

Senior Financial Scams

Financial scams of seniors go unreported or can be difficult to prosecute, so they're considered a "low-risk" crime. It's not just wealthy seniors who are targeted. Low-income older adults are also at risk of financial abuse. And it's not always strangers who perpetrate these crimes. Over 90% of all reported elder abuse is committed by an older person's own family members.

Review our list below, so you can identify a potential scam.



Medicare/ Health Insurance Scams

Perpetrators may pose as a Medicare representative to get older people to give them their personal information, or they will provide bogus services for elderly people at makeshift mobile clinics, then use the personal information they provide to bill Medicare and pocket the money.



Counterfeit Prescription Drugs

Most commonly, counterfeit drug scams operate on the Internet, where seniors increasingly go to find better prices on specialized medications. The danger is that besides paying money for something that will not help a person's medical condition, victims may purchase unsafe substances that can inflict even more harm. This scam can be as hard on the body as it is on the wallet.



Funeral & Cemetery Scams

The FBI warns about two types of funeral and cemetery fraud perpetrated on seniors.

- Scammers read obituaries and call or attend the funeral service of a complete stranger to take advantage of the grieving widow or widower. Claiming the deceased had an outstanding debt with them, scammers will try to extort money from relatives to settle fake debts.
- Funeral homes capitalize on family members' unfamiliar with the considerable cost of funeral services and add unnecessary charges to the bill.



Fraudulent Anti- Aging Products

Many older Americans seek out new treatments and medications to maintain a youthful appearance, putting them at risk of scammers. Whether it's fake Botox or completely bogus homeopathic remedies that do absolutely nothing, there is money in the anti-aging business.



Telemarketing/ Phone Scams

Scammers use fake telemarketing calls to prey on older people, who as a group make twice as many purchases over the phone than the national average. With no face-to face interaction, and no paper trail, these scams are incredibly hard to trace. Also, once a successful deal has been made the buyer's name is then shared with similar schemers looking for easy targets, sometimes defrauding the same person repeatedly.



Internet Fraud

While using the Internet is a great skill at any age, the slower speed of adoption among some older people makes them easier targets for automated internet scams that are ubiquitous on the web and email programs. Pop-up browser windows simulating virus-scanning software will fool victims into either downloading a fake anti-virus program or an actual virus that will open up whatever information is on the user's computer to scammers.



Investment Schemes

Because many seniors find themselves planning for retirement and managing their savings once they finish working, a number of investment schemes have been targeted at seniors looking to safeguard their cash for their later years. From pyramid schemes to fables of a Nigerian prince looking for a partner to claim inheritance money to complex financial products that many economists don't even understand.



Homeowner/ Reverse Mortgage Scams

Scammers like to take advantage of the fact that many people above a certain age own their homes, a valuable asset that increases the potential dollar value of a certain scam. There is a potential for a reverse mortgage borrower to be scammed. Scammers can take advantage of older adults who have recently unlocked equity in their homes. Those considering reverse mortgages should be cognizant of people in their lives pressuring them to obtain a reverse mortgage, or those that stand to benefit from the borrower accessing equity.



Sweepstakes & lottery Scams

Scammers inform their victim that they have won a lottery or sweepstakes of some kind and need to make some sort of payment to unlock the supposed prize. Often, seniors will be sent a check that they can deposit in their bank account, knowing that while it shows up in their account immediately, it will take a few days before the (fake) check is rejected. During this time, the criminals will quickly collect money for supposed fees or taxes of the prize, which they pocket while the victim has the "prize money" removed from his or her account as soon as the check bounces.



The Grandparent Scam

Scammers will place a call to an older person and when the victim picks up, they will say something along the lines of: "Hi Grandma, do you know who this is?" When the unsuspecting grandparent guesses the name of the grandchild the scammer most sounds like, the scammer has established a fake identity without having done a lick of background research.

Once "in", the fake grandchild will usually ask for money to solve some unexpected financial problem to be paid via Western Union or MoneyGram, which does not always require identification to collect.