

# Fraud: 5 scams aimed at the elderly

- The elderly are scammed out of some \$2.6 billion per year.
- It's illegal for Americans to enter a lottery in a foreign country.
- Donations for Haitian relief should be made through the Red Cross.

If you're visiting your elderly mom or dad and see an excessive amount of junk mail, take note: Your elderly parent might be a prime target for [fraud](#).

"If your parents' mail is filled with sweepstakes notifications, free gift offers and more magazines than they could possibly read, chances are good they're on a 'sucker list,'" warns John Breyault, director of the National Consumers League's fraud center. Once a senior takes the bait for one [scam](#), thieves sell the person's name, address and telephone number, and fake mailings proliferate.

You should also be concerned if your elderly parent receives lots of telephone sales calls while you're visiting, or mentions getting 20 or more unsolicited phone calls per day. "Scammers know senior citizens answer their phone, and are reluctant to hang up on anyone," says Jean Mathisen, director of AARP's Fraud Fighter Call Center. And as with junk mail, rip-off artists sell names and phone numbers of seniors who prove to be phone-receptive.

Although it's widely believed to be underreported, a 2009 study by MetLife's Mature Market Institute estimates that seniors lose approximately \$2.6 billion per year due to financial abuse -- fraud, as well as theft by family members and acquaintances.

If you suspect your parent may be vulnerable to false offers -- even if they haven't been hooked yet -- take time to educate them, says Breyault. If Mom and Dad are Internet-savvy, direct them to the [Federal Trade Commission's Web site](#) where they can read up on the latest reported financial schemes. AARP also reports on senior fraud stories, as does the [National Consumers League](#), or NCL.

You can also print out articles for the elderly about the latest senior scams. A few to watch for:

## The grandparents scheme

The senior answers his phone and a young voice says, "Hey, Grandpa, it's your favorite grandson, and I'm in trouble." Senior says, "John, is that you?" The caller responds, yes, it's John -- he's calling from a friend's cell phone and he's been in an accident. He's out of state and needs his grandpa to wire some money right away.

What the senior should do: Check with family members to see if the grandchild is truly traveling. Never volunteer names to "grandkids" that don't immediately identify themselves, says Breyault. Chances are good that the caller will hang up if the elderly person challenges him.

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## **The fake lottery/sweepstakes**

This mail scam comes in two flavors: The "pay to play" scheme or the "You've won! Here's your check" scam. The first ploy entices seniors to buy inexpensive trinkets or magazine subscriptions (which they really do receive) in order to have their name entered in the contest. In the second case, the elderly person receives an authentic-looking check, with notification they've already won the Jamaican (or another foreign country) lottery.

What the senior should do: Shred both offers. It's illegal for companies to require you to buy anything to enter a sweepstakes. If they do, they're scammers, says Breyault. It's also illegal for Americans to enter a foreign country's lottery. These scams require the "winner" to wire back a share of their "winnings" (which will initially clear the bank but later prove counterfeit) for taxes or administrative fees.

## **The discount prescription scam**

Callers offer seniors prescription drugs at 50 percent off. The catch: Hucksters require a \$200 "membership fee" to join a discount club, along with seniors' credit card numbers. Or the drugs never arrive as promised, or the "medicine" is actually a generic herbal replacement.

What the senior should do: Be dubious. Encourage the elderly person to check with their state's program for low-income health insurance (often called a state health insurance program, or SHIP). These agencies maintain a list of reputable discount programs.

## **The credit card company fraud call**

This caller often hits later at night and says he's from the senior's credit card company. He even IDs the last four digits of your parents' charge card as proof. He's checking on a possible fraudulent purchase. When the senior denies making the purchase, the caller offers to reverse it immediately. He just needs the three- or four-digit verification code on the back of his or her credit card.

What the seniors should do: Suspect foul play. "Thieves have probably copied the front of your parents' card, but still need the verification code," says Mathisen. The seniors should hang up and call their credit card issuers immediately, using the number on the back of the card. They'll likely learn that the original call was a scam. It's a good idea to cancel and replace the card, just in case.

## **The 'Help for Haiti' hustle**

Polite door-to-door solicitors ask for donations on behalf of any number of charitable organizations. They may also call and purport to be soliciting funds for the Red Cross.

What the senior should do: Say "No, thanks." Instead, they should mail charitable contributions directly to their local Red Cross or established church/charity. If seniors continue to get phone calls, help them put their phone number on the ["Do Not Call" registry](#), toll free (888) 382-1222.