



SEVEN TIPS FOR AVOIDING FINANCIAL SCAMS

You've worked hard over the years to get where you are today. Don't let unscrupulous fraudsters cheat you out of your hard-earned money. The Texas Society of Certified Public Accountants (TSCPA) offers the following seven tips for avoiding financial scams:

#1 Only donate to recognized charities.

If someone calls or e-mails you asking for a charitable donation, check out the organization before you give. You can sometimes spot bogus charities because they often use high-pressure tactics. A good rule of thumb is to determine at the beginning of each year how much money you want to give and to which organizations you want to give it. Look up recognized charities online at www.irs.gov (under Charities & Non-Profits) and www.GuideStar.org.

#2 Think twice before buying a product from a television infomercial.

Sure you might get three items for a limited time-only low price of \$19.95, but buying products off a television infomercial can really cost you. If you want to return a product, questionable TV sales can sometimes put up lots of obstacles between you and your refunded money.

#3 Be leery of e-mail solicitations.

E-mail can be wonderful for swapping pictures of the grandkids, but it can be hazardous if your personal financial information is compromised. Banks don't e-mail you about your account status. They are scams set up to resemble legitimate companies like Chase, eBay and PayPal. If you get these and other hoax e-mails like the Nigerian scam, delete them from your inbox. The Federal Bureau of Investigation's Web site provides information on electronic scams. Sign up for e-mail alerts to learn about the latest scams and warnings at www.fbi.gov/cyberinvest/escams.htm.

#4 Don't make loans or give expensive gifts to caregivers.

It is generally a violation of company policy for a caregiver to accept a loan from a client. If your caregiver approaches you for money, call the caregiver's employer or talk to your family.

#5 Watch out for home repair scams.

It's nice to have friends stop by for a visit, but it's not so nice to open the door to a home repair scam. Beware of "contractors" who knock on your door and say your roof or driveway are in need of repair. Ask for a business card and thoroughly investigate the company and/or get a second opinion before agreeing to any repair work. The Texas Attorney General's Office has helpful consumer protection information on their Web site at www.oag.state.tx.us.

#6 Exercise caution when discussing your finances.

It's not pleasant to think about, but sometimes even family members can get greedy. If you feel uncomfortable about a loved one's intentions regarding your finances, talk to another family member or the police about the situation.

#7 Check with your CPA before buying annuities.

Make sure you have all the facts before you purchase an annuity. Financial salespeople will often buy you dinner while you listen to their sales pitch, but they may not tell you about the tax implications of an annuity purchase. Always check with your CPA or someone who isn't doing the selling before you buy an annuity.

For more information on protecting your personal finances, visit www.ValueYourMoney.org.