

NATI NEWSWIRE

SENIOR SAFETY ISSUES

Mortgage Fraud Overview

From FBI.gov *Top Areas for Mortgage Fraud*
Analysis of available law enforcement and industry resources indicates that the top ten mortgage fraud areas are California, Florida, Georgia, Illinois, Indiana, Michigan, New York, Ohio, Texas, and Utah. Other areas significantly affected by mortgage fraud include Arizona, Colorado, Maryland, Minnesota, Missouri, Nevada, North Carolina, Tennessee, and Virginia.

There is a strong correlation between mortgage fraud and loans which result in default and foreclosure.

Emerging Schemes Recent statistics suggest that escalating foreclosures provide criminals with the opportunity to exploit and defraud vulnerable homeowners seeking financial guidance. Perpetrators are exploiting the home equity line of credit (HELOC) application process to conduct mortgage fraud, check fraud, and potentially money laundering-related activity.

FBI and Industry Respond to Escalating Mortgage Fraud The FBI is proactively working with the mortgage industry in an effort to curb mortgage fraud crimes. The FBI signed a memorandum of agreement with the MBA to promote the FBI's Mortgage Fraud Warning Notice **Introduction**

Mortgage Fraud is defined as the intentional misstatement, misrepresentation, or omission by an applicant or other interested parties, relied on by a lender or underwriter to provide funding for, to purchase, or to insure a mortgage loan. Although no central repository collects all mortgage fraud complaints, statistics from multiple sources indicate that mortgage fraud is on the rise. Some industry explanations for this increase point to recent high mortgage loan origination volumes that strained quality control efforts, the persistent desire of mortgage lenders to hasten the mortgage loan process, the escalation of home prices in recent years, and the introduction of non-traditional loans which contain fewer quality control restraints such as low documentation and no documentation loans¹.

Mortgage loan fraud is divided into two categories: fraud for property and fraud for profit. Fraud for property/housing entails minor misrepresentations by the applicant solely for the purpose of purchasing a property for a primary residence. This scheme usually involves a single loan. Although applicants may embellish income

and conceal debt, their intent is to repay the loan. Fraud for profit, however, often involves multiple loans and elaborate schemes perpetrated to gain illicit proceeds from property sales. It is this second category that is of most concern to law enforcement and the mortgage industry. Gross misrepresentations concerning appraisals and loan documents are common in fraud for profit schemes and participants are frequently paid for their participation. Recent events likely resulted in an increase in mortgage fraud as higher housing prices tempted borrowers to commit fraud for property in order to qualify for a mortgage loan. Also, mortgage fraud perpetrators likely seized the opportunity to take advantage of the relaxed lending practices to commit fraud for profit. The most common form of mortgage fraud is illegal property flipping which entails false appraisals and other fraudulent loan documents (see figure 1). Combating mortgage fraud effectively requires the cooperation of law enforcement and industry entities. No single regulatory agency is charged with monitoring this crime. The FBI, Department of Housing and Urban Development-Office of Inspector General (HUD-OIG), Internal Revenue Service, Postal Inspection Service, and state and local agencies are among those investigating mortgage fraud.

SEN. JIM BARCIA BACKS BILLS TO PROTECT SENIORS

Michigan Posted by [The Bay City Times](#)

State Sen. Jim Barcia, D-Bay City, has helped introduce "Safeguard Our Seniors," a 10-bill package designed to protect senior citizens from predators. The bills seek to prevent exploitation of the elderly by ratcheting up penalties and providing necessary tools for prosecutors, based on recommendations made by Gov. Jennifer M. Granholm's Task Force on Elder Abuse, Barcia said in a news release. The bills would make it easier for senior citizens to testify in elder abuse cases and remove some of the obstructions that often arise in investigating and prosecuting crimes against the elderly, Barcia said. The legislation also would ensure that anyone who exploits a senior will not reap the reward of their inheritance and discourages abuse by setting up stronger sentencing guidelines, the senator said.

