



Senior Fraud:

The Granny Scam!

By

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The Granny Scam and Other Frauds!



Q– Do you have any suggestions to make sure that I’m not taken advantage of?

A - As a financial advisor and a CPA, I often am privy to the scams and frauds perpetuated on my retired clients. I am horrified by their stories! Just the other day, a good friend of mine received a call from her 24 year old son. It went something like this:

Mom, I got a weird call from grandma today. She left a message on my phone that she received a call that I was in jail and that she needed to wire money \$1,950 to a bank account in Peru so that I would be released. Mom, I can’t believe it. She did it!

This scam is similar to hundreds of others that place your hard earned dollars in the hands of criminals. There are several reasons why senior citizens are targets of these schemes.

1. Senior citizens have worked their whole lives to build up a nest egg. Why target a 30 year old with a big mortgage and supporting a growing family? Many seniors have their homes paid off and money in the bank.
2. Those who grew up in the 30’s and 40’s have much better manners than later generations. They don’t hang up the phone and will continue to talk to strangers – often inadvertently giving personal information along the way.
3. Believe it or not, even your name may make you a target! The granny scam artists may call you if your name is not currently popular – such as Ruth, Harold, Hazel or Elmer.
4. Retirees still have listed phone numbers and land lines. Many baby boomers and younger people only have a cell phone.



In all likelihood, when my friend’s mother was called, the call may have started out something like this:

“Dorothy, your grandson is in trouble!”

At that point, Dorothy thought of her grandson and said something like “Oh, my goodness, what has happened to Steven?” At that point, the several players involved in this scam wove an intricate and convincing tale that ended up with a wire transfer to a bank in Peru.

The sad thing is that there were lots of ways this could have been prevented.

1. A simple call to her daughter or son-in-law would have confirmed that her grandson was not in jail. Oftentimes the individual impersonating the grandson will say something like “I’m embarrassed. Please don’t tell mom.”
2. If she would have sent a text message to her grandson along the lines of “Are you in jail?” this theft might have been prevented. In this particular case, grandma tried to call her grandson, but he didn’t

answer. One thing that seniors need to know about the younger generation is that when they're busy they don't always answer their phones – but they will often respond to a text message.

3. Be wary of deadlines – in any financial transaction! The thieves don't want you to take too long to think about it.
4. Refuse to send money via wire transfer, Western Union or Money Gram. Think about how fast emails are sent. Wire transfers are even faster. Once that money leaves your bank account, it is gone and cannot be recovered!

Keep in mind, these thieves are PROFESSIONAL! They are often overseas and it is difficult to catch them. They take advantage of the fact that everyone – not just retirees – often don't think clearly under stress. Logical thinking is thrown out the window and our adrenaline kicks in to protect our loved ones! They also take advantage of the fact that the victim may be embarrassed to report the crime. If you are a victim of this crime – or any fraud, report it immediately to:

- Your local police
- The state attorney general
- The Federal Trade Commission.

In my business, I prepare a limited amount of tax returns for my clients. Almost every year I report a theft loss on one of my client's returns for amounts ranging from \$35,000 to \$150,000. My friend's parents got off cheap – this hard lesson ONLY cost them \$1,900. Protect yourself from this scam and others. You worked too hard for your money to lose it to a thief. Trust your gut.



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