

Fraud takes an enormous financial, as well as emotional, toll on victims. It can destroy businesses and ruin financial lives. Many individuals, businesses, and organizations are affected by scams and other fraudulent activity on a daily basis. A report in the [American Journal of Public Health](#) estimates that 1 in every 18 older adults experience some form of fraud or scam each year. Often, they are too embarrassed to report it or don't know where to go to do so. With the complexity of ongoing identity schemes, the number of victims impacted are on the rise. According to the [Insurance Information Institute](#), the amount stolen was \$16.8 billion last year alone, an increase of 12 percent from 2016.

Daily Money Managers (DMMs) protect their clients by acting as a first line of defense against fraud. Using their experience in financial matters to monitor and recognize suspicious activity, they help prevent their clients from falling victim to various scams. In the event that fraud is detected, DMMs can also work with clients toward resolving the issue.

To assist with recognizing and avoiding fraud, the American Association of Daily Money Managers (AADMM) has developed a list of 6 common scams that are becoming more prevalent each year.

FUNERAL/CEMETARY SCAMS

Some funeral homes may try to take advantage of a grieving family by trying to sell them products they do not need or by adding fees for additional services that they don't really want. Examples may be attempts to sell them an expensive fancy casket, convincing them to get embalming prior to cremation (almost never required) or selling a rubber gasket to preserve a body (they do not work).

The "Funeral Rule," passed in 1984 and which is overseen by the Federal Trade Commission, sets forth certain guidelines that funeral homes must abide by. These include rules that the funeral home must itemize their prices, offer products individually (although they may offer package deals), and allow a family to bring in caskets from third party vendors (such as Walmart or Costco). Even with these rules, some Funeral Homes are unscrupulous and violate them. [Read more](#).

STOLEN MAIL

That box in front of your home, your mailbox – is it safe enough to protect you from identity theft or other possible financial violations? Thieves are looking for items in that box that can provide them with information to steal your identity or monies that belong to you. This information can be found on most types of mail we all receive each day – bank statements, utility bills, credit card offers, checks or tax documents. Checks can be cashed or washed and rewritten for larger amounts.

The information found inside your mailbox is enough for a criminal to open a new credit card in your name or gain access to an existing one. Filling in any missing information is not difficult for these individuals who make a living at identity theft. [Click Here](#) to learn more ways you can protect yourself.

INTERNET FRAUD

There are several popular methods by which scam artists take advantage of internet users. Here are some common examples of internet fraud:

- **Malware:** software designed to disable computers and computer systems once downloaded. Often, they are disguised with familiar names.
- **Internet auctions:** advertised products are misrepresented, or merchandise is never delivered.
- **Data breaches:** sensitive personal or financial information is leaked from a secure location.
- **Ransomware:** A form of malware that targets network weaknesses to access the critical data and/or systems and hold it hostage. Ransomware is frequently delivered through phishing emails. In order to gain access to your files/systems, the cyber-criminal demands a "ransom" payment or order for you to regain access to your data.

There is good news! We can take steps to protect ourselves by paying close attention to how we install and use software applications and online services. For more information [Click Here](#).

TELEMARKETING/PHONE SCAMS

Many older adults enjoy talking on the phone. It's a great opportunity to communicate with family members, friends and acquaintances. However, the telephone is also widely used by scammers to prey on unsuspecting individuals, especially seniors, who are often the victim of these [fake telemarketing calls](#).

Scammers will say anything to cheat people out of their money. Some may appear to be very friendly — using your first name, making small talk, or asking about your family. If you receive a call from someone saying that you've won money in a sweepstakes or contest you haven't entered, but you just need to send money to claim your prize, be aware this is probably a scam. [Contests and prize scams](#) are on the rise. These fraudsters are difficult to catch because there is no paper trail and the calls cannot be traced. [Read more](#).

EMAIL/PHISHING SCAMS

Phishing is defined as an attempt to obtain financial or other confidential information from Internet users, typically by sending an email that looks as if it is from a legitimate organization, often a financial institution, but the email contains a link to a fake website that replicates the real one. Once the user has entered their information on the fake website, the scammer has the user's information and can use it as they desire. [Click here](#) to see more strategies to keep your information safe.

INVESTMENT/PONZI SCHEMES

Seniors and other vulnerable populations are often targeted by investment fraudsters. Common scams include:

- Ponzi schemes in which early investors are paid with the assets of later investors
- Bogus promissory notes
- Offshore market instruments
- Oil and gas investments
- "Risk free" investments

If you encounter any of these situations, first and foremost, talk with trusted advisors or family members before making any investment decisions. Take time making investment decisions and verify that sellers are licensed and registered to sell products by visiting investor.gov or your state securities regulator. If you do not know the state securities regulator, visit nasaa.org or call 202-737-0900. [Read more](#).

Here are some [additional tips and resources](#) to prevent fraud and identity theft

ABOUT THE AMERICAN ASSOCIATION OF DAILY MONEY MANAGERS (AADMM)

AADMM is a national membership organization representing individuals and businesses in the growing profession of daily money management. These professionals provide financial services to seniors and older adults, people with disabilities, busy professionals, high net worth individuals, small businesses and others. AADMM's mission is to support daily money management services in an ethical manner, to provide information and education to members and the public, and to develop a network of dedicated professionals.

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