JournalStar.com

MISSING PERSON ALERT SYSTEM SHOWED VALUE

Lincoln, NE

Law enforcement agencies in Nebraska should take note of the assistance provided last week in Lincoln by a free national missing person alert system.

Lincoln police used the system for the first time when a 70-year-old man, who may have dementia, wandered away from home.

Using satellite imagery, computers and an automated message, the system auto-dialed 1,600 phone calls to homes within a three-mile radius of the missing man's home within five minutes.

Almost immediately police received four calls from people who said they had seen the man. The information helped police know which direction Sanchez had traveled.

In the end the man was found by someone who had seen his photo and read about him on Journal-Star.com.

Nonetheless the incident demonstrated the value of the automated system in spreading notification about missing people. "It's always gratifying when a service does exactly what it says it's going to do," said Lincoln Police Chief Tom Casady.

The system, known as "A Child is Missing," fills a gap. The more well-known AMBER Alert system is not issued until three to five hours after an abduction.

"A Child Is Missing" assists in all missing person cases, including children who are lost, abducted, run away or adults who have Alzheimer's or other special needs.

Creation of the system based in Fort Lauderdale, Fla., was spearheaded by Sherry Friedlander. "I did not have a missing child, just an idea to use technology to help law enforcement find missing children. I started very small by helping a couple law enforcement agencies in South Florida" Friedlander told a congressional committee last month.

Now the system is available to law enforcement agencies in all 50 states. But of an estimated 16,000 agencies in the country, only about 2,200 are set up to use the program, Friedlander said.

Friedlander founded the program in 1997. The number of cases handled by the system has jumped in the past few years as the system expanded. So far law enforcement agencies have given the system credit in writing for more than 335 safe assisted recoveries. About one-third of those came within the past year.

In addition to the recent case in Lincoln, the system also has been used in one case in Papillion and two cases in La Vista, including one case in January in which a 12-year-old went missing on a bitterly cold evening. La Vista police credited the system for the child's recovery.

An effort currently is under way in Congress to provide federal funding for the program, which currently operates as a nonprofit organization.

But there's no reason for local law enforcement agencies to wait on public funding. The program is available right now.

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Website of the Month

I write to let you know that NSA's First Response to **Victims of Crime Guidebook and Roll Call Video**, that the Committee led guidance to over the years of development, will be officially released by the Office for Victims of Crime late today. I hope you will assign one of your staff to check the OVC Website at www.ojp.usdoj.gov/ovc to order these free training tools.

As you may remember, there are sections in the Guidebook addressing law enforcement's first response to: Older Victims, Child Victims, Victims Who Have a Disability, Immigrant Victims, Victims of Sexual Assault, Victims of Domestic Violence, Victims of Drunk Driving Crashes, Survivors of Homicide Victims, Victims of Human Trafficking, and Victims of Mass Casualty Crime. Many of these individuals and types of victimization are also addressed in the Roll Call Video.

More Senior Safety related articles are located at www.nationaltriad.org; e-news section

"What is the Difference Between a Power Of Attorney and a Guardianship? Which is Appropriate for Some"

A power of attorney is a legal document in which one person (the principal) authorizes another (the agent) to act on his/her behalf. Financial powers of attorney allow your agent to make decisions regarding your property. Healthcare powers of attorney allow your agent to make decisions regarding your health care needs.

A power of attorney permits you to appoint someone else to manage your financial and business affairs when you cannot do it yourself anymore. This document can be a lifesaver when situations occur after an accident or illness. The agent can do whatever the document allows, such as withdraw bank funds, pay bills, cash checks, and buy and sell real estate. The power of attorney is less costly and more private than a guardianship.

Guardianship, on the other hand, is a legal relationship whereby a probate gives a person (the guardian) the power to make personal decisions for another (the ward). A family member or a friend can initiate the proceedings by filing a petition in the probate court in the county where the individual resides. A medical examination by a licensed physician may be necessary to establish the individuals condition. A court of law will then determine whether the person is unable to meet the essential requirements for his/her health and safety.

