

# Indiana MoneyWise



## Millennials

Where are you in your Financial journey?

**The Time is NOW:**  
Investing Made Simple

**SAVE ENERGY  
SAVE MONEY**

How to Improve Your  
Home's Energy Efficiency

**10**

**Real Estate Scams  
to Avoid Today**

**+ IT'S ALMOST TAX TIME!**



Dear Hoosiers:

Thank you for reading the Indiana Secretary of State's e-magazine. The purpose of this publication is to provide Hoosiers with timely tips and information on smart money management and investment fraud prevention.



The leaves changed color in a flash, winter arrived in a hurry, and the wonderful holiday season is here! In this issue we went all out with Indianapolis Power & Light. We videotaped a REAL home energy assessment with a Secretary of State staff member. You might be surprised to learn where money is slipping through the cracks. Plus, we'll show you how to make your own home more efficient. We didn't stop there when it comes to helping you save money. Also in this edition, you'll find the top real estate scams to avoid and some timely tax tips! What will you do with that saved cash? Well, consider investing. We provide ideas for every generation, including millennials.

Effectively managing your personal finances means staying up-to-date with current events and industry trends in Indiana. Indiana MoneyWise is here to ensure that all Hoosiers are prepared to tackle personal financial goals! Thank you for your continued support, and enjoy the 2018 Winter edition of our e-magazine!

Sincerely,

A handwritten signature in black ink that reads "Connie Lawson". The script is fluid and cursive, with a prominent flourish at the end of the name.

Connie Lawson  
Indiana Secretary of State

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**MISSION STATEMENT**

It is the mission of the office of Secretary of State Connie Lawson to deliver to the people of Indiana government-as-a-service that focuses on unqualified integrity and accuracy in our elections, consistent and principled regulatory methods, ceaseless protection of Hoosier investors, and the most efficient use of taxpayer resources.

# What services make up the Secretary of State's office?



Secretary Lawson with Lawrence North High School students and Indiana Securities Division staff in the Indiana House Chambers  
November 2018

There are four main divisions that comprise the Secretary of State's office:

Business Services  
Securities

Elections  
Auto Dealer Services

The Office of Secretary of State is one of five constitutional offices originally designated in Indiana's State Constitution of 1816. Sixty-one Hoosiers have served as the third highest-ranking official in state government.

Duties of the office include registering new businesses, regulation of the securities industry, oversight of state elections, commissioning of notaries public, registration of trademarks and licensing of vehicle dealerships throughout Indiana.

# THE TIME IS NOW: INVESTING CAN BE SIMPLE

*Interview with Jim Lowes, Securities Division Senior Examiner  
for the Office of the Indiana Secretary of State*



**H**ello. My name is Jim Lowes. I am the Senior Examiner in the Secretary of State's Securities Division. The Examination team performs on-site examinations of Indiana Registered Investment Advisers ("RIAs") to ensure compliance with all securities laws, rules and regulations. Our main objective is to protect the investors of Indiana.

## **1** What motivated you to first start investing?

My dad invested in the stock market and subscribed to the Wall Street Journal. I was fascinated by all of the numbers and charts, so I asked him to teach me how to read the stock tables. He helped me open an account with his broker when I was 13. I used my lawn mowing money to buy a few shares of CBS, since that was the network most of my favorite television shows were on back in the 1970's. CBS also paid a dividend – I thought it was so cool when CBS would send me a dividend check four times a year! I've been a stock geek ever since.

## **2** Mistakes are part of the learning process. What are some mistakes you made that led to you becoming a better investor?

There's an old adage that says the trickiest part of investing in stocks isn't knowing when to buy, but knowing when to sell. I've sold stocks that went down on bad news that turned out to be temporary. Had I exercised some patience, I would have been fine in the long run. My theory is, unless there is a major change in the premise under which you bought the stock, have patience and hold on. The stock market tends to overreact in the short-term to news and events, whether bad or good.

## **3** There's a lot of information about investing strategies. What drives your decision making?

These days I'm fairly conservative for the most part. Buy. Hold. Accumulate. Markets go up and down over the short term, but over the long term stocks (equities) have provided the best return of any investment class.

I have a few stocks in Dividend Reinvestment Plans where the company uses your dividend to buy more shares, sometimes with little or no commission. Over time they are a great way to dollar cost average your stock purchases. Mutual funds are great because they provide the opportunity to invest in various sectors of the economy and provide diversification. You also have a professional management team keeping an eye on the market (hopefully) at all times. But as a stock geek, I always have funds devoted to trading individual stocks. That's where the fun is. For this I use technical analysis, primarily "moving average convergence/divergence," also known as MACD.

## **4** You turned your passion for investing into a career. What sort of education did you receive?

I inherited my love of numbers from my dad, who was an aeronautical engineer (he was in the AE program at Purdue at the same time as some guy named Neil Armstrong...). I applied that love to a different area. I have a Bachelor's in Finance from the University of Evansville, an MBA with a concentration in Finance from the University of Connecticut, and a Masters of Accounting with a concentration in Financial Accounting from the Indiana University Kelley School of Business at Indianapolis.

## **5** While the basics of investing remain the same, a lot has changed in recent years. What do you do to stay informed both as an investor and a securities regulator?

The internet has made so much information available it's incredible. My first job out of college was with a company that managed a family of mutual funds. We

had these terminals called "Quotrons," which would provide a stock's price, volume and maybe a news story. In 1986 they cost \$2,000 per month, each! We had ten of them. It's impossible to put an actual value on the information that is available for free today.

