

UALR SENIOR JUSTICE CENTER

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Insurance Fraud and Scams

What is a fraudulent act?

Most crimes have contributing elements that make up a crime. According to the Arkansas Nursing Home Consumer Guide, “Fraud [or Scams] occurs when an individual or organization deliberately deceives other in order to gain some sort of unauthorized benefit”. Fraud can be broken down into three main elements:

- A motivated offender.
- The possibility of a victim or target that is vulnerable.
- The abuse of a willing guardian.

These three elements can be applied to fraud against the government, fraud against the elderly, or Fraud within a company. The difficulty with fraud and scams is that they are hard to detect until it is too late. However, with today’s wealth of information it is possible to avoid being the target of fraud or a scam.

What are some different types of Fraud or Scam activities?

Fraud

“CEO” fraud can be defined as an act against an organization by a high level official. These acts are usually considered a white collar crime committed by a company’s senior executive official.

Client/employee fraud can be defined as act committed against an organization by an employee or client within the organization. i.e. embezzlement, insurance fraud, tax evasion, and ect.

Door-to-door fraud can be defined as an act committed against an individual by face-to-face interaction. Such acts would include con artist and those who prey directly on the consumer.

Mass mail/media fraud can be defined as an act committed against a large group of individuals by using print or electronic media mailings. These include the Nigerian letters fraud or marketing fraud aimed at large audiences that promise an unbeatable bargain.

Tips Section

Where to go for help.

- Senior Justice Institute, UALR 2801 S. University Avenue Little Rock, AR 72201. 501-683-7153 (hotline number)
- Consumer Protection Division <http://www.ag.state.ar.us/consumer/home.htm> 501-682-2341, 800-482-8982 (statewide) and 501-682-8118 (fax), consumer@ag.state.ar.us
- Better Business Bureau <http://www.arkansas.bbb.org/>, 12521 Kanis Road Little Rock, AR 72211. Phone: (501) 664-7274, Fax: (501) 664-0024
- Arkansas a Senior Medicare/Medicaid Fraud Patrol toll free Hotline 1-866-726-2916 or contact Division of Aging & Adult Services—Sharon Marcum, ASMP Administrator 501-682-8504

- National Do Not Call registry. Contact: 1-888-382-1222 or www.donotcall.gov.
- Arkansas Insurance Department 1200 West Third Street
Little Rock, AR 72201. (501)371-2600 or 1-800-282-9134
(501) 371-2618 fax. <http://insurance.arkansas.gov/>.
- U.S. Postal Inspection Service, CRIMINAL INVESTIGATIONS SERVICE CENTER

ATTN: MAIL FRAUD, 222 S. RIVERSIDE PLAZA STE 1250 CHICAGO IL 60606-6100

- POSTAL INSPECTION SERVICE 650 N SAM HOUSTON PKWY W, HOUSTON TX 77067-9000
Phone : 713-238-4400 Fax : 713-238-4460 (nearest AR location)

Warning signs of fraud or scams

- Be cautious of those who claim to be endorsed by the federal government.
- Avoid the “We know how to bill Medicare” scam.
- Always know that NOTHING IS FREE.
- Never accept anything from a door to door salesman.
- TV and radio ads do not have you best interest at heart, they work for the person who PAID for the advertisement.
- If it seems too good to be true, it probably is.
- Never pay cash for anything
- Examine all marketing tactics that are high pressure to sign now with deals that are “one time offers” and must act now”.
- Get all important information about insurance policies, if the agent is evasive, walk away.
- Your credit care and bank account numbers are private, now one needs them over the phone, mail, or when at your door. Ask for the literature on the company or agent and check the validity of the sales pitch.
- All charities, work at home schemes, credit card offers and credit repair, travel packages, home repair, vehicle offers, and phone and mail offers are easy avenues for scams and fraud. You should ask the solicitor question about the offer and if the solicitor is evasive it is probably fraud or a scam.
- Remember no license, no sale!!!
- “Don’t be dot.conned. If you get an e-mail pitching a deal that can’t be beat, HIT DELETE!!!”
- There is not such thing as “risk free guaranteed high yield investments”.
- Always check your medical billing statement for errors. If you need help, ask a friend or relative. Keep a calendar of you visits and what services you received to compare. Most of medical fraud is over billing, double billing, upcoding (more expensive item), unbundling (billing related services to charge more than if combined) or billing for services never preformed.
- Never pay to win a prize or enter a sweepstake, read the offer before agreeing, check to see if company is legitimate.

Closing thoughts:

Remember it is your money, and your decision. Do not be afraid to questions about what you are buying.