

10 Financial Scams that Target the Elderly

Financial scams can target people at any age, but seniors are often favorite targets of scammers because most are homeowners, have substantial savings, are more trusting and may not know enough about the latest technology and laws to protect themselves. These scams cost older Americans millions, if not billions, every year — and despite crackdowns, they aren't likely to stop anytime soon. So how can you protect your loved ones or yourself? Through education and proactivity, of course! If you're unsure if any company is legit or committing fraud, contact the Better Business Bureau or the FTC and look for these common schemes — it just might save your **financial** future.

1. **Low-risk, high return investment scams.** These kinds of scams seem like an opportunity that can't be missed, but they're really much more of a risk and a potential for serious loss than perpetrators would have the elderly believe. Nearly all scams that target the elderly use this idea in some form or another, promising a sage investment with ridiculous returns. Yet the old adage holds true: if it sounds too good to be true, it probably is. Always, always check up on any investment opportunity or consult a financial professional before making any moves with your money.
2. **Charitable gift annuity scams .** Charitable annuities in and of themselves can actually be a good thing when done right, but unfortunately many scammers take advantage of elderly using just this idea. Scammers create a fake charity and solicit donations from elderly individuals, promising a return on their investment through an annuity. Do not ever give money to a charity without researching it first to make sure that it's legitimate. Additionally, you should only set up a charitable annuity through a trusted financial advisor, not anyone who contacts you randomly over the phone.
3. **Fake high-return CD scams.** Like other investment scams, these frauds play on the all-too-human desire to get something for nothing, with a safe, reliable "opportunity" that's supposed to pay big dividends. Scammers will fool seniors into thinking they're legit by saying the CDs are sold through major banks (when really they have no affiliation) or by choosing a name that's very similar to an existing one. The fake company takes your money, but no investment is made. Instead the money goes into their pockets — and disappears just as quickly as the company soon will.
4. **Prize and sweepstakes frauds.** Who wouldn't want to pick up the phone and hear that they've won a free trip, money or prizes? Unfortunately, most of these calls and mailings are simply scams. In order to get your prize, scammers will tell recipients they'll have to pay taxes or fees on them first and they'll be mailed to them later. Unfortunately, the prizes rarely (if ever arrive). If you have genuinely won a prize, there should be no tax or fee to get the item. Ever. Any taxes due will be paid to the government at the end of the fiscal year, not upon receiving the prize.
5. **Home, auto repair or medical equipment scams.** Finding the money to make major home repairs can be hard, especially for seniors on a fixed income — and scammers know that. They offer up deals to finance your home and auto repairs or medical equipment purchases for you. Sounds like a great deal, right? It isn't so great when you find out the interest rates the loans come with, making it nearly impossible to repay and garnering thousands in debt in a few months. Protect yourself by not getting loans through companies that solicit over the phone— anyone reputable won't have to come to you— and avoid anyone targeting those with credit score problems.
6. **"I need your help" scams.** Whether it's a Nigerian prince or a person down and out, these kinds of scams have been around for ages and are still fooling many Americans into sending cash to scammers. Often, they promise a return on a cash donation but others are more sinister, posing as credit examiners, police officers or bank employees. Victims of these scams are tricked into giving money or even providing account information, a mistake that can cost thousands. A rule of thumb to keep you safe is to delete all emails from unknown addresses and to remember that a bank or regulatory institution will

never ask for your personal information over the phone. If you have your suspicions, it's always better to be safe than sorry.

7. **Reverse mortgage scams.** Reverse mortgages can spell disaster for many homeowners who don't do their research. While it is possible to get a legit reverse mortgage, it's much more likely that you'll be falling into a scam. These deals are created by scammers in order to steal the equity from a property and frequently target seniors. Victims may be lured in through the promise of free property, investment returns or other benefits that will never materialize. Any real reverse mortgage deal will be insured by the Federal Housing Authority. Any that isn't you can assume is a scam.
8. **Credit repair scams.** No one wants to live with bad credit. It can make getting a house, credit card or loan pretty darn hard. In these scams, a company promises to help an individual repair their credit— for a fee of course. While it sounds like a good deal, it's entirely fraudulent. There is no easy way to repair your credit other than time, paying bills promptly and making good on any debts. If anyone promises to help you repair your credit overnight, they're trying to scam you.
9. **Loss recovery scams.** These kind of scams target those who've already been scammed once, making them twice as sinister. Elderly individuals who've been tricked into thinking they've won a prize who've paid money without receiving it are targeted by these fraudsters. They claim they can help you get your hands on that prize, often posing as government agents working on your case. They ask for a large sum of cash to help conduct the investigation (which should be a red flag), which victims will never see again. A government employee will never, under any circumstances ask for cash to do their job, so if you've already been scammed once, don't let it happen again.
10. **Help you pay your bills scams.** There are few people out there who wouldn't love a little assistance in paying their bills, but these kinds of scams will show you that there really is no such thing as free money. These scammers have no intention of helping you pay your bills and may actually make it impossible for you to do so by robbing you of thousands of dollars. How does this kind of scam work? Fraudsters will convince you to make them joint account holders on your accounts, with the idea that they'll help you pay your bills and manage your finances. Unfortunately, this kind of access lets them take every penny you have or claim your entire account when you die. Never, ever let someone have this kind of power over your finances unless it's someone you know and trust.