I trade online with TD Ameritrade, which, like most of the online brokers, makes a great deal of information and analysis tools available. I also have subscribed to Barron's magazine since 1982. It's sort of a weekly version of the Wall Street Journal. My favorite site for technical analysis is stockcharts.com. The key these days is to choose a few information providers and stay on top of them. It's easy to become overwhelmed with all the information on the internet.

## **6** What would you say to a young adult just getting started as an investor?

Arguably the greatest money manager of all time, Peter Lynch, said you can get some of your best investment ideas just paying attention to the world around you. When I was in college, my girlfriend was doing this thing called "aerobics" and she wore these shoes I'd never heard of called "Reeboks." I did some homework and ended up buying some shares at \$6 and eventually sold them at \$30 – I wish all my investments had turned out like that! I would encourage parents to have their kids start out buying a few shares of something they are interested in or identify with, like Nike, Disney, Nintendo, etc. They will be actual owners of the company! Hopefully it will lay a foundation for a lifetime of wise money management, and some fun, too.

**Disclosure: The above interview is for educational purposes only. It is one investor's story and is not intended to be investment advice. Consult with a properly licensed professional for investment advice.**

# Investing in our Kids

## How Stock Market Simulations Prepare Students for Financial Success

*By JW Fansler, Smart Indiana Stock Market Program Coordinator*

"I wish I had learned this in school," is a phrase often heard when it comes to knowing how the economy and markets work. In particular, people wish they had a better understanding of investing and personal finance. To better prepare Hoosiers, the Indiana Secretary of State and the Indiana Council for Economic Education provide the Smart Indiana Stock Market Program to schools across Indiana to teach students about investing and personal finance.



Using actual real-time data from the stock markets, students are given a hypothetical \$100,000 to create and manage a portfolio of stocks, bonds and mutual funds while participating in lessons and activities that are designed to give them a better understanding of economics, personal finance, and investing for the long run.



The Smart Indiana Stock Market Program is popular because it fits into many different subjects, such as social studies, math, business education, and even language arts. Teachers can organize the program to fit their classes' learning objectives, or it can be used as an extra-curricular activity. In building a portfolio, students research and evaluate stocks, and make decisions based on what they have learned. Students trade common stocks and mutual funds from the NYSE, and Nasdaq exchanges; earn interest on cash balances; and pay a commission on all trades. Students apply knowledge to better understand why individual stock prices change or the broader market has moved up. They also learn how to use online and desktop software to calculate the returns, monitor the stocks in their portfolio and compare to market indices.

Of the students who participated in the Stock Market Program, 99% said the simulation adds value to their class, 95% recommended their instructor use the simulation again, and 86% said it gave them skills that make them more valuable in the job market. Additionally, stock market simulations are found to improve students' understanding of economics and math verses students who do not participate in stock market simulations.



The simulation engages students by showing each student's current rank of their portfolio value, and it gives them the opportunities to share the knowledge they gain through the infographic or essay competitions. The infographic competition allows students to create a digital poster on a given investment topic. Students then add artwork and graphics to their text and come up with an infographic that is designed to take complex data and present it in a way that is easy to understand. Once submitted, infographics and essays are judged by a panel of financial industry professionals and then students are recognized at an awards luncheon in May.



The Smart Indiana Stock Market Program approach is effective because it presents students with engaging hands on learning delivered by well prepared teachers and community volunteers. Teachers learn through workshops, webinars and personal consultations to introduce them to the simulation. Additionally, lessons and activities are created and can be graded within the simulation making it easy for teachers to use! Teachers tell us that they like to participate in the program because its resources are objective and easy to integrate.

Finally, the Smart Indiana Stock Market Program uses financial service volunteers to develop relationships with teachers, serve as volunteer judges, and introduce students to the financial industry.

To help your local school get involved, serve as a volunteer, register a class or learn more about the Smart Indiana Stock Market Program, contact J.W. Fansler at the Indiana Council for Economic Education by phone 765-494-8544 or by e-mail [jwfansle@purdue.edu](mailto:jwfansle@purdue.edu).

The stock market simulation is a program brought to you by the Indiana Council for Economic Education. Learn more about their work by watching this video.



# Millennials & Investing:

## Where are you in your financial journey?

*By Nicholas Duffy, Executive Fellow for the  
Office of the Indiana Secretary of State*

*“Disclosure: The following article is for  
educational purposes only. It is one  
investor’s story and is not intended to be  
investment advice. Consult with a properly  
licensed professional for investment  
advice.”*





Undertaking personal financial investments may seem like an outlandish pipe dream to the modern day post-graduate. When one steps fresh out of their college's gates to start looking forward to their professional future, student loans and rent payments may seem like an impossible barricade to beginning monetary investments. However, those who just began their professional careers have one very important advantage: time.

Financial educators consistently support the efficacy of this concept: the earlier you invest, the better your long-run returns will be. This is because financial investments earn revenue based on compounding interest. For instance, if a 19-year-old starts investing \$100 each month into the stock market, with an average return rate of 8% per year, the investment could grow to roughly \$104,000 by the time they were 45. This is a significantly relevant statistic to the young investors in their early 20's.

Listen, I know how unattractive the notion may be to budget a portion of your monthly income towards the future. Starting out as a young professional, you get a taste of fiscal freedom, and you suddenly have the means to explore new avenues. It's easy to use a large portion of your



income on exciting activities such as road trips, concerts, and excursions to the local watering hole. But your future self will be much more thankful that you were cognizant of your financial needs.

