

# Fraud Fact Sheet

Fraud is financial abuse. Elder financial abuse is a crime. It involves the wrongful taking of money or property, whether through fraud, scams, predatory caretakers or family, or others. Financial abuse also includes the illegal or improper use of an Elder or dependent adult's financial resources. An estimated \$2.9 billion is stolen annually from Elders. (1)

## TYPES OF SCAMS

There is a wide range of different scams that specifically target Elders, including:

- **Healthcare/ health insurance fraud** (such as "free" medical products and services that are not delivered) (2)
- **Counterfeit (fake) prescription medicines & fake "anti-aging" products** (2)
- **Funeral services fraud** (such as charging for items that are not necessary for a funeral or cremation) (2)
- **Telemarketing fraud** (aggressive sales offers, "free prizes," identity theft, fake tax collectors or bill collectors) (3)(4)(4)(5)
- **Fake investments and investment scams** (promises to send you lots of money if you pay a fee, "no-risk" investments, etc.) (2)
- **Reverse mortgage scams** (promises of a "free house" or refinancing/foreclosure help) (2)
- **Online internet scams** (identity theft, fake stores/auctions) (2)



## STAYING SAFE & AVOIDING SCAMS

There are a wide variety of scams that can come from a number of different sources. Some scammers will try to trick you with advertisements or through websites, and others may threaten you over the phone. Consider the following tips to help avoid fraud of any kind:

- **Always read ANY document before signing it.** Do not sign blank insurance forms or contracts, or documents that have errors on them.
- **Only release health insurance or Medicare identification numbers to the hospital or doctor's office where you received services.** Always keep records of appointments. If you receive a call asking for this info, hang up and call the doctor's office back. (3)

- **Take care in buying prescriptions online.** Only use pharmacies with a Verified Internet Pharmacy Practice Site (VIPPS) approval. (3)
- **Always do research before buying any product or service.** Research companies by calling the Better Business Bureau (BBB). Never feel pressured to make a same-day decision, no matter what – a good, fair company will honor their offer or quote later. (3)
- **Deals that sound too good to be true usually are! Beware of someone who promises you something for free whether** a door-to-door salesman, an advertisement in the mail, or a caller on the phone. (3)
- **Never give financial information to someone calling saying that you owe back taxes to the IRS, even if they say they are an IRS agent and that you will be arrested if you do not pay immediately.** The IRS never calls taxpayers without first sending a letter, and never asks for payment over the phone. The IRS will never threaten to arrest you. (3)
- **Fake debt collectors might try to pressure you into paying for an unknown debt left by a deceased spouse.** Always research it first – never pay it just because they threaten you with financial harm. (4)
- **Never open emails from people you do not know.** It could contain a virus that is intended to steal your information. (2)
- **Never give credit card, bank information, Social Security numbers, or any other personal information out if you receive an email asking for it** – even from your own bank or the government. (2)
- **Avoid carrying your Social Security card with you** because losing it or having it stolen can increase your risk of identity theft. A 2014 member survey conducted by NICOA showed that 55.6% (275) of female elders and 58.9% (73) of male elders indicated they carry their social security card with them.

### Learn More:

For more information on the types of fraud and how to avoid them, visit the FBI's website:

<https://www.fbi.gov/scams-safety>

### SOURCES

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- 2). Federal Bureau of Investigation, [www.fbi.gov/scams-safety/fraud/seniors](http://www.fbi.gov/scams-safety/fraud/seniors)
- 3). Clark-Wendel, *Financial Fraud*; [www.forbes.com/sites/sungardas/2014/09/09/what-everyone-should-know-about-financial-fraud-against-the-elderly/](http://www.forbes.com/sites/sungardas/2014/09/09/what-everyone-should-know-about-financial-fraud-against-the-elderly/)
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- 5). Ribeiro, A. G., *7 costly scams that target senior citizens*, [www.bankrate.com/finance/retirement/fraud-5-scams-aimed-at-the-elderly-1.aspx](http://www.bankrate.com/finance/retirement/fraud-5-scams-aimed-at-the-elderly-1.aspx)