

ELDER FRAUD & SCAMS

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Elder Fraud: What is it?

An act targeting older adults in which attempts are made to deceive with promises of goods, services, or financial benefits that do not exist, were never intended to be provided, or were misrepresented.

Financial exploitation is the illegal or improper use of an older adult's funds or property.



ELDER FRAUD

DEFINED

Exploitation

- a) causing or requiring a vulnerable adult to engage in activity or labor which is improper, unlawful, or against the reasonable and rational wishes of the vulnerable adult.
Exploitation does not include requiring a vulnerable adult to participate in an activity or labor which is a part of a written plan of care or which is prescribed or authorized by a licensed physician attending the patient;
- b) an improper, unlawful, or unauthorized use of the funds, assets, property, power of attorney, guardianship, or conservatorship of a vulnerable adult by a person for the profit or advantage of that person or another person; or
- c) causing a vulnerable adult to purchase goods or services for the profit or advantage of the seller or another person through:
 - (i) undue influence, (ii) harassment, (iii) duress, (iv) force, (v) coercion, or (vi) swindling by overreaching, cheating, or defrauding the vulnerable adult through cunning arts or devices that delude the vulnerable adult and cause him to lose money or other property.

Vulnerable Adult

A person eighteen years of age or older who has a physical or mental condition which substantially impairs the person from adequately providing for his or her own care or protection.

This includes a person who is impaired in the ability to adequately provide for the person's own care or protection because of the infirmities of aging including, but not limited to, organic brain damage, advanced age, and physical, mental, or emotional dysfunction. A resident of a facility is a vulnerable adult.

STATUTES

EXPLAINED

SECTION 43-35-85 Penalties

(D) A person who knowingly and willingly exploits a vulnerable adult is guilty of felony and, upon conviction, must be fined not more than five thousand dollars or imprisoned not more than five years, or both and may be required by the court to make restitution.

SECTION 43-35-87 Financial Exploitation: Financial Institution Authority to decline Transaction Requests: (B) If a financial institution reasonably believes that the financial exploitation of a vulnerable adult has occurred or may occur, then the financial institution may, but is not required to, decline or place on hold any transaction involving: (1) the account of the vulnerable adult; (2) an account in which the vulnerable adult is a beneficiary, including a trust or guardianship account; or (3) the account of a person who is suspected of engaging in the financial exploitation of the vulnerable adult.

(G) A financial institution may provide access to or copies of records relevant to the suspected financial exploitation of a vulnerable adult to law enforcement agencies or investigative entities responsible for administering the provisions of this article. Such records may include relevant historical records and recent transactions relating to suspected financial exploitation.

FACTS

DID YOU KNOW

01 In 2022, nearly 70,000 people reported romance scams to the Federal Trade Commission (FTC)

02 Total loss was \$1.3 billion, up from the \$547 million lost in 2021.

03 The median loss for people over 70 was \$9,000 in 2021, which compares to \$2,400 across all ages.

04 Cryptocurrency Fraud increased dramatically. In 2022, over 53,000 people lost over \$1.4 billion in cryptocurrency scams.

However, it is hard to know how accurate this issue is since many scams go unreported. Just **1 in 44** financial elder abuse cases is ever reported. Each year, **1 in 20** older adults is financially exploited by a family member. Women are nearly twice as likely as men to be victims. Most victims are between ages **80 and 89** and live alone.



COMMON SCAMS
THAT TARGET
THE **ELDERLY**

TYPES OF SCAMS

EVERY WEIGHT CLASS

Romance Scam: Criminals pose as interested romantic partners on social media or dating websites to capitalize on their elderly victims' desire to find companions.

Tech Support Scam: Criminals pose as technology support representatives and offer to fix non-existent computer issues. The scammers gain remote access to victims' devices and sensitive information.

Grandparent Scam: A type of confidence scam where criminals pose as a relative—usually a child or grandchild—claiming to be in immediate financial need.