As mentioned before, even \$100 a month can have monumental benefits down the road. While you could potentially "invest" that monthly \$100 into the resident ale house, barroom visits won't necessarily be smiled upon in your golden years. However, with that money put into an investment with compounding interest, your future self will be very grateful!



Understanding your personal priorities is paramount to being fiscally responsible while also enjoying your post-graduate years! Depending on a number of factors, including student loans, rent, utilities, and leisure activities, financial investments may have to be put on hold for the immediate future. And that's okay! But if you find yourself in a new position, with extra disposable income, consider the rewards to be gained by exercising sound financial management. There will always be time to go on adventures, but the earlier you invest, the more your money will work for you.

If you've started out with a few missteps, don't worry! I'm right there with you. There are some weeks where I've spent too much on non-essentials, and had to pinch pennies until the next pay day. And that's fine! We're all human, most of us have done this. But once we hit that age of undertaking fiscal debts and responsibilities for ourselves, making smart decisions becomes very rewarding. While it may be fun going out partying with your friends, it is NOT fun worrying about whether you'll be able to afford your rent, or have enough money to buy a house down the road. And utilizing your disposable income for future investments is a great way to make sure those stressors don't affect you down the road!

Good luck, and happy investing!



*Nicholas Duffy, Executive Fellow  
for the Office of the  
Indiana Secretary of State*

Uncertain Futures:

7 MYTHS ABOUT

# MILLENNIALS AND INVESTING

Many millennials do not invest, which can hinder their ability to achieve important goals, like purchasing a home or retiring comfortably. This infographic illustrates the financial behavior and attitudes of three millennial groups—those with no investment accounts, those with only retirement accounts and those with taxable investment accounts. It also compares millennials to prior generations and examines the pathways that millennials follow to investing.

## Myth One:

**Millennials have lofty financial goals.**

Reality: Millennials' financial goals are modest.

Millennial investors and non-investors **expect to retire at 65, the traditional retirement age.**

**13%**

of all millennials reported that they will **never retire** because they cannot afford it.

**17%**

of non-investing millennials reported that they will **not retire** because they cannot afford it.

## Top Financial Goals Among Non-investing Millennials



Not living paycheck to paycheck



Being able to pay monthly bills



Having savings for unexpected expenses

### RESEARCH METHODOLOGY

The study used a sample of 2,828 responses obtained from Research Now, a proprietary online panel of individuals. The study was funded by the FINRA Foundation and the CFA Institute and conducted by Zeldis Research. Information about the study—including the survey instrument, data and methodology—can be found at [www.finrafoundation.org](http://www.finrafoundation.org) or [www.cfainstitute.org](http://www.cfainstitute.org).

### Millennial

Born: 1981-1996

**No investment account:**

No investment accounts of any kind

**Retirement account only:**

Employer-sponsored retirement account and/or an IRA

**Taxable investment account:**

Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

### Gen X

Born: 1965-1980

**Taxable investment account:**

Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

### Baby Boomer

Born: 1946-1964

**Taxable investment account:**

Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

Myth Two:  
**Income and debt are the key barriers to investing.**

Reality: While debt and income are major barriers to investing, **not having enough knowledge about investing** is also a critical barrier.



External sources like  
**PARENTS OR FAMILY MEMBERS**

are key factors **influencing millennials'**  
**decision** to start investing.



Spoke to their parents or other family  
 members about investing

Myth Three:  
**Millennials are overconfident in general, so they  
 are probably overconfident about investing.**

Reality: When it comes to making decisions about investing,  
 millennials **are not so self-assured.**

**MORE  
 THAN  
 HALF** **54%**

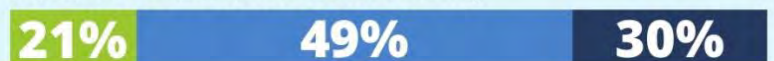


of millennials with taxable investment accounts  
**lack confidence** making investment decisions.

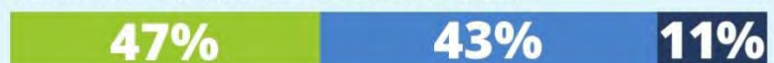
Non-investing millennials



Millennials with retirement accounts only



Millennials with taxable investment accounts



Very or extremely confident    Somewhat confident    Not at all or not very confident

Myth Four:

**Millennials are wary of the financial services industry and by extension, financial professionals.**

Reality: Millennials **acknowledge and respect** the expertise that financial professionals can provide.

Somewhat satisfied

Not at all satisfied



**72%**

of millennials working with a financial professional **are very or extremely satisfied.**

Very or extremely satisfied with their financial professional

**ONLY 15%**

of millennials not working with a financial professional cite **lack of trust** as a reason.

Do not trust financial professionals

Myth Five:

**Millennials overestimate the investable assets needed to work with a financial professional.**

Reality: In fact, millennials **underestimate** the investable assets needed.

**20%**

of millennials believe there is **no minimum amount needed** to work with a financial professional.



**6 in 10**

believe a financial professional **would work with them** if they had \$10k or less.

Millennials **lack guideposts** for pricing financial advice.

**42%**

say they don't know what type of fee financial professionals charge for their services.

**77%**

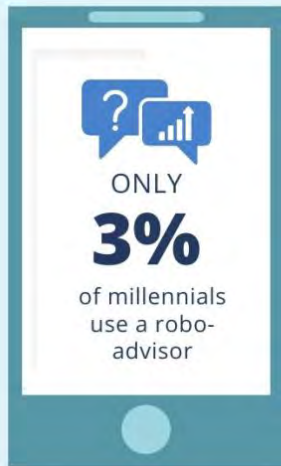
of those who estimate believe it is five percent or more of invested assets (compared to 46% of Gen Xers and 31% of baby boomers).



