Affinity Fraud Alert

Wikipedia defines Affinity Fraud as including “investment frauds that prey upon members of identifiable groups, such as religious or ethnic communities, language minorities, the elderly, or professional groups.” The fraudsters who promote affinity scams frequently are – or pretend to be – members of the group. They often enlist respected community or religious leaders from within the group to spread the word about the scheme, by convincing those people that a fraudulent investment is legitimate and worthwhile. Many times, those leaders become unwitting victims of the fraudster’s ruse.

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.”

“WITH a nudge from their pastor, the 25,000 members of the New Birth Missionary Baptist Church near Atlanta opened their hearts, and their wallets, to Ephren Taylor. And why not, given his glittering credentials? Mr Taylor billed himself as the youngest black chief executive of a publicly traded company in American history. He had appeared on NPR and CNN. He had given a talk on socially conscious investing at the Democratic National Convention. Snoop Dogg, a rapper, had tapped him to manage a charitable endowment.

Unfortunately members soon discovered that Mr. Taylor was using their investments, not to invest their money but to support his lavish lifestyle. When the Securities and Exchange came investigating, Taylor disappeared. Today the church leadership is being sued by members who feel betrayed, and millions in member funds are missing.

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.

1. The Economist, January 28, 2012
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 1,500 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.

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 for a denominational employer. 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.

SHARP Corner – July 2013

The Retirement office is always attempting to stay up to date when you change your permanent address. The Express Scripts website has been updated to allow address changes to be made more easily by the retiree for temporary addresses and phone numbers. We are happy that you can change your address on the Express Scripts website but please note that changing it there does not change it in the Retirement data base. We will still need a notification when you change your permanent address. Our website has a link for the change of address at www.adventistretirement.org.

Eligible retirees registered on Express-Scripts.com will now be able to manage all addresses for all covered members in their household* as well as add additional addresses to their online profile at the patient level, not just the household level. This change will include:

• Allowing the use of a temporary address for each covered member for a specified period of time (nice for college students and snow birds)

• Separate billing address for the household

• Phone number storage will be increased to allow for 1 temporary number, 1 billing number, and up to 3 shipping numbers

• Members registered on Express-Scripts.com will now be able access, complete and submit the Health, Allergy &

* requires each covered member to grant permission for household view.
Medication Questionnaire (HMQ) from the “Forms & cards” area of the member website. Members can still print and mail the paper form if they prefer. It is important members keep this information current to get the greatest value from safety checks Express Scripts runs each time a prescription is filled, whether at retail or mail.

- Members registered on Express-Scripts.com will now be able to include multiple credit cards within their online profile by using the “Account settings” feature of the member website.

Also, effective July 1, 2013 Express Scripts further enhanced the online registration process while maintaining appropriate levels of security and privacy. Beginning in July, members registering on the website who can be uniquely identified without the use of a specific prescription number will no longer be required to provide this information for full access to Express-Scripts.com. Here are the two scenarios for this change.

A member registers and he/she does not have any prescriptions, so he/she is not prompted to include a prescription number

1. A member registers and he/she has a recent prescription in history (within the last 12 months)

   1. Eligibility recognizes the member’s ID number, last name and date of birth (MM/YYY) as unique, so the member will NOT be prompted to add a prescription number—even though he/she has prescriptions in history. This enhancement improves usability while still allowing full authentication and access to claim information since the member can be uniquely identified with the information provided.

   2. Eligibility does NOT recognize this member as unique based on the information provided and the member has a recent prescription (within the last 12 months) so he/she is prompted to input a prescription number to help ensure unique identification.

I hope the changes prove to be useful for you. Please remember to notify the Retirement Office of any permanent change of address.

Lisa Turpen RN
Assistant Administrator/SHARP Manager

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