § 35-15-101, et seq.)**-your family member or friend has signed a legal document called a living trust or revocable living trust. In it, they name you as their trustee. A trust is a legal agreement that allows property to be managed and disbursed by one or more designated parties, called "trustees," according

to a set of written guidelines. So-called "living trusts," in which the estate assets of the trust's creator, known as the "grantor" or "trustor," are placed into a trust before their death, are a popular alternative to wills.

The primary responsibility of a trustee is administering the trust according to its stipulations. The trust document gives you legal authority in your capacity as trustee to make decisions about the money or property in the trust if the grantor cannot make decisions themselves because they are sick, injured or no longer desire to make those decisions. When setting up the trust, the person transfers ownership of some or all their money and property from their name to the name of the trust. As the trustee, you now have the power to make decisions for their benefit about the money and property in the trust. You are now a fiduciary with fiduciary duties.

4. **Government fiduciaries (Social Security representative payees and VA fiduciaries)**- your family member or friend receives Social Security and the Social Security Administration has named you as representative payee for them, or receives veteran's benefits and the Department of Veterans Affairs has named you as their VA fiduciary. As the fiduciary, you have the duty and power to manage their Social Security or Veterans Affairs benefit checks. In this role on the person's behalf, the federal government has given you a lot of responsibility. You are now a fiduciary with fiduciary duties. **continued on page 3**



The Grandparent Scam (continued from page 1)

media sites such as Facebook, Instagram, Twitter, etc. The fewer details that are provided on these sites will help reduce the amount of information a scammer may be able to learn about you and/or your family.

React quickly if you fall victim to a scam-

If you provided money through a money transfer or a similar transaction, don't be embarrassed and let pride get in the way of trying to potentially recover the funds. Contact the money transfer service provider immediately and alert them to the fraud. If the money has not been picked up by the receiver, then there is a chance it can be stopped and your money retrieved. Also, contact your local law enforcement officials, should you learn you're a victim of this type of scam. It is also helpful to contact the Federal Trade Commission or FTC when you either spot a scam or become a victim of a scam. The FTC can be contacted at 877.FTC.HELP-877.382.4357, or visit them online at: www.ftc.gov/complaint

Helping out another family member when they are in trouble is a responsibility many of us will take on without hesitation; however, should you encounter a situation where a relative calls to say they are in trouble and request money, take some of these steps into consideration and check into this further before sending any funds. If the matter is a real emergency, you can still provide for the relative after learning more of the facts.



Information in this article was obtained from:

"How to Beat the Grandparent Scam", by Richard B. Stolley, AARP Bulletin, January/February 2017

"Grandpa Spots Scammers", Federal Trade Commission, *Privacy, Identity & Online Security Blog*, <https://www.consumer.ftc.gov/blog/2017/08/grandpa-spots-scammers>

Managing Someone Else's Money (continued from page 2)

A government agency may appoint someone to manage income benefits for a person who needs help managing those benefits. As the fiduciary, you only have authority to manage the benefit checks of the agency appointing you. You have no legal authority to manage other property or financial affairs (unless acting in an additional capacity). To control other matters, you must have legal authority from another source, such as through a power of attorney, trust, or court appointment. Even if under a power of attorney or trust, or a guardian, you don't have legal authority to manage their federal benefit checks. You still must be appointed representative payee or VA fiduciary by the agency paying the benefit.

As a fiduciary, you must be trustworthy, honest, and act in good faith. If you do not meet these standards, you could be removed from that role and be liable for your actions. For all four capacities whether named by an individual, the court, or an agency, the basic duties as a fiduciary are the same when managing someone else's money:

- ◆ Act only in the persons best interest
- ◆ Manage their money and property carefully
- ◆ Always keep their money and property separate from your

own

- ◆ Keep good records and reports as required

The above topic is to provide general consumer information and not legal advice.

You should seek legal representation for establishing these fiduciary capacities or if you have questions about your responsibilities. For more in-depth information and guidance on this topic, please visit the following link at <https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money>

Tips for Securing Your Personal Information

Now more than ever with recent data breaches, it is important to secure your personal information. Here are just a few tips and reminders to make sure that your information remains secure.