Myth Six:

**Millennials gravitate toward electronic communication and robo-advisors.**

**Reality:** Despite coming of age in a digital world, **58% of millennials prefer to work face to face** with a financial professional, on par with baby boomers (60%) and Gen Xers (58%).



**ONLY 16%**

of millennials express **strong interest** in using robo-advisors.



■ Not at all or not very interested   ■ Somewhat interested   ■ Very or extremely interested

Myth Seven:

**All millennials are the same and have similar investing attitudes and behaviors.**

**Reality:** **There are disparities** along geographical, gender and racial lines.

**Rural At Risk**



Urban millennials are **50% more likely** than rural millennials to own taxable investment accounts.

**Less Confident**



Fewer female millennials are **confident** making investment decisions compared to male millennials.

**Falling Behind**



African-Americans and Hispanics are about **29% less likely** than whites to own taxable accounts.



## **SAVE ENERGY, SAVE MONEY**

We already know you love saving money, because you are reading the Indiana MoneyWise e-magazine! That is why we are confident you are going to want to improve your home's energy efficiency, because saving energy equals saving money. We teamed up with Indianapolis Power & Light Company to learn about small changes that can have a big impact on our energy bills. Not an IPL customer? Not a problem. At the end of the article, we will connect you to an energy provider in your community.

## Here are five easy things you can do this weekend to improve your energy efficiency.

1. Replace the air filter in your furnace every 6 months. A clogged filter is problematic for several reasons. When it comes to energy efficiency, a clogged filter requires your furnace to work harder. Replacing the filter will not only improve the air quality of your home, but it will allow that air to flow through the filter with greater ease.





**2.** Replace the incandescent light bulbs in your home with LED bulbs. Incandescent bulbs may cost a little less in the store (as little as 70 cents per bulb), but they don't last nearly as long (about 1,000 hours), and 90% of the energy is wasted in heat, while only 10% goes toward producing light. Meanwhile, standard LED bulbs run anywhere from \$1-\$3, but they are much more efficient and will last a lot longer (about 25,000 hours). According to Energy.gov, your lighting energy costs can be cut 50%-80% by switching out your incandescent light bulbs to LEDs.



**3.** Using setbacks on your thermostat is another great way to get significant savings. In the winter, 68 degrees is the recommended temperature when you are home and awake, and 63 degrees is recommended when you are away at work or on vacation. In the summer, it is best to set your thermostat to 78 degrees when you are home and 83 degrees when you are away.



**4.** Seal air leaks and cover drafty windows. Replacing windows can be expensive and time consuming, but there are plastic kits you can buy in most home-improvement stores to help you insulate the windows you have in the meantime. Install new caulking and weather-stripping measures to help seal air leaks around doors because they can wear out over time or may have never been installed when your home was built.



**5.** Unplug electronics and appliances that are not being used. If you have a guest room, that is a great place to start. Nearly everything that plugs into the wall outlet will draw small amounts of power even when turned off. You can save energy by unplugging anything you do not regularly use. You may also want to consider an energy efficient power strip for your entertainment system. It will cut power to devices that are not in use, but still provide power to things like your internet modem and DVR when you are away from home.



To tackle some of these projects and identify other energy bandits in our homes, one of our Indianapolis-based staff members scheduled a FREE energy assessment with IPL. Watch as Brandon Kline, our Elections Outreach Coordinator, tours his home with Casey Roehm from CLEAResult<sup>®</sup>, who manages IPL's residential and commercial energy efficiency programs.



IPL's eScore™ Home Energy Assessment is free to IPL customers. An energy advisor will come to your home, conduct a walk-through assessment, and install energy-efficient products to help you start saving immediately. Your home will be given an eScore of 1-10, and the energy advisor will provide you with recommendations to improve that score. All of the recommendations will appear in your eScore dashboard, which you can view online when you log into your IPL account. One of the "coolest" parts about the eScore program is that the advisor can install a FREE smart thermostat by Nest. To qualify, customers must enroll in IPL's CoolCents® program, and they must have electric heat or central cooling, a compatible HVAC system and working Wi-Fi. You can learn more about the CoolCents® program by clicking [here](#).

So what if you're not an IPL customer? Energy providers throughout Indiana offer similar ways to save. We compiled a list of the energy efficient programs in other parts of the state.

Duke Energy  
Hoosier Energy  
Indiana Electric Cooperatives  
Indiana Michigan Power  
Indiana Municipal Power Agency

Indianapolis Power & Light  
Northern Indiana Public Service  
Company  
Vectren  
Wabash Valley Power Association



CLEAResult®



# **10** Real Estate Scams to Avoid Today





Scammers are always on the hunt for suckers, and they take advantage of popular trends to help them recycle old scams by giving them a small facelift. We found an article from [Scam Detector.com](https://www.scamdetector.com) that examines ten scams targeting the real estate market right now.

The real estate industry can be extremely profitable if you know what you're doing. For most people, a house is the most expensive purchase they'll make in a lifetime. Big money, big opportunities... for you and criminals. Scammers prey upon buyers, sellers, and realtors alike.