A conservatorship is a legal relationship whereby the probate court gives a person (the conservator) the power to make financial decisions for another (the protectee). The court proceedings are very similar to those of a guardianship except the court determines whether an individual lacks the capacity to manage his or her financial affairs. If so, the court appoints a conservator to make monetary decisions for the individual. Often the court appoints the same person to act as both guardian and conservator for the individual. Like the guardian, the conservator is required to report to the court yearly.

With all this in mind, you should evaluate your situation. What would you do if you could no

longer handle your own? You may want to consult with an attorney specializing in Elder Law, who will be able to assist you and advise you in this matter. By doing this now when you still have the time, you will save yourself and your loved ones heartache and financial expenses in the future.

About The Author

William G. Hammond, JD is a nationally known elder law attorney and founder of The Alzheimers Resource Center. He is a frequent guest on radio and television and has developed innovative solutions to guide families who have a loved one suffering from Alzheimer's.

For more information you can visit his website at <http://www.BeatAlzheimers.com>.

The Federal Trade Commission and the U.S. Department of Justice are warning consumers about e-mails and phone calls from scammers claiming to be from the Internal Revenue Service (IRS) and the Social Security Administration.

The IRS does not gather information for tax refunds, rebates, or stimulus payments by telephone. Nor does it send unsolicited e-mail to taxpayers about tax account matters. Filing a tax return is the only way to apply for a tax refund; there is no separate application form.

Similarly, if you get an e-mail out of the blue from someone claiming to be from the IRS that asks you to call a phone number or e-mail back your personal information, don't click on any links. Forward it to phishing@irs.gov, and then delete it.

Clicking on a link in an unsolicited e-mail carries risks of spyware, pagejacking, and phishing threats that can lead to the theft of your identity. The only official IRS Web site is located at irs.gov.

Visit

<http://www.cops.usdoj.gov/html/dispatch/index.html> to read this month's issue of the Community Policing Dispatch. For information about the COPS Office and its resources, go to <http://www.cops.usdoj.gov>.

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CROSS: SENIORS MAIN TARGETS FOR CON ARTISTS

By Jack Cross/Senior Cares

Medford -

The following is the first of two columns dedicated to senior fraud:

It's hard to believe, but it appears that some unscrupulous people are prepared to take advantage of seniors at one of the most vulnerable times in their lives: when they are making funeral arrangements.

According to a recent *Boston Globe* article, a Winthrop man was accused of defrauding seniors of more than a \$1 million by selling them fraudulent life insurance policies and by failing to arrange for services in return for their prepaid funeral expenses. This is not a unique scam; cases like this have been increasing all across the country.

In another recent article, the *Globe* headline reads: "Telemarketing thieves sharpen their focus on the elderly." The article reported how a lonely senior who was happy to receive calls at home was tricked into providing his personal banking information by a telemarketer who then drained his bank account of more than \$100,000.

According to the article: "Telemarketing fraud, once limited to small-time thieves, has become a global criminal enterprise preying upon millions of elderly and other Americans every year."

While con games have changed with the times, the practice of defrauding consumers of all ages is nothing new. When the target is a senior, however, the stakes have never been higher, say senior care experts. Senior scams are costing older adults their life savings, their homes and even their lives.

From investment fraud to lottery and sweepstakes scams to home improvement schemes, seniors often are sitting ducks for a criminal looking to make fast cash. According to 2005 statistics from the National Fraud Information Center, 22 percent of telemarketing scam complaints were logged by those over the age of 70, which represents the highest percentage of any demographic group that year.

What makes older adults so vulnerable to tricksters, scammers and con criminals? It appears that physical and psychological needs are at the heart of this issue, according to research and anecdotes from senior experts.

Seniors often worry they will outlive their money and are concerned that they might not be able to continue to live the lifestyle to which they have become accustomed. That's among the concerns often expressed by seniors and one reason they are so vulnerable to scams. Some may get caught up in these schemes because they are looking for ways to improve their financial situations.

Research confirms that criminals may cater to these types of worries. Fraud pitches are tailored to meet the psychological needs of a potential senior victim. Audiotapes of pitches show that the con criminal will use one kind of appeal for the lottery fraud victim that may be based on the fact that that person is a widow and feels deprived in life.

