Affinity Fraud Alert

“Church Funding Project’ costs faithful investors over $3 Million”: This nationwide scheme primarily targeted African-American churches and raised at least $3 million from over 1000 investing churches located throughout the United States. Believing they would receive large sums of money from the investments, many of the church victims committed to building projects, acquired new debt, spent building funds, and contracted with builders.

“Baptist investors lose over $3.5 Million”: The victims of this fraud were mainly African-American Baptists, many of whom were elderly and disabled, as well as a number of Baptist churches and religious organizations located in a number of states. The promoter (Randolph, who was a minister himself and who is currently in jail) promised returns ranging between 7 and 30%, but in reality was operating a Ponzi scheme. In addition to a jail sentence, Randolph was ordered to pay $1 million in the SEC’s civil action.

“More than 1,000 Latin American investors lose over $325 Million”: The victims sought low risk investments. Instead, the promoter (who has been sentenced to 12 years in prison) misappropriated their funds and lied about how much money was in their accounts.

“125 members of various Christian churches lose $7.4 million”: The fraudsters allegedly sold members non-existent “prime bank” trading programs by using a sales pitch heavily laden with Biblical references and by enlisting members of the church communities to unwittingly spread the word about the bogus investment.

These headlines, drawn from an article on Affinity Fraud on Wikipedia show the importance of skepticism. A recent study indicated that although retirees make up approximately 16% of Americans, they are victims of over 30% of financial scams. A recent article in Forbes suggests that one of the greatest challenges facing retirees is the ubiquitous offer of a free lunch sent “especially to you” in which an expert talks to you about where you can get the greatest investment gains, take advantage of a ‘little known IRS loophole,’ or understand the opportunities of arbitrage. A few years ago, regulators conducted 110 examinations of these ‘free lunch’ seminars. They determined that 57% of the firms sponsoring the seminars used misleading, exaggerated or unwarranted claims. The SEC spokesman said: “My own advice is to be skeptical. The motive for these guys, remember, is to sell you something.”

Many current retirees were raised to be polite and respectful, and when faced with a pushy sales person, many are reluctant to hang up. Many are also concerned about the current economic environment, and fear that they may run out of income producing investments prematurely. A “sure thing” investment opportunity seems like a gift from God.

“There are four basic red flags,” says the U.S. Securities and Exchange Commission:

- If it sounds too good to be true, it probably is too good to be true.
- Guaranteed returns seldom are truly guaranteed.
- A flashy brochure is no proof of sponsor credibility.
- Pressure to “sign up today” is a danger signal.

Retirees Working

It is fascinating to me to realize how many of our retirees continue to contribute to the work of the Seventh-day Adventist Church and its many causes. Our studies indicate that nearly 500 of our retirees continue to work half-time or more for NAD Adventist employers.

There is one caveat to this. Our policies prohibit full-time retiree employment for a participating employer. We draw the line at 75% of what a full-time employee would be expected to work. So if a retiree applies for employment with a denominational employer such as a conference or an academy, and is employed at more than 75% of full-time for that job type, the employer is required to inform us
and we are required to suspend monthly benefits including any healthcare, until such time as he or she retires again or drops back to or below 75% of full-time employment.

We get some very creative ideas on this. For instance, “I’m a school employee. I work full-time for a denominational school, but since I get the summer off and Christmas holidays and Spring Break, I’m at about 75%.” That doesn’t work. To us, 75% is 75% of what another ten-month contract education employee would work.

There is a legal loophole for this policy, but in order to qualify, the retiree would have to have turned age 70½ by December 31, 1997, which would put him or her in the 80’s now. Remarkably we have a handful of retirees in this category working full-time!

If you have any questions, please contact your denominational employer. Remember, the prohibition is only for denominational employment. Retirees can work full-time for a non-church employer without any penalty. They can also work part-time, up to 75% of full-time. Finally, what you are actually paid is not the issue. What is the work expectation in hours or work load? If a retired employee is typically expected to work or actually works for a participating employer more than 75% of the hours or work load that a full-time employee would work, we must suspend the monthly and healthcare benefits.

Retiree Ministerial Emeritus Credentials

Retired ordained ministers sometimes have asked how to keep their credentials current. Retired ministers sometimes serve as a chaplain at a local hospital or prison, and may be asked to provide proof of their church credentials.

The Retirement Office is not authorized to issue credentials. The NAD procedure is to request the Union Conference in which the retired minister lives to issue the credentials. Send your request to the Executive Secretary of the Union Conference in which you live. The Union will verify documentation and will issue an Emeritus Credential, a special class of credential provided for retired ordained ministers.

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**SHARP Corner**

**SEASONAL ALLERGIES - Are you a victim?**

If you have ever had to deal with seasonal allergies, you know how they can interfere with your quality of life and make you miserable, and you’re not alone. According to the American Academy of Allergy Asthma and Immunology (AAAAI), about 35 million people in the United States suffer from seasonal allergies. Symptoms include red, swollen and itchy eyes, congestion, sneezing, sore throats and fatigue.

Although various substances, such as ragweed, cause problems in the fall, pollen in the spring and summer seems to be one of the biggest culprits for seasonal allergies. Here are some things you can try for seasonal allergy relief.

1. **Be Aware of the Pollen Count**
   Check your local newspaper or weather forecast for the daily pollen count or mold levels. The National Allergy Bureau also lists pollen and mold levels by region on their website. On days when the pollen count is the highest, try to limit time spent outdoors. Keep in mind; pollen counts tend to be the highest in the morning between the hours of 5AM until 10AM.