# 1. Hackers phishing for your down payment

The Federal Trade Commission and the National Association of Realtors® warn home buyers about email and money wiring scams. Hackers have been breaking into some consumers' and real estate professionals' email accounts to get information about upcoming real estate transactions. After figuring out the closing date, the hacker sends an email to the buyer, posing as the real estate professional or title company. The bogus email says there has been a last minute change to the wiring instructions and tells the buyer to wire closing costs to a different account. But it's the scammer's account. If the buyer takes the bait, their bank account could be cleared out in a matter of minutes. Often, that's money the buyer will never see again.



## Ideas to help you avoid phishing scams:

- Don't email financial information. It's not secure.
- If you're giving your financial information on the web, make sure the site is secure. Look for a URL that begins with https (the "s" stands for secure). And, instead of clicking a link in an email to go to an organization's site, look up the real URL and type in the web address yourself.
- Be cautious about opening attachments and downloading files from emails, regardless of who sent them. These files can contain malware that can weaken your computer's security.
- Keep your operating system, browser, and security software up to date.



**10 Real Estate  
Scams  
to avoid today**

## **2. Real Estate Agents Assigning the Sales to Themselves**

“I know a victim of a realtor who is scamming his buyers by taking advantage of sudden traumatic life events,” says Mariko Baerg from Bridgewell Group.

A buyer had purchased a house. In the time between the deal and the title transfer date, he got in a severe car accident and could no longer work for the short term. The realtor that was representing him had coerced the buyer into assigning the sale to the realtor himself for a discounted price, because he fearfully convinced the buyer that he would have difficulties keeping his financing from the lender. Assigning to yourself is a clear conflict of interest. The realtor did not try to market the assignment to anyone else, and the sale amount was \$100,000 less than market value! He also forged the seller’s signature to convince the buyer that it was okay to assign the property.

The issue could be avoided by making sure you have a power of attorney lined up in the case of an accident, making your realtor show you comparables to confirm what market value is before transferring. Also, if you have a feeling there may be a conflict of interest, always obtain legal counsel or receive a second opinion to determine what your options are,” explains Berg.

Recommended Read: [Buying Real Estate Leads from Realtor.com.](#)



### **3. Arc Fault Breaker Swap-Out Scam**

This next fraudulent practice is exposed by Jeff Miller, co-founder of AE Home Group: “Arc fault breaker swap-outs are a common scam I’ve seen in the flipping industry. Modern building code requires that electrical boxes contain arc fault breakers as opposed to traditional breakers in order to further prevent electrical fires. While safer, these arc fault breakers can add upwards of \$800 to the cost of the renovation. Following the issuance of a use and occupancy permit, some flippers will return to the home and replace these expensive arc fault breakers with the cheaper traditional breakers, adding profit to their bottom line,” says Miller.



## How can you avoid the bait and switch scheme?

- Confirm proof of funds at time of executing the contract.
- Do not grant unreasonable extensions or reductions.
- Set expectations early on.
- If extension or reduction is based on condition, request an inspector or general contractor report verifying claims.

## 4. Real Estate News: Bait and Switch

Another fraudulent real estate practice is the “bait and switch” scheme, explained here by Lucas Machado, President of House Heroes: “The scam occurs when a prospective buyer offers an ‘above market value’ price to a home seller. The seller – blown away by the high offer – excitedly signs on the dotted line. Sadly, the unscrupulous buyer has no intention to purchase the property at this price. Once the seller signs the contract, the seller may only sell to that buyer for a specified time (weeks to even months) for the buyer’s purported due diligence. When that time ends, the fraudster asks to extend the contract a few weeks to work out closing details. Sounding reasonable, the seller agrees to the extension blinded by the high offer,” warns Machado.

“There are two impacts on the seller. The seller keeps paying taxes, maintenance, utilities, insurance and develops an emotional commitment to sell. Here’s what happens in the bait and switch: the buyer comes back to the seller with an excuse as to why this price no longer works, requests a reduction to below market value, and threatens to cancel if their demand is not met. Stressed by passage of time and on-going costs, the frustrated seller agrees to the reduction.”

Machado offers a concrete example: “Our company had a scenario where we offered \$185,000. The seller accepted a \$220,000 offer. The ‘buyer’ asked for extension after extension, for 12 months, and then the tired seller agreed to sale price \$180,000. The victimized seller had on-going costs around \$10,000 and lost approximately \$20,000 by not accepting our offer a year ago.”

**SOLD**

*Realty*



**OPEN  
HOUSE**



## 5. Duplicated Listings

Leah Slaughter with OmniKey Realty warns about a scam constantly happening in the real estate business: the Duplicated Listings.

“We often see companies copy our legitimate rental listings and post on Craigslist for a much cheaper price. Unfortunately, many people fall for these fake listings and wire or overnight money to the owners of these fake listings and then cannot get access and eventually locate us and all we can do is refer them to the police,” says Slaughter.

“When searching for a rental, do your research and make sure you are working with a reputable company or a licensed agent/broker. If a landlord says they are not local and cannot give you access to the property, this is an immediate red flag.”

## 6. Real Estate Lawyers: Fake Profiles

David Reiss from Brooklyn Law School warns about a new type of scam: impersonating real estate lawyers. “In this case, the scammer takes control of the proceeds of a real estate closing by impersonating one of the parties to the closing and redirecting proceeds to an account controlled by him/her. The criminal might impersonate the seller’s lawyer and instruct that the proceeds from the sale be redirected to a new account,” says Reiss. “All such changes should be confirmed by a phone call (to a number that you know to be valid!) to confirm that they are from the real seller.”



