

Warning Signs of Scams and Fraud

What is a scam?

Financial scams targeting seniors have increased and are considered a form of abuse due to the emotional, financial, and even physical harm they can have on patients and their families. Financial scams often go unreported or can be difficult to prosecute, because they are considered “low-risk” crimes. However, these crimes leave many individuals in a very vulnerable position, often wiping away money needed for continued living expenses.

The emotional effects of being scammed:

Seniors who have been scammed often feel ashamed for having believed the information that the criminals requested, and do not share their story or tell a trusted family member or friend about the event. It is important to realize that criminals can tell very believable stories and can even provide information that seems very legitimate. It is often very difficult to detect a scam, and it is important to let your loved one know that many individuals have lost a great deal from scams because of how savvy criminals have become.

Five common senior scams:

1. **Internet fraud:** Seniors, unfamiliar with how to use the Internet, can unknowingly give their credit card or banking information to a scammer.
2. **Prizes and sweepstakes scams:** Seniors are often told they have won a sweepstakes and all they need to do is send a check to cover the taxes. Seniors have also received a fake check for \$5,000 and are encouraged to deposit the money and send back \$2,000 to cover the taxes. By the time it is determined that these checks—which often come from an overseas bank—are worthless, the senior has lost his or her money. Also, there are magazine sale scams where seniors order magazine subscriptions that never show up.
3. **Identity theft:** Seniors may unintentionally provide their birth date or social security number to criminals who can use this information to gain access to financial accounts. Seniors have opened up their entire financial history to thieves by giving this valuable information over the phone.
4. **Home improvement fraud:** Criminals will knock on a senior’s door offering to fix their driveway, but will then paint it black and charge the senior \$3,000. Others have been asked to pay for home improvements up front but never see the repairman again. Insist on finding a reputable handyman through the Better Business Bureau, and ask for a contract.
5. **Phishing schemes:** In this type of scam, seniors will receive a call from someone claiming to be a representative from a bank or other reputable institution. They’re warned that their financial information or credit cards are being used without their consent, and the senior is asked to verify their vital bank account information (including their passwords, account numbers, and other personal information). Criminals will also ask their victims to call them back at an 800 number to provide their personal financial information, making themselves appear as reputable bank representatives.

Tips for preventing fraud (from www.fbi.gov):

- Do not buy or receive services from an unfamiliar company. Legitimate businesses understand that you want more information about their company and are happy to comply with giving you more information about them.
- Always ask for and wait until you receive written material about any offer or charity. If you get brochures about costly investments, ask someone whose financial advice you trust to review them. But beware—not everything written down is true.
- Obtain a salesperson's name, business identity, telephone number, mailing address, and business license number before you transact business. Verify the accuracy of these items.
- Don't pay in advance for services. Pay for services only after they are delivered.
- Don't pay for a "free prize." If a caller tells you the payment is for taxes, he or she is violating federal law.
- Always take your time making a decision. Legitimate companies won't pressure you to make a snap decision.
- Do not sign anything that you do not fully understand.
- Research a product thoroughly before buying it. Call the Better Business Bureau to find out if other people have complained about the product.
- Insist on finding a reputable handyman through the Better Business Bureau, and ask for a contract.
- Never give out your birth date or social security number over the phone.
- Always report any information you may have about fraud to state and/or federal law enforcement agencies.