

## Investment Fraud

Everyone wants high returns with no risk, but legitimate investments aren't like that. High returns involve high risk, and you could lose some or all of your money. Investment frauds target those who don't understand this basic rule. Many are simply illegal Ponzi schemes, in which early investors are paid with money collected from later ones. Don't risk losing your money.

### FIGHT BACK!

- Make sure you understand all the terms of the investment, including fees.
- Document all conversations and transactions.
- Don't give in to pressure to "act now" or invest your life's savings.
- Call the OFR Consumer Helpline at 1-800-848-3792 to make sure that the company agent, and securities you are considering are all registered in Florida and to find out if there have been any complaints.



## Annuity Fraud

An annuity is a series of payments that acts similarly to a savings plan to provide primary or supplementary retirement income.

However, annuities are long-term investments and may not be suitable for some consumers, especially seniors.

### FIGHT BACK!

- Beware of bonus gimmicks used to entice you into investing in an annuity. You may find that the fees and charges associated with the new policy, or the surrender of an in-force policy, outweigh any benefit that a bonus may provide.
- Be wary of agents who are eager to pressure you into purchasing an annuity.
- Agents who tell you that an annuity will give you a stock-market-like return with no risk may not be telling you the whole truth. It is possible to lose money in an equity indexed annuity.
- Get clarification as to what a "minimum guarantee" really means. For instance, will you be guaranteed to receive a stated rate of return on the entire amount of your principal, or only a portion of it?
- Ask your agent to perform a suitability analysis for you prior to any recommendation. If you're 65 or over, it's the law. Get it in writing.
- Think carefully before surrendering in-force insurance or annuity products to purchase new ones. It is seldom financially beneficial.
- Call the DFS Fraud Hotline at 1-800-378-0445 if you suspect fraud. You may be eligible for a reward of up to \$25,000.



#### STATE OF FLORIDA

Florida Department of Financial Services  
200 East Gaines Street  
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# FIGHT BACK Against Fraud



STATE OF FLORIDA

Florida Department of Financial Services

Borrowing money?

Planning to invest?

Looking for insurance?



Learn how to **FIGHT BACK** Against Fraud

## Identity Theft

Identity thieves learn your Social Security, credit card and bank account numbers and other personal information to open bank and credit card accounts, get car loans, and more — all in your name. Even if you don't lose money, you can suffer financial difficulty and frustration due to ruined credit ratings. Guard your personal information.

### **FIGHT BACK!**

- Be stingy with your Social Security number. Don't have it printed on your checks. If someone asks you for it to set up or verify an account, ask if some other identifier can be used instead.
- Shred unwanted credit card applications, transaction slips and other documents with personal information.
- Try not to let your card out of your sight. When it's unavoidable, such as when you're dining out, use cash instead.
- Check your mailbox daily. When traveling, ask a friend to get your mail, or have the post office hold it. Send outgoing mail from the post office or a collection box.
- For more information or to file a complaint, call the Florida Department of Law Enforcement at (850) 410-7000, the Florida Attorney General at 1-866-966-7226 or the Federal Trade Commission at 1-877-438-4338.

## Unlicensed Entity Fraud

Unlicensed entities are companies who are not licensed in Florida to sell insurance. Many are blatant con games. Others — such as self-insured employers, unions and associations — may mean well, but they may not be properly funded to handle the risk and don't participate in a state fund that protects members if they default. Your best option is to deal only with licensed companies and agents.

### **FIGHT BACK!**

- Verify before you buy. Call the Department of Financial Services (DFS) Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236) to find out if an insurance company and agent are licensed.
- Check the complaint history of a company or agent by calling the Consumer Helpline.
- If you suspect fraud, call the DFS Fraud Hotline at 1-800-378-0445. You may be eligible for a reward of up to \$25,000.



## PIP Fraud

Personal injury protection (PIP) is automobile insurance coverage that pays for your personal injury and other limited expenses, regardless of who is at fault in an accident. Common fraud schemes include intentionally causing a minor accident, then filing false claims through a shady clinic, or working with a disreputable doctor who files fraudulent injury claims for procedures that are never performed.

### **FIGHT BACK!**

- Drive defensively and take every precaution to avoid being in an accident.
- If you do have an accident, use a cell phone or other camera to document the damage.
- Note how many passengers were in the other car, including names, addresses, phone and driver license numbers, and the car's license plate.
- Make sure police are called and get a written report.
- If anyone pressures you to go to an unknown clinic, doctor, chiropractor or lawyer, or if you think a crime has been committed, call the OFR Fraud Hotline at 1-800-848-3792. You may be eligible for a reward of up to \$25,000.

## Workers' Comp Fraud

Workers' compensation insurance covers medical expenses and lost wages if you are injured on the job or become ill because of conditions at your workplace. Employees who fake on-the-job injuries, don't report second incomes or delay their return to work are committing claimant fraud. Premium fraud includes falsifying payrolls to reduce premiums.

### **FIGHT BACK!**

- Be honest. It's a felony to make false, fraudulent or misleading statements in order to obtain or deny benefits.
- If you see abuse, report it — everyone pays for workers' comp fraud with higher premiums and reduced benefits.
- Call the DFS Fraud Hotline at 1-800-378-0445 if you suspect fraud. You may be eligible for a reward of up to \$25,000.

## Predatory Lending

Predatory lenders target those with money problems and poor credit, luring them with promises of easy loans. Most of the time, victims wind up in worse trouble due to inflated interest rates, sky-high fees, bad repayment terms and harassing collection tactics. Some even risk losing their homes. Don't fall for high-pressure sales tactics.

### **FIGHT BACK!**

- Be suspicious of anyone you didn't contact first, especially telemarketers and door-to-door salespeople.
- Don't do business with a lender who charges advance fees — they are illegal in Florida, except for mortgage loans.
- Read and understand the terms of the loan before you sign.
- Call the OFR Consumer Helpline at 1-800-848-3792 to make sure the company and agent are licensed and to check complaint histories.