## 7. Fake Escrow Service Request

Nina Furseth, Engagement and Corporate Communications Analyst at RentHop shares her advice: “Real estate scams are likely to occur when the rental market begins to tighten around May when students and graduates begin work or school. Regarding online rental scams, there are several big red flags to look out for such as:

- If Western Union, Money Gram, or an “escrow service” is involved.
- If the poster is asking you to wire money before you see the apartment.
- If the price is too good to be true.



## 8. Unlicensed Realtor Scam

The Unlicensed Realtor Scam affects both you and your realtor. Justin Lavelle, who is a Scams Prevention Expert and the Communications Director of BeenVerified explains: “In this scam, a so-called realtor sells property to a buyer. However, once a check is written for escrow, an unlicensed realtor deposits the money into their own account and not into the escrow account. Do yourself a favor and vet anyone you’re going to be working with, both your realtor and the one on the other end of the sale. A LinkedIn account doesn’t mean someone is trustworthy or a valid realtor, so do the homework. A person could have been a licensed realtor previously, but may now have an expired license,” warns Lavelle.

## 9. Title Fraud

Lavelle also offers information about the title fraud: “This scam steals more than a deposit or fee, it involves identity theft. The scammers will fabricate documents to make it look like they are the property owner. Using these materials, the scammer will take out a new mortgage on the property.

With a secured loan, the false owner can take the cash and then leave the real owner with remaining payments. Prevent this by getting title insurance and safeguarding personal information. Purchasing title insurance offers financial protection from false impersonation and improperly recorded legal documents that a scammer may attempt to forge.”

## 10. Fake Realtor Sending You for a Viewing

One final real estate scam is brought to you by fraud prevention expert Sorin Mihailovici, producer of the Travel by Dart TV show: “Let’s say you find a property you really like. You phone the realtor who arranges to meet you there. On your way to the apartment, he calls and mentions he had a small accident and won’t be able to make it anymore. However, you shouldn’t worry much because he says the landlord will be there to show you around.

To make it up to you, the realtor promises to negotiate a lower price than what the landlord will give you. ‘Call me when you leave the house, don’t sign a lease right away,’ he says. When you arrive at the house you find many other people interested in renting the same place.

The landlord gives you a price, but you want to negotiate a better deal. You call the realtor and work out a deal you’re happy with. Then you wait for him to confirm with the landlord. He phones you back shortly after and says the new price is okay. All you have to do is wire him the money for the first two months and you’re all set.

On moving day, you show up only to find someone else moving in. The realtor wasn’t a realtor at all; he just found the property online and reposted it with his own contact information. That’s how you called him in the first place. He sends several people at a time to generate a sense of urgency for the potential renters,” warns Mihailovici.

### **Real Estate Scams: How to Report Them**

Let your friends and family know about any real estate scams or questionable businesses in your area. You can also officially report the crooks to the Federal Trade Commission using the complaint assistant link.

# It's Almost Tax Time! Preparing for the 2019 Tax Season



By Michelle Cain, Director of External Communications, Indiana Department of Revenue

You may not be thinking about taxes this time of year, but the Indiana Department of Revenue (DOR) is always thinking about taxes and the upcoming tax season. With individual filing starting at the end of January, we're not too far away from the 2019 tax season. So, what can you do to prepare? DOR has a few suggestions:

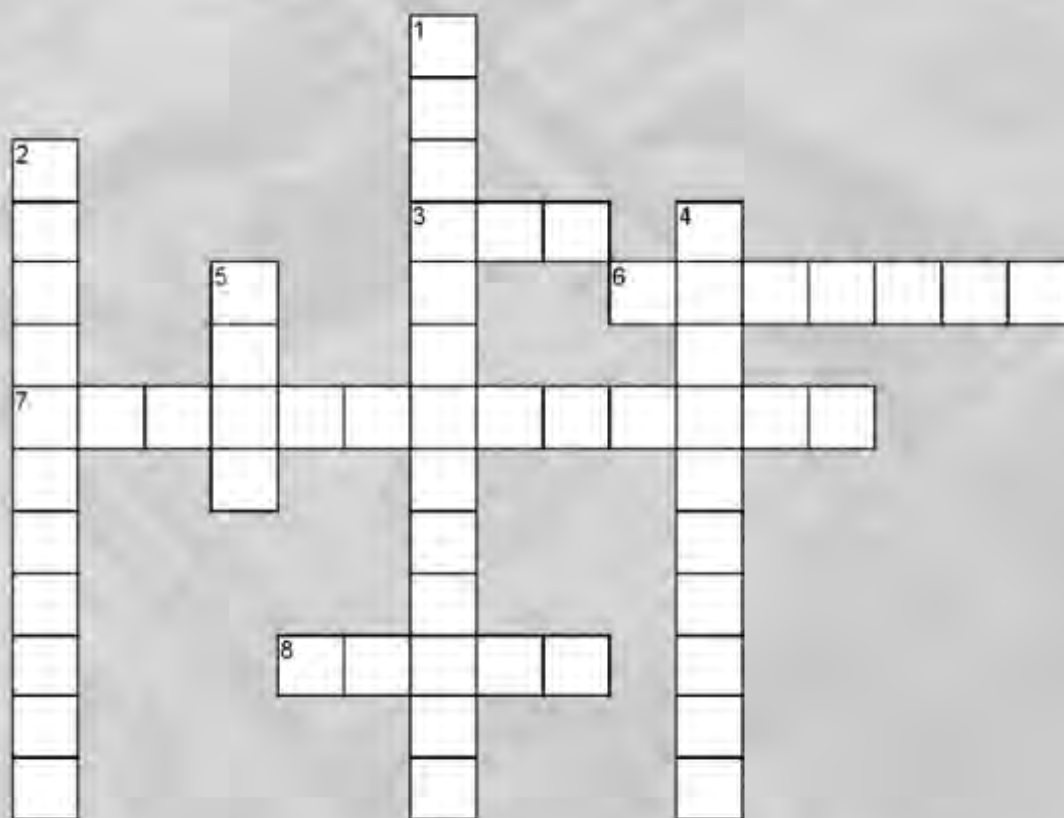
- Know the dates! Remember, paying taxes is required by law for anyone who makes more than \$1,000 in a year and new forms are released in late January.
- File your taxes electronically. Filing electronically is the most convenient option for many taxpayers. There are many benefits to filing taxes electronically, including faster refunds, increased security and fewer errors. One of the biggest mistakes made by paper filers is math errors, by filing electronically the computer does the math for you.
- File online for free. Millions of Hoosiers qualify to file their federal and state taxes online for free using Indiana Free File, but only 85,000 took advantage of this offer last year. New vendor offers for the 2019 tax season will be posted on the INfreefile website at [www.freefile.dor.in.gov](http://www.freefile.dor.in.gov).

