

Let's Talk Finances

Watch Out for these Elder Abuse Scams



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Financial scams against the elderly are on the rise — and getting more sophisticated. Whether you're looking to protect yourself or others, it's important to stay informed about the methods that scammers use to swindle people out of their money.

Romance scams

Romance scams are one of the most common ways for fraudsters to target elderly people, according to a recent analysis by the U.S. Financial Crimes Enforcement Network (FinCEN). Romance scammers make a fake social media or dating site profile to build trust with their unsuspecting (and perhaps lonely) victims. Then, they strike by requesting money for a made-up emergency or travel expense. The Federal Trade Commission notes that these scammers typically ask their victims to wire money or send it via gift card because these types of transactions are difficult to trace or reverse.

Person-in-need scams

According to FinCEN, person-in-need scams are a widespread method for defrauding seniors. For this scam, someone will call or send a message to the target, pose as his or her relative (usually a grandchild) and pretend to need money for a personal emergency or a sudden financial issue. The scammer will usually request payment via wire service and ask the senior not to tell anyone else about the fake emergency. This scam is especially effective because it plays on the victim's natural desire to help a loved one facing an urgent crisis.

Prize or lottery scams

Many seniors are parted from their money via prize or lottery scams. In these schemes, targets are informed that they have won a lottery or sweepstakes. They might even receive a fraudulent check in the mail. The catch is that in order to redeem the prize, the "winner" needs to send in some sort of fee or tax. By the time he or she realizes the prize is fake, the scammer has already grabbed the fees and vanished.

Other scams

There are a variety of other scams frequently aimed at the elderly. Medicare and health insurance scams collect a person's personal information and use it for fraudulent medical billing. Counterfeit prescription drug scams peddle fake or even dangerous products online. Telemarketing scams use an array of strategies to cheat seniors through misleading sales calls. Internet scams trick victims into downloading a virus or steal their personal information via email "phishing." Some scams feature phony investment opportunities or even con the victim into borrowing against his or her home equity.

Tips for preventing scams

Whether or not you're part of the senior demographic, it's important to stay on your guard against these scams. Sign up for the Do Not Call list, carefully research all unsolicited offers, and reach out to trusted friends or relatives if you need assistance. You should also avoid giving out personal information (like credit card, Medicare or Social Security numbers) over the phone unless it's a call you initiated yourself.