Fraud & Older Adults: The State of Play & Changing the Narrative

Bridget Small, FTC and Kathy Stokes, AARP
2020 HCBS Conference

December 10, 2020
AARP Fraud Watch Network

- Empower consumers to spot and avoid scams
- Provide support if victimization occurs
- Outreach through:
  - Community events (virtual currently)
  - Telephone Town Halls with AARP members
  - Online content
  - Watchdog Alerts
  - *The Perfect Scam* podcast

aarp.org/fraudwatchnetwork
Report to help fight fraud!

Report now →

Coronavirus or COVID-19. File your Coronavirus-related report about a scam or company here.
Is your report about any of these common problems?

Don't see your problem? Choose “Something else.”

- An impersonator
  (ex. fake government, business, love interest, grandchild)
- Online shopping
- Job, money-making opportunity
- Sweepstakes, prize, lottery
- Phone, internet, TV service
- Auto sale, repair
- Health
  (ex. weight loss, eye care, treatment)
- Credit, debt
  (ex. debt collection, credit report, loan)
- Just an annoying call
- Something else
  (we'll get it to the right place)
Explore Data

Explore the FTC's Consumer Sentinel Network data about consumer protection topics like fraud, identity theft, and unwanted calls based on millions of reports from people across the country. Learn about the top fraud reports, track the latest trends, and download visualizations for presentations or reports. Then find out about refunds to consumers from FTC law enforcement cases, where the money went, and how much people got back.

Get started by selecting your area of interest from the contents below or visit our Tableau Public landing page to start exploring. Click a thumbnail image to access the interactive dashboard. To learn about other FTC data, please see our Data and Visualizations page and our Datasets page.
### Top 10 Fraud Categories

<table>
<thead>
<tr>
<th>Rank</th>
<th>Category</th>
<th># of Reports</th>
<th>% Reporting $ Loss</th>
<th>Total $ Loss</th>
<th>Median $ Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Imposter Scams</td>
<td>296,748</td>
<td>21%</td>
<td>$497.5M</td>
<td>$700</td>
</tr>
<tr>
<td>2</td>
<td>Telephone and Mobile Services</td>
<td>278,257</td>
<td>5%</td>
<td>$43.1M</td>
<td>$280</td>
</tr>
<tr>
<td>3</td>
<td>Online Shopping and Negative Reviews</td>
<td>235,630</td>
<td>72%</td>
<td>$153.2M</td>
<td>$95</td>
</tr>
<tr>
<td>4</td>
<td>Internet Services</td>
<td>87,204</td>
<td>34%</td>
<td>$72.3M</td>
<td>$164</td>
</tr>
<tr>
<td>5</td>
<td>Prizes, Sweepstakes and Lotteries</td>
<td>79,584</td>
<td>9%</td>
<td>$98.9M</td>
<td>$1,000</td>
</tr>
<tr>
<td>6</td>
<td>Travel, Vacations and Timeshare Plans</td>
<td>55,541</td>
<td>54%</td>
<td>$131.7M</td>
<td>$1,129</td>
</tr>
<tr>
<td>7</td>
<td>Foreign Money Offers and Counterfeit Check Scams</td>
<td>28,796</td>
<td>24%</td>
<td>$38.1M</td>
<td>$1,975</td>
</tr>
<tr>
<td>8</td>
<td>Business and Job Opportunities</td>
<td>25,061</td>
<td>34%</td>
<td>$67.9M</td>
<td>$950</td>
</tr>
<tr>
<td>9</td>
<td>Health Care</td>
<td>21,798</td>
<td>49%</td>
<td>$6.7M</td>
<td>$112</td>
</tr>
<tr>
<td>10</td>
<td>Advance Payments for Credit Services</td>
<td>8,813</td>
<td>68%</td>
<td>$16.9M</td>
<td>$450</td>
</tr>
</tbody>
</table>
**FRAUD FACTS AT A GLANCE**

**# of Fraud Reports:** 116,402

**% Reporting $ Loss:** 23%

**Total Loss Reported:** $192,918,913

**Median Loss Reported:** $400

**TOP 10 FRAUD SUBCATEGORIES**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Subcategory</th>
<th># of Reports</th>
<th>% Reporting $ Loss</th>
<th>Total $ Loss</th>
<th>Median $ Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mobile: Text Messages</td>
<td>28,056</td>
<td>1.1%</td>
<td>$1.91M</td>
<td>$996</td>
</tr>
<tr>
<td>2</td>
<td>Impostor: Government</td>
<td>19,268</td>
<td>7.9%</td>
<td>$15.14M</td>
<td>$1,500</td>
</tr>
<tr>
<td>3</td>
<td>Online Shopping</td>
<td>13,257</td>
<td>83.6%</td>
<td>$13.60M</td>
<td>$90</td>
</tr>
<tr>
<td>4</td>
<td>Impostor: Business</td>
<td>12,979</td>
<td>23.1%</td>
<td>$23.43M</td>
<td>$800</td>
</tr>
<tr>
<td>5</td>
<td>Tech Support Scams</td>
<td>3,998</td>
<td>38.6%</td>
<td>$8.84M</td>
<td>$780</td>
</tr>
<tr>
<td>6</td>
<td>Counterfeit Check Scams</td>
<td>2,911</td>
<td>17.1%</td>
<td>$3.73M</td>
<td>$2,078</td>
</tr>
<tr>
<td>7</td>
<td>Prizes/Sweepstakes/Lotteries</td>
<td>2,846</td>
<td>17.8%</td>
<td>$6.27M</td>
<td>$1,200</td>
</tr>
<tr>
<td>8</td>
<td>Romance Scams</td>
<td>2,222</td>
<td>64.9%</td>
<td>$58.27M</td>
<td>$4,000</td>
</tr>
<tr>
<td>9</td>
<td>Impostor: Family/Friend</td>
<td>2,044</td>
<td>31.6%</td>
<td>$3.25M</td>
<td>$512</td>
</tr>
<tr>
<td>10</td>
<td>Internet Information Services</td>
<td>1,362</td>
<td>35.0%</td>
<td>$0.97M</td>
<td>$195</td>
</tr>
</tbody>
</table>