But con criminals will use a different kind of pitch for the investment fraud victim who is more likely to be male, self-reliant and knowledgeable about finances. What's worse, seniors can get on a "sucker's list" where they continue to be the victims of unscrupulous people. This can result in legal issues that may outlive the senior.

One *Journal of the American Medical Association* study showed that victims of elder mistreatment, including exploitation, have a three times higher mortality rate than non-victims.

There is no question that seniors are becoming much more vulnerable to scams and fraud specifically targeted at them. In part two, we will look at the Top 5 Senior Scams and how to protect seniors from these scams.

— Jack Cross is president of *Home Instead Senior Care* a provider of companionship and home care for the elderly. He can be reached at 781-402-0060 or www.homeinstead.com/404.

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Safer homes can help prevent many senior citizen accidents

BY AMANDA M. WIMMER

of The Northwestern

More Wisconsin residents over the age of 65 years old die from accidental falls each year than in almost any other state, according to the National Safety Council.

Paula Stephens, a registered nurse at the Oshkosh Seniors Center, said she thinks it's important for senior citizens and their families to take steps to make sure their homes are not dangerous in order to prevent falls and other accidents.

Even better, she said, it's not that hard to senior citizen proof a home.

"I think that a lot of times (seniors) need family to sometimes just work out the logistics of taking care of some of these things like hanging grab bars in the bathroom and putting a railing on your basement stairwell," she said.

Each year, one out of three people over the age of 65 falls is injured by a fall, which is why Stephens said it's important to put effort into preventing those falls. Stephens recommends securing rugs, keeping walkways free of clutter and turning on lights to prevent falls and accidents.

About 87 out of every 100,000 Wisconsin seniors die each year from falls, according to the National Safety Council's report, which was released Tuesday. Wisconsin ranks second in the country for falls resulting in death, only second to New Mexico, which averaged 99 deaths per 100,000 residents.

Stephens said one of the most common ways seniors hurt themselves is by falling.

"It's a huge problem," Stephens said. "It's something that we are very aware of here at the Seniors Center. We take a lot of precautions right here in our building to prevent falls and make sure it is a safe place. People should do the same in their homes."

Amanda M. Wimmer: (920) 426-6632 or awimmer@thenorthwestern.com. The Associated Press contributed to this report.

10 warm weather safety tips for older adults

by Elizabeth

Summer is almost here for many of us, and it's a good time to remember that children and older adults in particular are susceptible to heat illnesses.

Heat related illnesses include heat rash, heat cramps, heat exhaustion and heatstroke, and you can find out more about [heat illness from the Center for Disease Control](#).

Some warm weather safety tips for elders and everyone include:

1. Drink plenty of water. It's important to watch fluid intake, especially since some older adults have a [diminished thirst signal](#).
2. Wear light colored, loose-fitting clothes made of natural fiber such as cotton.
3. Eat regularly, but watch salt intake (as directed by your doctor) as salt can be dehydrating.
4. Avoid alcohol which can be dehydrating, as well.
5. Stay indoors during peak temperature times, usually the middle of the day.
6. Cool the home with fans or air conditioning and remember electrical safety especially for elders living alone. Some studies have shown that a cool bath or shower is more effective for cooling down than a fan, though.
7. If someone's home temperature is an issue, consider regular visits to the mall, the library or the movies during peak heat times.
8. Pay special attention to those with respiratory illnesses and other chronic illnesses (check with your doctor) as they may be aggravated by or cause an impaired response to warm weather.
9. Remember that some medications can interfere with sweating mechanisms as well as cause reactions in sunlight. Check with your doctor or pharmacist to see if your medications put you at increased risk for heat illness.
10. Maintain regular contact with an elder who lives alone and have a plan for someone nearby to check on them physically to make sure the house is adequately cooled and other safety measures are being followed. Enjoy the warm days ahead, but pay special attention to the safety of our most vulnerable family members.

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