

3 Scams to Protect Against in the New Year

Millions of Americans fall prey to scams each year. Staying alert and knowing where to report financial exploitation helps stop scammers from claiming more victims. Here are three tips to keep you up-to-date on scams that are making the rounds right now.

Wealth is not coming in the mail

The U.S. Department of Justice has seen a spike in [mass mailing fraud](#) targeted at the elderly. This scam involves [personalized](#), sometimes “registered” letters in your mailbox that appear to indicate you’ve won a sizable prize and just need to pay a small processing fee for it to be sent to you.

Older Americans have lost millions of dollars in this scam, and unfortunately, responding to such a letter targets the person for future fraudulent mailings. If you or a loved one receives a scam letter, [report it](#) to the Federal Trade Commission (FTC) online or call 1-877-FTC-HELP (1-877-382-4357).

Beware the tax man

Scammers know that taxes strike fear in the hearts of men and women. Exploiting the Internal Revenue Service (IRS) name and function is one way that scammers have been able to get people to open their wallets.

Two types of IRS scams have been making the rounds in the past year:

- **Fake [notices](#) that claim you owe money as a result of the Affordable Care Act (“Obamacare”).** These are especially tricky, says the Federal Trade Commission, because their design mimics the real IRS notices.
- **Automated [calls](#) from the IRS claiming that you owe back taxes, and requesting you pay via gift card.** Sometimes these fake IRS calls are not automated, but rather a live person calling from a Washington, DC area code (202) using high pressure scare tactics to get your money (for example, saying the police are coming to arrest you for not paying your taxes). There are several red flags and tips to know whether you’re dealing with the real IRS vs. a scammer:
 - The IRS never initiates contact with you via phone call, email, or through social media.
 - The IRS cannot threaten to have you arrested or deported for not paying.
 - You will never be asked to pay using a gift card, pre-paid debit card, or wire transfer; the IRS also never takes credit/debit card information over the phone.
 - If you owe the IRS back taxes, you will always have the opportunity to question or appeal the amount.

You can send any suspect correspondence to phishing@irs.gov and let the [FTC know](#). If you get a fake IRS call, hang up immediately and report it to the Treasury Inspector General for Tax Administration at 1-800-366-4484.

Don't order a back/knee brace from a postcard

You receive a colorful postcard stating that the sender has been trying to contact you about ordering a Medicare-covered back or knee brace. All they need is for you to send your Medicare information. What's to lose?

This scam is particularly insidious, because you may actually receive something in the mail, usually a Velcro-style band for your back or knee. The scammer then bills Medicare for a device worth hundreds or thousands of dollars more than the one you received. And, armed with your Medicare information, they can continue to bill Medicare for services not rendered.

Medicare has strict coverage rules for its services and supplies, and it pays to keep these tips in mind:

- Never respond to open solicitations for Medicare-covered supplies/services.
- Only provide your Medicare number to health care providers or facilities at the time you are actively seeking service.
- Carefully monitor your Medicare statements for any claims for services or supplies billed to you which you did not receive. You can set up an account at [MyMedicare.gov](https://www.mymedicare.gov) and access your claim information online anytime.

If you've been solicited by a possible Medicare scammer, report it by calling 1-800-HHS-TIPS (1-800-447-8477), or [submit a complaint online](#) to the Office of the Inspector General of the U.S. Department of Health and Human Services.

Brandy Bauer is Communications Manager for Economic Security at NCOA, where she educates both aging network professionals and consumers about Medicare and opportunities to improve seniors' economic outlook, including through public benefits, community service employment, financial education, and using their home equity wisely.