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Greedy Fraudsters Take Advantage of Grandparents

MONTGOMERY, ALABAMA (September 6, 2019) – Grandparents and seniors, they are known for their love of family, sweet demeanors and time-tested wisdom. Unfortunately, fraudsters are taking advantage of the good nature of grandparents and senior adults. This Grandparents Day, observed on September 8th, the Alabama Securities Commission (ASC) is offering tips on how families can protect themselves and their loved ones from grandparent and sweetheart scams. The ASC encourages Alabamians to talk to their grandparents and aging loved ones about these types of scams.

Fraudsters know grandparents will do whatever they can to help their family, particularly where their grandchildren are concerned. This familial bond is being exploited by scammers in the form of the “grandparent scam”. The “grandparent scam” is typically executed over the phone. Fraudsters call and inform the grandparent that their grandchild is in desperate need of money to cover the cost of bail or a medical procedure. The perpetrator may even mimic the voice of the grandchild. Once convinced, the grandparent will be instructed to purchase gift cards or wire money to an account. Emergencies and accidents do happen, but the best way to protect yourself and your family is to remain calm and verify the situation.

The grandparent scam is not the only scam that targets seniors, the “sweetheart scam” is another common fraud amongst the aging population. The sweetheart scam occurs when a fraudster creates a fake profile on a dating or social media website and initiates a romantic relationship with another user. Eventually, they will ask for money claiming to have had a medical or another emergency. This scam can occur hours after the first conversation or even months, maybe years.

Whether a grandparent scam, sweetheart scam, jury duty scam, IRS scam, social security scam or another financial investment pitch, the ASC advises citizens not to give money to someone they’ve never met in person. Even if you know the person requesting the funds, get a second opinion by talking with a trusted advisor, family member or pastor before handing over your money. If you find yourself in a situation like the ones outlined above, remain calm and think with your head and not with your heart.

The ASC is offering these simple tips families and seniors can implement to protect against exploitation:

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- 1) If the caller stresses secrecy and you are concerned about betraying the grandchild's trust, call them on their cell phone and verify their whereabouts. You can even call their parents and ask when they last spoke with their child.
- 2) Never give out personal financial information over the phone, on social media or by email.
- 3) If someone wants to receive payment via gift card, green dot card or any other ways to instantly transfer funds, it is almost never legitimate.
- 4) Always get a second opinion about a love interest who asks for money.
- 5) Investigate and verify who you are talking with, if in doubt, do not send them funds.

The Alabama Securities Commission (ASC) regulates the securities industry in Alabama. ASC is committed to protecting investors against securities fraud and provides aggressive enforcement actions against any firm or individual who has violated the Alabama Securities Act or other state and federal statutes to the detriment of Alabama investors. The Alabama Securities Act provides for the licensing and regulation of securities broker-dealers, agents, investment advisers and investment adviser representatives, and financial planners.

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