- ◆ Lock financial documents and records in a safe place.
- ◆ Lock your wallet or purse in a safe place at work.
- ◆ Limit what you carry on you to only taking identification, credit/debit cards you intend to use.
- ◆ Make a copy and secure your original Medicare and Social Security cards in a secure place. Black out all the numbers except the last four and keep the copy in your wallet.
- ◆ Make sure you know who is getting your personal information when sharing information at your workplace, a business, your child's school, or a doctor's office. Ask why they need it, how it will be safeguarded and the consequences of not sharing,

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Tips for Securing Your Personal Information

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- ◆ Remove incoming mail from your home mailbox as soon as it arrives, and take outgoing mail to the Post Office. Remember, if you are planning to take a trip request a vacation hold at the Post Office for mail delivery.
- ◆ If a company claims you have an account with them sends an email to you requesting personal information; don't click on the link in the email unless you initiated the contact. Instead type the company name into your web browser, or go to their site and contact them through customer service.
- ◆ Have you recently purchased a new computer and are wondering what to do with the old one? Get rid of all personal information it stores using a wipe utility program to overwrite the entire hard drive; then dispose of the computer.
- ◆ If you use social networking sites; don't post too much information about yourself, family or friends.
- ◆ Always install anti-virus software and set preference to update protections often.
- ◆ Financial information should only be kept on your laptop when absolutely necessary.
- ◆ If you use your laptop or smartphone on a public wireless network (in an airport, coffee shop, library, hotel or other public place), make sure your information is protected. Remember when using an encrypted website, this only protects the information you send to and from that site; if you use a secure wireless network, all information sent on that network is protected.
- ◆ Set up email and text message alerts through either your financial institution or credit card account to notify you should your account become compromised.

While there are many things in our lives that we have little or no control over, securing our personal information can make things a bit less scary by educating ourselves and thinking ahead.

Source: <https://www.ftc.gov/tips-advice/business-center/guidance/protecting-personal-information-guide-business>

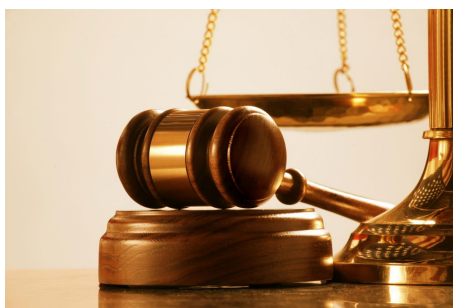
We're Wired About These Refunds!

If you lost money due to a scam that required you to pay using Western Union, you may be eligible to file a claim to get your money returned to you.

Due to joint investigations by the Federal Trade Commission (FTC), the Department of Justice (DOJ) and US Postal Inspection Service, Western Union has agreed to pay \$586 million in restitution to those people who were tricked into using Western Union to pay the scammers.

If Western Union was utilized to pay in connection with a scam between January 1, 2004 and January 19, 2017, you have until February 12, 2018 to submit a claim for repayment.

To learn more about the case against Western Union and how to submit a claim to determine your eligibility, please visit: <https://www.ftc.gov/enforcement/cases-proceedings/refunds/western-union-settlement-faqs>



America Saves Week 2018

It's not too early too early to start developing your personal saving strategy as we are about to go into a new year.

To further assist you in reaching your financial goals, America Saves and the American Savings Education Council began America Saves Week in 2007.

The 2018 America Saves Week will take place beginning on Monday, February 26, 2018 and run through Saturday, March 3, 2018.

The following are the 2018 America Saves Week daily themes:

2018 Savings Themes and Topics

- Monday, February 26: **Save with a plan**
- Tuesday, February 27: **Save the easy way...automatically**
- Wednesday, February 28: **Save for rainy days**
- Thursday, March 1: **Save to retire**
- Friday, March 2: **Save the extra**
- Saturday, March 3: **Save as a family**

To learn more about the 2018 America Saves Week, please visit: <https://americasavesweek.org/>



Earned Income Tax Credit Awareness Day, January 26, 2018

Earned Income Tax Credit Awareness Day or EITC Awareness Day, is scheduled for January 26, 2018. The special awareness day for this potential tax benefit has been set for the last Friday of January, since 2006.

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Earned Income Tax Credit Awareness Day, January 26, 2018

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If you are not familiar with the Earned Income Tax Credit, or EITC, it is a refundable tax credit. This means the EITC can reduce your federal tax to zero and any unused credit is refunded. However, you have to file a tax return to get credit, even if your income level is below the filing requirement.¹

For the 2018 tax filing year, the minimum earned income and adjusted gross income limits are as follows:

Earned Income and AGI Limits

The tax year 2018 [Earned income](#) and adjusted gross income (AGI) must each be less than:

If filing...	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single, Head of Household or Widowed	\$15,310	\$40,402	\$45,898	\$49,298
Married Filing Jointly	\$21,000	\$46,102	\$51,598	\$54,998

According to IRS data, Tennesseans that submitted eligible EITC claims during the 2017 tax filing period received an average EITC amount of \$2558.00!²

To learn if you may qualify for the EITC, please visit: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>



¹ "About EITC", Earned Income Tax Credit & Other Refundable Credits, <https://www.eitc.irs.gov/eitc-central/about-eitc/about-eitc>

² "Statistics for Tax Returns with EITC", Earned Income Tax Credit & Other Refundable Credits, <https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-eitc>



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General Services, Authorization No. 336030, August 1, 2016