Of the 1,347,828 total fraud reports in the quarters selected, 49% included consumer age information. Median loss information is not displayed in the Top 10 table when fewer than 100 consumers reported a loss. Unspecified fraud report subcategories are excluded from the Top 10 table. Age population estimates are based on U.S. Census population estimates for 2019.
**FTC CONSUMER SENTINEL NETWORK**

**Fraud Reports by Payment Method**

**Year: 2020 YTD**

- **1,347,708** Number of Fraud Reports
- **260,504 (19%)** # of Reports with Payment Method

<table>
<thead>
<tr>
<th>Payment Method</th>
<th># of Reports</th>
<th>Total $ Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Cards</td>
<td>67,270</td>
<td>$105.6M</td>
</tr>
<tr>
<td>Internet/Mobile</td>
<td>50,460</td>
<td>$120.5M</td>
</tr>
<tr>
<td>Bank Account Debit</td>
<td>47,313</td>
<td>$90.4M</td>
</tr>
<tr>
<td>Wire Transfer</td>
<td>46,962</td>
<td>$409.3M</td>
</tr>
<tr>
<td>Gift/Reload Cards</td>
<td>27,827</td>
<td>$79.9M</td>
</tr>
<tr>
<td>Cash/Cash Advance</td>
<td>11,211</td>
<td>$102.2M</td>
</tr>
<tr>
<td>Check</td>
<td>5,908</td>
<td>$60.2M</td>
</tr>
<tr>
<td>Money Order</td>
<td>2,743</td>
<td>$19.4M</td>
</tr>
<tr>
<td>Telephone Bill</td>
<td>810</td>
<td>$1.9M</td>
</tr>
</tbody>
</table>

**Quarter**

- 2020
- All

Published October 16, 2020  
(data as of September 30, 2020)

*Data contributors MoneyGram International and Western Union provided a significant number of reports, which may affect the distribution of the reported methods of payment.*

FEDERAL TRADE COMMISSION · ftc.gov/exploredata

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• Practical, action-oriented tips
• English & Spanish
• Print & Online
• Free to download, copy, order
• Resources for trainers

FTC.gov/PassItOn
Practical, action-oriented tips to deal with:

- Charity Fraud
- Grandkid Scams
- Health Care Scams
- Home Repair Scams
- Identity Theft
- Imposter Scams
- IRS Imposter Scams
- Money Mule Scams
- Online Dating Scams
- Tech Support Scams
- Unwanted Calls
- You’ve Won Scams
- Work-at-Home Scams
FTC.gov/bulkorder
Changing the Narrative on Victim Blaming
Changing the Narrative on Victim Blaming

Financial Crime Victims
- She was duped
- He fell for it
- He got taken
- They were scammed

THIS BLAMES VICTIMS

Violent Crime Victims
- She was held at gunpoint
- They were viciously assaulted
- He was brutally murdered
- She was forcibly raped

THIS PUTS THE BLAME WHERE IT BELONGS: ON CRIMINALS
The Language of Shame

“I cannot fathom the level of gullibility it would take for someone to send money to someone they have never met. It's just beyond my level of comprehension. That is the kindest way I can express what I'm thinking right now.”

“Very sad, but really, these women need their heads screwed on properly.”

“Good God...Where has common sense gone? I know people are lonely; hell I am lonely BUT I AM NOT STUPID...”
The Impact of Shaming on Victims

"Actually, I was kind of embarrassed. My daughters sort of made me feel stupid."

“I've always thought I am smart enough not to be caught in a scam, I think I was acting out of my emotions.”

“The mental anguish still lingers after its over. I hope in time I can overcome the embarrassment and humiliation of believing all the lies, of feeling so stupid for ignoring my intuition, and be able to gain some semblance of confidence to trust my decisions.”
Flipping the Narrative

What if we said:

"Falling victim is not your fault. It is the fault of the criminal who perpetrated this crime. I am sorry you had to endure this. Let's talk through it to understand what happened so you will be able to spot the red flags of scams in the future."
This Matters Because...

...fraud victims deserve empathy and respect rather than scorn and humiliation

...families won't see their victim older adult loved one as a "fool," thus protecting the relationship

...police may be more inclined to take a complaint - even pursue the case - rather than claim it is a civil matter

...prosecutors might respect the impact of financial crime on older adults and might take more cases

...policymakers may get that fraud victims are not stupid or addled and they'd do more to address the scourge - maybe even find a means of restitution
The All-Too-Human Toll

• Billions of dollars lost with little chance of restitution
• More than 1M marriages damaged
• Thousands die by suicide each year
Remembering Albert Poland

• Died by suicide at 81
• Suffered from cognitive decline
• In his note, he told his family not to spend too much on his funeral, and said he hoped that when the $2 million+ arrived, it would vindicate him
For More Information

AARP Fraud Watch Network Helpline
877-908-3360

AARP Fraud Watch Network
aarp.org/fraudwatchnetwork

Text FWN to 50757 for scam alerts

FTC’s Pass It On
FTC.gov/PassItOn (English)
FTC.gov/Pasalo (Spanish)

Report Fraud to the FTC
ReportFraud.ftc.gov (English)
ReporteFraude.ftc.gov (Spanish)