



How to Prevent Elder Financial Abuse

Financial fraud continues to be the fastest growing form of elder abuse. As the senior population in this country increases, so do the

financial crimes committed against these vulnerable and trusting individuals. Elder abuse is particularly hard to combat because it frequently goes unreported, as do financial scams—making elder financial scams a relatively “low-risk” crime. Elderly victims are often confused, afraid or embarrassed to report crimes against them so the best way to protect your older loved ones is to educate them about common scams.

Below is additional information about common types of fraud against seniors as well as advice for seniors when approached by scammers.

Why Seniors?

- Senior citizens are likely to have a strong credit standing, money put away and/or own their home, all of which make them attractive to con artists.
- People raised in the 1930s, 1940s and 1950s were generally taught to be polite and trusting. Scammers exploit these traits.
- The elderly are less likely to report fraud because they're embarrassed, don't know who to report it to or don't realize they've been scammed. They also might not report it because they don't want family members to think they no longer have the capacity to take care of themselves.
- Even when they report a crime, elderly victims often make poor witnesses as they're not able to supply enough detailed information due to the effect of age on memory.

Common Scams

- *Telemarketing, Email and Sweepstakes Scams* – A scammer calls seniors about a sweepstakes or a lottery they won that requires advance fees or upfront charges. Or, seniors receive an email asking them to wire money to a stranger as part of a financial windfall that will be split with them. Also, there is the fake governmental agency call to get access to seniors' government benefits or social security numbers for the purpose of identity theft.
- *The Grandparent Scam* – A perpetrator pretends to be a grandchild, law enforcement officer or medical professional with a story that the grandchild is in legal or medical trouble and needs money immediately to resolve the issue.
- *Repair Fraud* – A repair person contacts a senior about a necessary service and requires payment upfront—often for services that are never provided or are not needed.
- *Funeral and Cemetery Scams* – A perpetrator scans obituaries and contacts the grieving widow or widower with a claim that the deceased had an outstanding debt.

How to Handle

Fake sweepstakes and telemarketing scams are the most common forms of fraud that impact seniors. Following is senior fraud prevention guidance from the National Crime Prevention Council, outlining five ways to make unwanted telemarketers go away. Remind seniors in your life that they can, and should, ask telemarketers to remove them from their call lists. If the telemarketers don't, they're breaking the law.

1. Never give personal information (bank account, social security number, etc.) to anyone over the phone, unless you initiated the call and know you've reached the right agency.
 - **Response:** “I don't give out personal information over the phone. I'll contact the company directly.”
2. Don't believe it if the caller tells you to send money to cover the “handling charge” or to pay taxes.
 - **Response:** “I shouldn't have to pay for something that's free.”
3. “Limited-time offers” shouldn't require you to make a decision on the spot.
 - **Response:** “I'll think about it and call you back. What's your number?”
4. Be suspicious of anyone who tells you not to discuss the offer with someone else.
 - **Response:** “I'll discuss it with my family and friends and get back to you.”
5. If you don't understand all the verbal details, ask for it in writing.
 - **Response:** “I can't make a decision until I receive written information.”

In addition to ensuring that seniors in your life know warning signs and scams to look out for, it's important that they come to a loved one for advice before they take action when approached by someone asking for money or personal information. The best rule of thumb for seniors to avoid being victimized is to never provide personal information, and don't send money or provide a credit card number to “verify,” “guarantee” or “process” a prize.

CONSUMER TIPS is provided as a public service by the Missouri Independent Bankers Association with the understanding that the association is not engaged in rendering specific legal, accounting, or other professional services. If specific expert assistance is required, the services of a competent, professional person should be sought.

Members, feel free to reprint the information in this column with your own public service message. Remember, you can insert your bank's logo and use these tips as statement stuffers for your customers. If you did not receive this column by email and would like to be added to the email list, send your request to mlawson@miba.net.