



GLOBAL
WEALTH ADVISORS

**PREVENTING
ELDER FRAUD
A GUIDE FOR SENIORS**

Information on the latest scams
and ways to protect yourself

HELPING YOU AVOID ELDER FRAUD

We are all susceptible to fraud. Perpetrators often prey on emotions, the potential for a “nest egg” and reduction in memory skills as we age. What’s more, seniors may be more vulnerable to fraud when experiencing life changes.

To help seniors understand the risks for fraud, we’ve developed a guide to aid in understanding the different types of elder fraud, and ways to protect oneself from it.



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WEALTH ADVISORS

Kris Maksimovich, AIF®, CRPC®

PLAN | PROSPER | PROTECT

18170 Dallas Parkway, Suite 103

Dallas, TX 75287

(972) 931-3818

info@gwadvisors.net

www.gwadvisors.net

TYPES OF ELDER FRAUD

Financial exploitation can occur when businesses, individuals or charities use pressure tactics, misleading language or images that cause seniors to make financial mistakes. Examples of this type of exploitation include:

CRIMINAL FRAUD

This happens when thieves steal your identity and information, or cons you into sending money or sharing personal information.

IDENTIFY THEFT

This occurs when a thief pretends to be you in order to fraudulently obtain money or other items. It often occurs when a fraudster steals and uses your credit card or bank account number.

ABUSE OF TRUST

This can occur when family, friends, or even paid helpers take advantage of the trusting relationship they have with you in order to swindle you out of money.

FAMILIARITY FRAUD

This can occur when a fraudster uses information about you or your habits to scam you, even potentially following your family online to see what their activities and routines are, to find out more about you.

STRANGER FRAUD

This type of fraud is committed by strangers who have just enough of your personal information to trick you into thinking they have some type of relationship with you.

HEALTH SCAMS

This type of fraud occurs by preying on your desire to remain healthy as you age. Unfortunately, a popular scam includes online sales of vitamins or drugs where there can be a lack of accountability for these items. Because of this, government and industry organizations alike warn against purchasing drugs online because there is no reasonable way to ensure the drugs you receive are correct, the recommended dosages are correct, the drug has not expired or that the drugs will even be shipped to you.

TELEMARKETING SCAMS

This occurs when a telemarketer attempts to sell you bogus products and services by phone, such as free prizes and offers, low-cost vitamins, drugs or healthcare products, and inexpensive vacations. If you are age 60 or older—and especially if you are an older woman living alone—you may be a particular target. A good rule of thumb is that if it sounds too good to be true, it probably is.

STRANGER FRAUD

Popular types of stranger fraud include impersonation or promises. Examples include:

EMAIL “PHISHING”

Phishing occurs when a thief sends you an email that appears to be from a legitimate source or company that you do business with. The good news is these emails often offer clues that they are fake, including poor grammar, odd-looking link addresses or unusual requests for sensitive information like passwords, account numbers and social security numbers.

BANKCARD SKIMMERS

Data can be “skimmed” from any machine with an unauthorized skimmer attached to the mechanism where you insert your bank or credit card.

IRS IMPERSONATION

In this scam, a thief may call claiming to be an official IRS agent, sometimes even reciting a fake badge number. The con artist usually claims you or a loved one have unpaid taxes or mistakes on a tax return. They often demand immediate payment, with threats of arrest, deportation or other legal action.

CHARITABLE DONATIONS

When you donate money to a new charity, your name often appears on lists of those known to donate. These lists are often purchased and because of this, a senior might receive multiple calls a day asking for money from fraudsters claiming to be associated with a charitable organization that seems legitimate.

INVESTMENT OR INSURANCE

This scam usually promises short-term return on investment and involves an advertisement or salesman who persuades you to invest in an unusual asset, such as commemorative gold coins, a pet rescue farm, or even penny stocks.

LOTTERY OR SWEEPSTAKE SCAMS

These scams generally involve informing you that you’ve won a large prize of some kind. They often require a small amount of money to be paid in order to collect the prize.

HOME IMPROVEMENT

This type of fraud typically involves a contractor who insists on being paid upfront for work that he or she never intends to complete. Other variations of the scam might include a contractor who overcharges, or charges you multiple times for the same work.