2. **Take Combination Medications**
   Certain seasonal allergy symptoms, such as headache and stuffy nose can be treated with decongestants. Other symptoms including itchy and watery eyes may respond to an antihistamine. If you suffer from a variety of symptoms, you may need to take a combination medication, which contains both an antihistamine and a decongestant. Be sure to read warning labels, since some allergy medications can cause drowsiness. When taking particular allergy medications, certain activities, like driving, should be avoided.

3. **Wear a Pollen Mask When Doing Yard Work**
   If you plan on doing work outside, such as gardening, consider wearing a pollen or allergy mask. The mask can help decrease the amount of pollen you breathe in and can help reduce symptoms. There are different types of pollen masks including disposable and reusable ones. Check the micron size of the mask, which will indicate whether it filters out pollen.

4. **Keep Grass Short**
   Although mowing the grass may be the last thing you want to do, keeping the grass short can really help with seasonal allergy relief. It can help reduce the amount of pollen in the air and is especially helpful if you’re allergic to grass pollen. If possible, have someone else mow the grass or wear an allergy mask when you do yard work.
5. Shower after Spending Time Outside
Pollen can get on your skin and in your hair when you spend time outside. Even once you go indoors, the pollen can still bother you for the remainder of the day. If you are unable to take a shower, change clothes to reduce continued exposure to the allergen.

6. Try Nasal Lavage
If you are looking for a way to reduce seasonal allergy symptoms without the use of medication, you may want to try nasal lavage. Nasal lavage is the process of flushing out the nasal cavity with saline. It can help remove pollen or other substances, which lead to seasonal allergy symptoms, from the nasal cavity.

7. Keep Windows Closed In Car and Home
Although most people enjoy fresh air, keeping your doors and windows closed in both your car and home may help when allergen counts are high. Fans, which draw air from the outside, should also be avoided. Use an air conditioner instead of fans in both your car and home.

8. Wear Sunglasses to Protect Eyes from Allergens
Grab a pair of sunglasses before heading outside, especially on days the pollen counts are high. Both grass and tree pollen can get into your eyes and lead to symptoms, such as itchy eyes, runny nose and sore throats. Although some pollen will still get into your body, sunglasses can reduce the amount.

Sources:
AAAAI
University of Maryland Medical Center
Mayo Clinic
Written by Rae Lee Cooper RN – General Conference of SDA Health Ministry Department

Dental/Vision/Hearing Maximums
A frequently asked question received by the SHARP office is “Do I have a look-back provision for Dental, Vision or Hearing services if I have extra expenses or haven’t used all of my benefits in previous years?” Here are a few simple guidelines to answer that question as well as other information you should take note of:

Dental: This benefit has a yearly limit for 2012 of $2,200. The dental benefit does not require prior authorization. You may use the benefit of $2,200 for your dental services as you choose, but only for non-cosmetic services. You may have two dental cleanings each year, and can be authorized for additional cleanings if requested in writing by your dentist. There is no look-back provision of any type for dental. We do not authorize you to use past, unused benefits and we do not allow you to use a future year’s benefits. Also, if you are participating in one of the medical coverage options, Base or MCx, you have available to you under these options one yearly dental exam/cleaning paid at 100%. This one exam does not track against your $2,200 dental benefit.

(Continued on page 4)
Vision: This benefit has a yearly limit for 2012 of $400. The vision benefit is for refractive services, glasses, contacts etc. There is no look-back provision for this benefit. We do not authorize you to use past, unused benefits and we do not allow you to use a future year’s benefits. If you have a medical vision service, such as eye surgery, it is not covered under this vision benefit. Medical eye services must be submitted to Medicare. However, if you have cataract surgery and Medicare pays its portion, which may include partial assistance on your first pair of glasses or contacts after surgery, this vision benefit can assist with expenses remaining after Medicare pays its portion for glasses or contacts only. If Medicare does not approve the cataract surgery replacement lens, SHARP will not cover the denied lens either.

Hearing: This benefit has a yearly limit for 2012 of $2,200. The hearing benefit is for a hearing test as well as the purchase and/or repair of hearing aids. It does not cover battery replacement. It does not require prior authorization. This benefit does provide a one year look-back provision. This would make available to you any benefit you did not use within the previous Plan year (i.e.: 2011).

Unfortunately some audiologists have pushed our retirees to ordering new hearing aids every year, once they become aware of the generous plan we have. A qualified and reputable audiologist will be able to inform you as to the continued effectiveness of your device. We have had audiologists who automatically ordered new hearing aids for retirees in nursing homes every year, and informed them “Your new hearing aid is here!” Please carefully review your hearing care needs and always be diligent in choosing reputable hearing care providers.

Maximums: Occasionally we receive an appeal from a retiree to provide benefits above the maximums provided in each section above. Sometimes these requests include elaborate care plans provided by a provider. Our governing body has set the maximum payout for each year, and has not authorized us to provide individuals with excess amounts. We recognize that occasionally our annual limits may not meet specific needs. We do not authorize payouts above the maximums.

To read the full Plan description of the DVH Option, see pages 11-12 of the SHARP documents and page 24 for the Schedule of Standard SHARP Benefits. You may access the full document at www.adventistretirement.org. Go to the Retiree link, click on “downloads” and scroll to find the 2012 SHARP Booklet.