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Fraud Scams Targeting Seniors

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According to the Canadian Department of Justice, approximately 10% of Canadian seniors are victims of consumer fraud each year. Seniors continue to be a rapidly increasing segment of the population targeted by con artists. In fact, financial scams targeting seniors have become so prevalent, that they are now considered to be “the crime of the 21st century.”

Common scams targeting seniors

1. Telemarketing/ phone Scams

With no paper trail or face-to-face interaction, these scams are incredibly difficult to trace.

a. CRA (Canada Revenue Agency) Scam – Claiming to be with the CRA, the caller requests personal information such as a social insurance number OR makes threats of jail time for unpaid taxes often offering payment solutions with gift cards.

b. Bank Scam – Posing as a member of the fraud or security department of a bank, the scammer requests a cash withdrawal or transfer be made. In one such scam, the unsuspecting senior is asked to make a large cash withdrawal from their bank, package the funds and send them via courier to the scammer, oftentimes at an overseas address where it is virtually impossible to involve local authorities.

c. Credit Card Scam – Fraudsters steal your credit card account number, PIN and security code to make unauthorized transactions, without needing your physical

credit card. They may pose as credit card issuers and call their victims offering lower interest rates or warning about potential fraud charges. While doing so, they ask for personal and financial information.

d. Tech Support

Scam – Scammers convince their targets that they have a computer virus and ask for payment for tech support services for problems that doesn't exist. Like with the CRA Scam, they often ask their targets to pay by money wire, gift cards, or money transfer apps because they know those types of payments are difficult to trace or reverse.

2. Fake Emergency Ploy

The con artist gets the victim to wire or send money on the pretext that the person's child or another relative is in the hospital and needs the money. Again, they will often ask for payment to be wired as it is difficult to trace.

3. Inheritance Scam

The con artist tells the individual that he/she has inherited a large sum of money and is willing to split the inheritance if the victim will pay the "fee" required to release the funds. Often, a second con artist is involved, posing as a lawyer, banker, or some other stranger in a "position of trust."

4. Online Car Purchase Scam

A seller posts a vehicle for sale below market price, "for a friend who is desperate for the money" and then convinces the victim to leave a deposit so the car can be taken off the market. Once they have the deposit, they are never heard back from again. Whenever the price is too-good-to-be-true, it is often a huge red flag.

What you can do to reduce the risk of becoming a victim.

- Don't answer calls from unknown numbers. If you answer such a call, hang up immediately.
- You may not be able to tell right away if an incoming call is spoofed. Be aware: Caller ID showing a "local" number does not necessarily mean it is a local caller.
- Never give out personal information such as account numbers, social insurance numbers, mother's maiden names, passwords or other identifying information in response to unexpected calls, emails or if you are at all suspicious. Remember, a legitimate organization will never demand secrecy.
- If you get an inquiry from someone who says they represent a company or a government agency, hang up and call the phone number on your account statement, or on the company's or government agency's website to verify the authenticity of the request. You will usually get a written statement in the mail before you get a phone call from a

legitimate source, particularly if the caller is asking for a payment.

- Use caution if you are being pressured for information immediately. Speak to your children, your accountant (in the case of CRA scams) or other trusted individuals before taking any action.
- Talk to your phone service provider about call blocking tools they may have and check into apps that you can download to your mobile device to block unwanted calls.

If you suspect you or a loved one have been the victim of a scam...

Don't be afraid or embarrassed to talk about it with someone you trust. Police reports suggest that scammers will re-target the same victims repeatedly with different scams, so communication is key.

This article has been prepared for the general information of our clients. Specific professional advice should be obtained prior to the implementation of any suggestion contained in this article. Please note that this publication should not be considered a substitute for personalized tax advice related to your particular situation.

Connect with the Author

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Deborah (Debby) Stern joined Crowe Soberman's Audit & Advisory Group as a partner in 2001. Coming from one of the largest professional services firms, Debby was looking for a change. "I wanted to work for a firm where I could make a greater impact. It was important I made the right decision and have my clients experience a seamless transition to Crowe Soberman." Since joining the firm, Debby has continued to grow her practice with a large variety of clients. You can connect with Debby at deborah.stern@crowesoberman.com.

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