



Financial Crimes Against Senior Citizens

Metropolitan Police Department of
Nashville and Davidson County
Office of Crime Prevention



Fraud Committed by Strangers

- ◆ **Prizes and Sweepstakes**
- ◆ **Investments**
- ◆ **Charity Contributions**
- ◆ **Home and Auto Repairs**
- ◆ **Loans and Mortgages**
- ◆ **Health, Funeral, and Life Insurance Policies**
- ◆ **Health Remedies**
- ◆ **Travel**
- ◆ **Confidence Games (Cons)**

Prizes and Sweepstakes



This type of fraud usually involves informing the victim that they have won prize money or other valuables. The victim is told to send money to cover the taxes, shipping, or processing fees. The victim may never receive any money after this or they receive merchandise that is of poor quality and is worth less than the money sent to receive it.



Defense

- ◆ If it sounds too good to be true, then it probably is.
- ◆ Question everything.
- ◆ Never send money prior to receiving any prizes.
- ◆ Throw away junk mail after shredding it in a commercially bought paper shredder.
- ◆ Register with the “Do not call” registry to reduce telemarketing calls.

Investments



Because many seniors live on a fixed income, they want to increase the value of their estates. White collar con artist will persuade seniors to invest in business schemes by promising high rates of return on their investments. This often results in the citizen being out a great deal of their savings and the investor now has a pocket full of money.



Defense

- ◆ Invest in early years to accumulate your wealth.
- ◆ Do not invest in risky stocks, bonds, or mutual funds after retirement.
- ◆ Once retired, a fixed money market account will bring in a fairly consistent rate of return.
- ◆ Plan early so you can live “golden” years.

Charity Contributions



We all want to help others that are less fortunate than we are. Many offenders target senior citizens by soliciting money for charitable organizations that do not exist. Such organizations could be non-profit groups or churches.

Defense

- ◆ Find a worthy cause that you are interested in and contribute to that only, utilizing a set amount.
- ◆ Investigate charities prior to donating to them by calling the State of Tennessee and making sure they are a registered group, if not then do not give.
- ◆ Give direct. Do not pledge money to a telemarketer over the phone.



Home and Auto Repairs

In this scam, the offender tells the victim that they need unnecessary home or auto repairs. They generally cite roof repairs, driveway re-sealing, or waterproofing as the needed work. A dishonest mechanic may state the vehicle needs repairs or replace equipment that is in proper working order. Sometimes these offenders request money up front and never return to complete the work.





Defense

- ◆ Always get a second opinion from a trustworthy source.
- ◆ Get copies of contractors licenses and proof of business insurance from laborers.
- ◆ Call the Better Business Bureau when doing business with a new vendor, contractor, or auto repair facility. Make sure there are not complaints lodged against them.

Loans and Mortgages

During times of money shortage due to unexpected medical expenses or home repairs, the offender may offer to secure a loan for your home to offset costs. Often these loans have high rates of interest or hidden fees. Repayment plans may be outside the realm of possibility for the senior to repay. This could put you at risk for losing your single largest investment, your home.





Defense

- ◆ Always read the fine print on any loan you get.
- ◆ Hire an attorney or real estate specialist to review any mortgage contracts before you sign them.
- ◆ Consult a Certified Public Accountant, Certified Financial Planner, or other financial specialist before taking out loans to repay debt. There may be other avenues of repayment.

Health, Funeral, and Life Insurance



None of us wants to be a burden to our loved ones once we depart this world. Offenders in these scams sell senior citizens unnecessary insurance policies, policies that overlap, or policies that have a great deal of stipulations that may prevent payment, or the policy is altogether bogus.

Defense

- ◆ Don't purchase excessive insurance policies.
- ◆ One term life insurance policy may be all that is needed to pay funeral expenses, and any debts.
- ◆ Be wary of "up selling." This is where the seller sells a more expensive policy that is outside of your current needs.



Health Remedies



Not as common anymore. The offender offers to sell the citizen a remedy or drug that will cure an ailment. The remedy doesn't work and the senior citizen does not get needed treatment in a timely manner resulting in higher medical costs down the road.



Defense

- ◆ Regular check ups and doctor visits.
- ◆ Get a second opinion.
- ◆ Make sure the option you select is 1.) Needed, and 2.) covered by your insurance or medicare if possible.

Travel



Compared with younger adults, seniors often have more time to travel. Many packages offered cost more than the standard market rate, provide substandard accommodation, or do not provide promised services.



Defense

- ◆ Shop around. Many travel agencies offer a variety of packages at different rates. Choose what is best for you and do your research.
- ◆ Use the internet. Many site compare airline rates, and hotel fees to find the best bargain for you.
- ◆ Get a guarantee.

Confidence Games

These frauds can cover a wide array of scenarios. The offender may pose as an authority figure or trustworthy professional to get the victim to hand over money. Some offenders approach the victim stating they have won money but don't have a bank account to deposit the winnings. The offender promises a premium to use the victims account, then takes a good faith payment and skips town.





Defense

- ◆ Ask for credentials from persons claiming to be an authority figure. Call the place of work by obtaining the number yourself and verify the persons employment there.
- ◆ Never give out personal or financial information to a stranger whether it be in person or over the phone.
- ◆ Question everything!



Fraud Committed by Relatives and Caregivers

- ◆ Identity Theft
- ◆ Internet Fraud
- ◆ Check and Credit Card Fraud
- ◆ Prescription Fraud



Defenses

- ◆ Never give personal financial information to people you do not trust.
- ◆ Use caution when giving power of attorney to relatives or caregivers. See if you can place stipulations in the agreement to prevent unauthorized payments or distributions.
- ◆ Keep medications locked up in a secure location. Do not let strangers into your bathroom where your medicine cabinet is.



Other Scams

- ◆ Counterfeit Merchandise Schemes
- ◆ Credit Repair Operations
- ◆ Free Vacation Offers
- ◆ Long distance scams (900 numbers)
- ◆ Earn money-at-home scams
- ◆ Bait and Switch tactics



Remember: You have to look out for you, so question everything, read the fine print, seek a second opinion if something appears “fishy”. Shop around for the best deals. Seek the assistance of a family attorney if you should have problems deciphering a legal contract.