- Assistance for senior citizens. If you are a senior citizen looking for assistance with preparing your individual income taxes, there are organizations available to help such as the AARP Foundation Tax-Aide program and the IRS Volunteer Income Tax Assistance and the Tax Counseling for the Elderly.
- Stay informed about Indiana credits and deductions. Be in the know about Indiana's many credits and deductions. You can find a list of Indiana's tax credits and Indiana's tax deductions on the DOR website.



If you need assistance this season, the Indiana Department of Revenue is available to help. You may call us at 317-232-2240, Monday through Friday 8 a.m. – 4:30 p.m., EST.

# Indiana MoneyWise Crossword Puzzle



## DOWN

1. A name for a type of scam that targets members of a specific demographic group. Perpetrators may attempt to relate to or exploit characteristics common to the demographic group. (2 words)
2. An illegal investment scheme in which investors are promised impossibly high returns on their investments. These are scams in which money from later investors is used to pay earlier investors. (2 words)
4. The investing of money or capital in order to gain profitable returns, as interest, income, or appreciation in value.
5. A fixed income security that represents a loan made by an investor to a borrower (typically corporate or governmental).

## ACROSS

3. Individual Retirement Account. An investment account in which a person can set aside income up to a specified amount each year and usually deduct the contributions from taxable income, with the contributions and interest being tax-deferred until retirement.
6. A specified income payable at stated intervals for a fixed or a contingent period, often for the recipient's life, in consideration of a stipulated premium paid either in prior installment payments or in a single payment.
7. The fraudulent appropriation and use of someone's identifying or personal data or documents such as a credit card. (2 words)
8. A false representation of a matter of fact that should have been disclosed, which deceives another so that he/she acts upon it to his/her injury.



# CLAIM YOUR CALM

2019 INDIANA SUMMIT  
ON OUT-OF-SCHOOL LEARNING

April 16-17, 2019



## *Take a moment for yourself. Better yet, take two days.*

When you can sprinkle moments for yourself in the midst of a hectic day, you're able to reestablish a baseline and make the most of your time—for you, the program and your kids. IAN will help you claim the moments you can take all for yourself, and show you how to make the most of them.

## *Registration opens November 2018*

Registration: \$100

For more information, email:  
[sbeanblossom@indianaafterschool.org](mailto:sbeanblossom@indianaafterschool.org)  
or visit [www.indianaafterschool.org](http://www.indianaafterschool.org)



# Indiana MoneyWise

## Financial Education Program

The Indiana MoneyWise Financial Education Program is delivered directly to community members who are at the brink of making impactful financial decisions for the first time - high school students. The Indiana Secretary of State's Office has partnered with EVERFI to offer digital financial education to high school students across Indiana at no cost to schools or taxpayers.

The 6-8 hour web-based curriculum prepares students to be responsible stewards of their financial future. The course covers everything from financing higher education to credit scores to investing. Each module provides bite-sized, instructional animations to make topics approachable and relatable to students.

The Indiana MoneyWise Financial Education Program started as a pilot program during the 2016-2017 school year, supporting more than 2,200 students in 26 schools with quality, accessible financial education. Thanks to overwhelmingly positive feedback from participating parents, teachers, and students, Secretary Lawson has expanded the program statewide.

The Indiana MoneyWise Financial Education Program is recommended for grade levels 9-12. There are nine course modules which take 40-50 minutes each to complete, for a total of 6-8 hours of education. The program aligns with Jump\$tart, national, and Indiana financial literacy standards and fits within business, career technical education (CTE), economics, and social studies classes.

## Teachers receive:

- Real-time student score reports on your teacher dashboard
- Supplemental, online lesson plans
- Detailed standards alignment guide with Indiana-specific standards
- Answer keys for all assessments
- Engaging discussion guides

## Students receive:

- Pre, post, and formative assessments for evidence-based learning
- Engaging animations providing explicit, direct instruction on new topics
- Guided practice activities that reinforce financial knowledge and skills
- Immersive, interactive learning experience

## Topics Covered:

- Saving
- Banking
- Payment Types
- Credit Scores
- Higher Education
- Renting vs. Owning
- Insurance and Taxes
- Consumer Protection
- Investing



If you are an educator interested in bringing financial education to your school, please visit [everfi.com/login](https://everfi.com/login) or contact our EVERFI schools manager, Marissa Moore at 847-804-8943 or [mmoore@everfi.com](mailto:mmoore@everfi.com).



