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Link to loneliness found as senior fraud runs rampant

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Robin Erb

Nov. 8, 2010 (McClatchy-Tribune Regional News delivered by Newstex) -- At least one in 10 Detroit seniors last year reported being scammed in the prior year, according to new research from the Wayne State University Institute of Gerontology.

Nationally, one in 20 seniors reported being scammed.

But even more surprising for researcher Peter Lichtenberg: It wasn't financial instability or failing minds that made seniors vulnerable -- it was feelings of loneliness and being undervalued. They increased the risk of being swindled by 30%.

"Older adults, especially those that don't feel important anymore, can be befriended easily," Lichtenberg said.

The down economy makes it worse, because both potential victims and those who prey on them are so desperate.

Detroit's Howard Fulghen got an unexpected check in the mail for \$937.87. According to the letter with it, all he had to do was cash the check and send a small fee back to the sender.

It was a classic scam, but Fulghen found out too late -- after he spent the cash on groceries and repairs on his 21-year-old van, after the check was returned as a fake and after his bank cleaned out his meager account to cover it.

The former factory worker, now 65, said he still can't believe it.

"It said 'official,'" he said. "That's what got me -- it said 'official.'"

Push is on to stop senior fraud

Cops and elder advocates have known it for years: For a con artist, lonely seniors are easy targets.

Now, a Wayne State University researcher is trying to better define and quantify the problem. His preliminary findings? About one in 20 adults 50 and older reported being the victim of fraud in a national survey.

The number is even higher in Detroit, where one in 10 adults older than 65 reported being swindled, according to Peter Lichtenberg, director of the WSU Institute of Gerontology.

"That was really eye-opening," he said.

Worse, he says even those numbers are probably low.

That's because some seniors may not consider it criminal if they were swindled by family members or other people they trusted.

In fact, fraud against seniors always has been tough to define and tougher still to quantify, said Sharon Merriman-Nai of the National Center on Elder Abuse, a program of the U.S. Administration on Aging.

Is fraud limited to cases in which the stranger is the perpetrator? What if it's a daughter who spends a parent's Social Security check? Can a bogus driveway-sealing job be lumped statistically with stolen Medicaid numbers? And fraud against seniors often goes unreported, experts say. The victims are too embarrassed, too frightened or too worried about losing their independence to say anything.

Sometimes, they don't even know. Take those seniors whose Medicare and Medicaid identification numbers are stolen by thieves who collect money for phantom medical procedures or equipment, said Pamela Alexander, director of the Medicare/Medicaid Assistance Program at the Detroit Area Agency on Aging.

"My personal thought is that in our area, people aren't always aware they've been defrauded in any way," she said.

Invisible problem

With no national clearinghouse to gather fraud reports, swindling of elderly people remains "a fairly invisible problem," Merriman-Nai said.

For his part, Lichtenberg drew data from two sources.

He was able to add a question to the Health and Retirement Study survey of Americans older than 50, a study overseen by the National Institute on Aging.

His question for 5,849 participants: Have you been the victim of financial fraud in the past 5 years? One in 20 men and women answered "yes."

He then conducted a survey at a daylong Healthy Black Elders conference in June 2009, asking 541 Detroit-area men and women, all 65 or older: Have you been the victim of fraud in the past year?

One in 10 said "yes."

Lichtenberg said he believes the economy in Detroit has built desperation "and the more that society is feeling financial stress, the more they see older adults as victims."

Social factors

Lichtenberg, a psychiatry and behavioral neuroscience professor, also was interested in studying something a bit fuzzier -- how stable and happy the victims felt and whether that contributed to their victimization.

He extrapolated data from the national survey, which also asked questions such as: How much of the time do you feel part of a group of friends? How much do you agree that you have always received adequate appreciation for providing help in your family? How often have you received poorer service than other people at restaurants or stores?

Lichtenberg found that those who felt their social needs were unmet were 30% more likely than others to be victimized. More surprisingly, those feelings were even stronger predictors than other variables such as financial instability or health issues, though they might be intertwined.

"Older adults often are retired and struggling with chronic health problems.... What little income they do have might be spread across to adult children and adult grandchildren. And as a result ... they lose their place in society," Lichtenberg said. "When someone feels devalued and not appreciated, someone can come along and put on a good act, pretend to value them, then use that trust to scam them."

Anita Salustro, a financial consultant with AARP, agrees: "The people who are home alone and not plugged in -- they are the most vulnerable.

She and others note that seniors are often more trusting, too. They're often naïve to today's technology and the power of the Web.

Sometimes, they're easily confused. Many are lonely. And they're home.

"They're more likely to pick up the phone and take a call from someone who has a malicious intent. That's not inconsequential," Merriman-Nai said.

Lichtenberg is to present his findings at the Gerontological Society of America's annual meeting in New Orleans later this month.

He plans to expand his research next to collect more information about the kinds of scams and techniques perpetrators use to gain seniors' trust.

"If we want to fight this fraud, we need to first understand why and how it's happening," he said.

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