FAMILIARITY FRAUD

With familiarity fraud, scams can be perpetrated by someone the victim knows, or by someone who appears to be familiar. Examples include:

MISAPPROPRIATION OF INCOME OR ASSETS

This usually involves someone close that is exploiting or exceeding the authority they've been given over your finances. For Social Security, this can be someone who becomes a "representative payee" of benefits, who improperly accesses your Social Security income. A representative payee is similar to becoming an agent under a power of attorney.

Other examples might involve adding a name to a bank account under false pretenses, abusing power of attorney, or transferring a title to or re-encumbering real property.

POWERS OF ATTORNEY

Fraud can happen when powers are granted to the wrong individuals.

OBITUARY SCAM

This can occur when a scam-artist calls a widow or widower to inform them that their deceased spouse owes thousands of dollars in unpaid debt. They often threaten financial ruin if you don't pay quickly. Often, a steeply discounted "settlement offer" is proposed.

GRANDPARENT

In this scenario, the individual receives a call, seemingly from a grandchild claiming to have been arrested, hurt or in some other financial jam while on vacation. The fraudster may even search for the grandkids online so they can use actual names, making the con seem more believable. In this scam, the "grandchild" needs money and doesn't want their parents to know because they will get angry. These calls often happen late at night, when you are groggy and confused.

SWEETHEART CON

This type of scam involves a younger man or woman who develops a close relationship with a senior—typically someone who is lonely or who has become isolated. Their goal in this relationship is to be written into the will or to receive gifts.

STRATEGIES TO HELP PREVENT FRAUD

Vigilance may be the most effective tool against financial fraud. Here are a few strategies that could help you prevent becoming an unwitting victim:

BLASTING MISCONCEPTIONS

You might think women, older seniors, those living far from relatives or those who have lost a partner are more vulnerable to fraud, but that notion may be deceiving. Fraud victims can include those who are:

- Financially sophisticated, perhaps due to overconfidence
- Those who are comfortable moving large sums of money around
- College educated individuals
- Those living in urban areas
- Anyone who is extremely friendly

AWARENESS

As a senior, you should be alert to the life changes that may leave you vulnerable and can affect financial judgement. Examples include:

- Recent retirement
- Hospitalization or surgery
- Loss of a spouse
- Dependency on family or friends
- Recent move

What you can do:

- Be aware of common scams and get-rich quick schemes
- Be wary of high-pressure requests
- Be skeptical of requests that seem out of the norm
- Recognize that if something seems too good to be true, it usually is
- Use the Do Not Call Registry ([donotcall.gov](https://www.donotcall.gov))

POWERS OF ATTORNEY

POA abuse is a legitimate concern because fraud can happen when powers are granted to the wrong individuals. It's important to use care by:

- Choosing an agent wisely and thoughtfully
- Avoiding people with a history of financial problems
- Finding someone who is financially literate
- Considering alternative types of POA
- Considering using "joint agents"

Remember, you can limit the powers you give agents. For example, you can spell out that the agent can't change your wealth transfer strategies or apply for credit on your behalf.

STRATEGIES TO HELP PREVENT FRAUD

IF YOU DO ORDER DRUGS ONLINE

The following guidelines are recommended by the US Health and Human Services Administration on Aging:

- Purchase from websites that belong to a verifiable “brick and mortar” pharmacy with a street address
- Don’t purchase drugs from a pharmacy that will sell you prescription drugs without a prescription
- Don’t purchase drugs from a pharmacy that will issue you a prescription based solely on a questionnaire on the site

STAYING SAFE ONLINE

- Only make purchases from trusted sites
- Ensure your network is secure with passwords and encryption
- Be mindful of storing sensitive information on non-secure websites. Encrypted websites often have the “s” in “https://”
- Be wary of unsolicited requests online
- Take care when opening emails from those you do not know. They could contain phishing requests and viruses that can exploit your private information
- Setup banking alerts that can let you know about changes to your accounts via email or text
- Use optional security questions when creating login credentials and organize the data in a password management program
- Routinely change your passwords
- Regularly check your credit report
- Be aware that public Wi-Fi networks such as at airports, coffee-shops and hotels are not secure



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