## CAN YOU SPOT THE WOLF?

**\$CAMMED: Investment Fraud Revealed** is a 30-minute documentary featuring the stories of real investment fraud in Indiana. In watching **\$CAMMED**, you will experience these cases through the eyes of the victims who lost their hard-earned savings, and hear from the Indiana Secretary of State securities investigators who worked tirelessly to bring the fraudsters to justice. **\$CAMMED** is designed to be educational. You can watch the documentary on our website. Additionally, we are pleased to offer speakers from our office free of charge if you are interested in hosting a viewing party in your community.

<http://bit.ly/ScammedDocumentary>

# Indiana MoneyWise in the classroom



*Through Indiana MoneyWise, Indiana Secretary of State Connie Lawson offers financial fitness and fraud prevention programming to audiences of all ages, statewide. Indiana MoneyWise provides interactive learning experiences, tools, and resources to educators, and our outreach coordinators can travel to your classroom to provide programming directly to the youth you serve.*

**Pet \$ense: Magical Edition** - This game teaches children how to budget using magical creatures in place of more traditional pets. Children use an assigned allowance to make purchasing decisions for pet supplies. We throw in an emergency expense at the end to teach the importance of keeping some wiggle room in a budget.

**Financial Fitness Reading Program** - Children read books with financial messaging and reinforce what they read by completing several activities. Upon completion of the program, children are awarded a Secretary of State piggy bank.

**Fraud Fighting Force** - Children love escape room games, and we have created a simulation that uses many of the best parts, such as secret codes and invisible ink. Children are told they have a chance to join a superhero team, but they must first prove their worth by discovering a series of investment scams.

**How to Avoid Getting \$CAMMED** - This is a Prezi presentation developed by our office to teach teenagers and adults about various forms of financial fraud. We cover several popular scams, including the IRS scam, the grandparent scam, the tech support scam, and Ponzi schemes. We discuss methods of persuasion used by con artists and look at real life examples of investment fraud here in Indiana.

**Financial Fitness Jeopardy** - Just like traditional Jeopardy, but the questions center around money. This game allows for added discussion and in-depth learning. It's ideal for teenagers.

**Indiana MoneyWise BINGO** - Just like regular BINGO, only instead of simply reading numbers and letters, we provide fraud prevention tips along the way. This is a great game for engaging teenagers and adults.

*We encourage you to check out the Educational Resources page of our website. To schedule a visit to your school by one of our outreach coordinators, or to get more information about the programs above, please contact Kelly Griese and/or Kylee Hale.*

# FRAUD STOPPERS

Real Life Stories of Investment Fraud


The Indiana Secretary of State's office recently prosecuted investment adviser Stephen Recker of Jasper, Indiana. At one time, Recker was licensed to sell insurance policies for Allianz Insurance Company, but he was terminated when his client requested to cash in their life insurance for an annuity. Recker processed the request but Allianz deemed this improper. Not all annuities are the same and not all are suited for everyone. As an investor, it is important to research the annuity



and make sure the investment is a good fit for you. When Recker was terminated he lost his license to sell insurance policies.

In the state of Indiana, both investment advisers and the investment products must be registered. Recker continued business by partnering with a registered adviser and provided his client list in trade for half of the client commissions. His new partner sold insurance policies while Recker offered private investment opportunities on the side. The private investments were finalized on yellow notebook paper and Recker promised to pay all the taxes. As new investors gave him money he paid earlier investors a portion to string them along, however he put most of the money in his own pocket. The scheme was reported to investigators at the Indiana Secretary of State's office in November of 2015. An adult child of an elderly investor felt her mother had been scammed by Recker for a total of \$228,600. Through a detailed investigation our office along with the Indiana State Police discovered 20 victims and a little over \$545,000 missing.





What did Recker do with the money you might ask? He had a bit of a gambling problem and some medical issues. Recker expressed concern for his health and depression in a phone conversation with Indiana Secretary of State Investigator, Charlie Williams, after Recker had realized someone had been contacting his clients regarding the investments. Approximately six months prior, in another conversation with Charlie Williams, Recker said that all the people (people he took money from) are well off and that they will not live differently because of it (the loss of the money). He said he had known all these people (who invested with him) a long time and that is why they gave him the money.

Stephen Recker was convicted of five felony counts of securities fraud, two felony counts of theft, and received a 30-year sentence (20 years in Department of Correction, 4 years home detention and 6 years on probation). He was ordered to pay \$553,298 in restitution to his victims.

Most of Recker's clients were unaware he was not registered with the state of Indiana. Regardless of how long you have known a person or been conducting business with an individual, it is worthwhile to do a quick search in the database to confirm up-to-date licensing and compliance. Proper documentation is another must with investments, missing documents usually indicates an unregistered security. Other red flags include: overly consistent returns, complex strategies and guarantees. There are no guarantees in life but death and taxes! Investing your money can allow you to grow it, doing homework on your investments can allow you to protect it.

**Protect Yourself Against Investment Fraud**  
**[www.IndianaMoneyWise.com](http://www.IndianaMoneyWise.com)**

# Indiana MoneyWise



Indiana MoneyWise is an educational program designed to increase financial fitness in Hoosiers while also providing information critical to avoiding investment fraud. Throughout the Indiana MoneyWise website and e-magazine, you will find interactive learning tools and resources to teach you the skills needed to be both financially fit and a wise investor.

## Connect with Us

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