Government Impersonation Scam: Criminals pose as government employees and threaten to arrest or prosecute victims unless they agree to provide funds or other payments.

Sweepstakes | Charity | Lottery Scam: Criminals claim to work for legitimate charitable organizations to gain victims' trust. Or they claim their targets have won a foreign lottery or sweepstake, which they can collect for a "fee."

Home Repair Scam: Criminals appear in person and charge homeowners in advance for home improvement services that they never provide.

TV/Radio Scam: Criminals target potential victims using illegitimate advertisements about legitimate services, such as reverse mortgages or credit repair.

Family/Caregiver Scam: Relatives or acquaintances of the elderly victims take advantage of them or otherwise get their money.

PIG BUTCHERING

THE DETAILS

Fraudsters establish fake romantic relationships with the intent to exploit victim emotionally and financially. Many times this causes significant personal and financial harm. The scammers manipulate victims into investing into financial schemes that the scammers are the ultimate benefactor.

First, criminals make contact through messaging apps or social media, often pretending to be young and attractive. They chat for hours daily to build emotional intimacy. This stage can last for weeks or months—otherwise known as “fattening” the pig. They often move the conversation to WhatsApp.

Then they convince the victims to invest in cryptocurrency, showing fake photos of wealth and success. Then criminals collect the money by directing victims to crypto ATMs or malicious links.

The fraudsters then show the victims fake screenshots of websites showing the success of their investments.. However, when victims try to withdraw their funds, the fraudsters demand a “tax” or other payment. Unfortunately, the investments were never real to begin with and the money is almost certainly gone.

RED FLAGS

WHAT TO LOOK FOR

- Customers with no history of using virtual currency.
- Mention of investments in virtual currency
- Sudden changes in bank accounts or practices.
- Unexplained withdrawal of large sums of money
- Adding names on signature cards
- Unauthorized using their ATM card
- Abrupt changes in a will or other financial documents
- Unexplained disappearance of funds or valuable possessions
- Bills left unpaid despite the availability of adequate financial resources
- Forged signature for financial transactions or for titles of victim's possessions
- Uninvolved relatives claiming their rights to an older adult's property or possessions
- Sudden transfer of assets to a family member or someone outside the family

SCAM CASE

WHAT TO LOOK FOR

SCAM CASE

- Victim in her 80's
- Husband passed away
- Lived alone with her 2 dogs
- Relatives close by
- Informed her of scam



MORE SCAM CASE

- Preacher fell for the Microsoft Scam
- Elderly gentleman fell for Publisher's Clearinghouse scam
- Victims from SAFE FCU & AllSouth FCU



WHY ARE ELDERS A TARGET

- Tend to be more trusting
- Senior Citizens have money
- Polite
- Not digitally savvy
- Loneliness and Isolation
- Financially Insecure

How Do We Stop Elder Scams/Fraud

- Add a trusted contact to accounts
- Watch for signs of aging and dementia
- Cancel unused or extra credit cards
- Do not be afraid to hang up
- Opt-out of solicitations
- Monitor credit reports
- Freeze credit
- Talk to a friend or family member about the call
- Family and Friends- don't make them feel bad



VICTIMS HELPING VICTIMS

“Sometimes the best way to get through to a person who doesn't realize that they are in the middle of a scam is to introduce them to someone who has been through it.

On more than one occasion, I have connected a prior victim to someone still in the scam. As the prior victim lays out elements that the current victim thought were special to them alone, the victim is able to see through the haze and understand that they are being taken advantage of.”

- Erin West

Resources

- [IC3 Elder Fraud Page](#)
- [Victim Support: Older Adult Financial Exploitation Brochure \(pdf\)](#)
- [Department of Justice: Elder Justice Initiative](#)
- [National Association of area Agencies on Aging](#)
- [Report Fraud FTC](#)

THANK YOU!

STAY IN TOUCH

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