

# Financial Exploitation of Older Adults

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# What We Will Cover

- What the FTC is Seeing
  - Types of Financial Exploitation of Older Adults
- What the FTC is Doing
  - FTC Initiatives to Stop Financial Exploitation of Older Adults

# Types of Financial Exploitation of Older Adults

# Types of Senior Scams

- Health care



- Identity theft

- Phishing scams



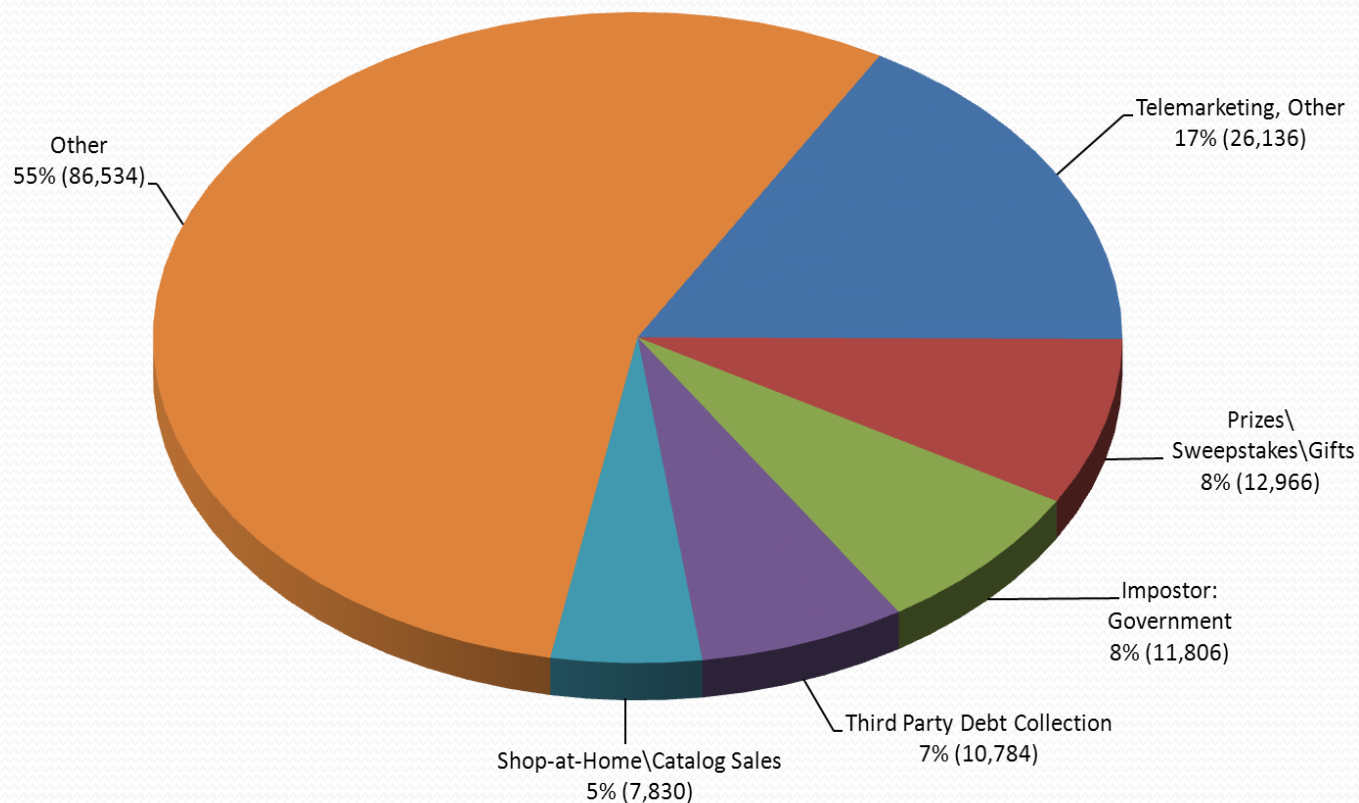
- Work-at-home scams



- Lottery scams



Top Product Service Codes for Consumers Age 60 and Over in Consumer Sentinel Network Complaints<sup>1</sup>  
January 1 – December 31, 2012



<sup>1</sup>Percentages are based on the 156,056 consumers reporting age 60 and over. These figures exclude Do Not Call registry and identity theft complaints.

Note: The section of the chart labeled "Other" represents complaints regarding over 100 other types of products, such as counterfeit checks, credit cards, unsolicited emails, advance-fee loans and credit arrangers, and spyware/adware/malware.

Source: Consumer Sentinel Network.

# Health Care Scams



- Miracle cures
  - Offers “quick cures” to MS, Alzheimer’s, diabetes, cancer
  - People lose money & may delay getting needed medical care
- Affordable Care Act scams
  - Preys on lack of understanding about new law
- Medicare-related scams
  - Threats to cut off Medicare if don’t pay

# Work-at-home scams



- Ads promise large amounts of money for work done at home stuffing envelopes, claims processing, crafts assembling
- Ads do not mention that you need to spend your own money first
- Company provides phony “shill” references
- You pay the money, then you earn little or nothing

# Identity Theft

- Identity Theft is when someone uses personal information of someone else to pose as that consumer in order to:
  - fraudulently obtain goods or services in the victim's name from private and public institutions,  
or
  - conceal their true identity from authorities or others who perform background checks.



# Phishing scams



- Scam artist pretends to be reputable organization & asks for your personal information
- Scam artist then uses your personal information for identity theft

# Lottery & sweepstakes scams

- Scheme #1:

- Telemarketer calls saying you have won a sweepstakes or lottery
- Telemarketer asks for your personal information
- Identity thieves use your personal information to open bank accounts, etc

- Scheme #2:

- Mailing says you won the lottery but just need to pay \$500 in order to claim your prize
- You pay the money and get nothing in return



# What the FTC is Doing

# How FTC Combats Financial Exploitation of Older Adults

- Consumer Education
  - [Ftc.gov/bulkorder](http://Ftc.gov/bulkorder)
- Outreach
  - Forum on Senior Identity Theft – 5/7/13
  - AARP Foundation Project – referrals of lottery scams
  - Tax Id Theft Awareness Week – 1/13/14
- Law Enforcement/Cases

# *FTC v. Real Wealth*



- Work-at-home scam
- Referral from AARP
- Deceptive sales claims: “collect up to \$9,250 with my simple 3 minute form” and “all I do is mail 30 postcards every day and I make an extra \$350 per week!”
- Court ordered company shut down & must pay \$10.4 million to injured consumers

# *In the Matter of CVS Caremark Corp.*

- Complaint alleges misrepresentation of Medicare Part D drug prices



- Elderly and disabled pushed in to donut hole sooner than expected
- \$5 million in redress to Medicare Part D consumers



# *FTC v. 9107-4021 Quebec*

- Prescription discount scam
- Online pharmacy sold sham memberships to elderly consumers
- Scam company claimed consumers could save 30% to 50% on prescription costs
- Consumers either got nothing or got a prescription card that was worthless
- Court ordered company to pay \$7.5 million to injured consumers

# *Care Patrol Inc. & ABCSP Inc.*

- Long-term care scam
- Companies misrepresented the services they provided regarding placements of seniors in long-term care facilities
- FTC settled two administrative cases
- Companies barred from making false representations for 20 years





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