

PROTECTING SENIORS FROM FRAUD



May is Older Americans Month, so this is a good time to reflect upon the greatest generation and redouble our efforts to protect elderly Texans. The Office of the Attorney General is proud to work with law enforcement to achieve this goal. Con artists and criminals often target older Texans because seniors are more likely to have retirement savings, their own homes and great credit. Scam artists also know older Texans may be less likely to report fraud. In fact, some estimates indicate that only one in 25 cases of financial fraud against senior citizens is reported. The OAG receives complaints from seniors about a wide array of scams.

Below are a few examples:

“GRANDPARENT” SCAM

The scam begins with a telephone caller who claims to be a grandchild in trouble and in urgent need of money. Often, the caller claims to be traveling in Canada. The "grandchild" also requests secrecy, hoping to increase the odds that the fraud will be successful. If all goes according to the con artist's plan, the victim wires money to the "grandchild." By the time the worried grandparent realizes the scam, the money is long gone and most likely not recoverable.

HOME REPAIR & DOOR-TO-DOOR SCAM

In one ploy, a "repairman" approaches a home owner, often after a bad storm, and insists that the home needs repairs. Once the repairman gets a check, he disappears without making or finishing repairs. Other times, a "contractor" will approach a senior citizen, saying he has extra materials from a job and will perform a service, like sealing a driveway, for less than the typical cost. The work, if done at all, is usually substandard. In a variation of these scams, the con artist uses the construction ruse to gain entry into the victim's home where he steals valuables from the home while the owner is distracted. Texans should always be suspicious of unsolicited contractors who approach their homes, and they should always be wary of people they do not know. Legitimate workers - such as utility company representatives or professional repairmen - will not be offended if a homeowner asks for proof of identification.

“MIRACLE” HEALTH SCAM

As a population, older citizens typically suffer from greater health problems - such as cancer or arthritis - than younger segments of society. Unfortunately, some seniors can be increasingly vulnerable to unscrupulous sellers preying on seniors' health and wellness fears to sell worthless healthcare products that they falsely claim can cure chronic or terminal diseases. Senior citizens seeking medical treatment or a cure for ailments should think twice before spending their money on products and treatments that are not approved by the Food and Drug Administration. Anyone who purchases unapproved products may be wasting their savings or worse, exposing themselves to health risks. Texans should always consult a healthcare professional about their health problems and should never rely solely on a salesman's advice about a product.

FOREIGN LOTTERY/SWEEPSTAKES SCAM

In this scam, which often originates in Canada, the operators claim that potential victims have won another country's lottery. The scam artists often claim they need the victim's bank account information in order to wire the lottery proceeds. Then, armed with the victim's account number, the thief drains the bank account. In other cases, the scammer claims the victim must pay "taxes and processing fees" in advance to receive their winnings. Sometimes the criminals even send a convincing counterfeit check in an attempt to lend legitimacy to the scam. The counterfeit check is denied by the victim's bank, but often after the victim has sent the "taxes and processing fees." Another variation solicits its victims to buy entries into a foreign lottery. Of course, no lottery tickets are really purchased, and the con artists pocket the victim's money. Anyone with friends or relatives who think they won a foreign lottery should keep this in mind - it is illegal to participate in another country's lottery.

INVESTOR “FREE LUNCH” SCAM

Senior citizens should also be wary of "free lunch" investment seminars. Potential investors are often invited to free seminars that promise to educate them on money strategies or management. Promoters provide a fancy meal in hopes of receiving seniors' retirement savings to invest. These luncheon investment seminars usually are more about recruiting new clients or selling investment products than investor education. Many legitimate investment advisors use this technique to meet and recruit new clients, which is perfectly ethical. However, scam artists and identity thieves also use these events to steal attendees' personal information. Other salesmen, such as those selling timeshares or vacation packages, may also use these seminars to sell their products. Seniors should always remember that a good show doesn't always offer a good deal. Texans should never make an on-the-spot decision after attending a seminar. It is important to conduct independent research about the sales product before making a purchase.

AWARENESS & vigilance are the keys to avoiding scams. By working together to raise awareness, law enforcement agencies can help Texas seniors protect their finances, their identities &, most importantly, their dignity.