

**ServeOurSeniors.org**

*is an initiative of the North American Securities Administrators Association, of which Georgia is a member. This website is devoted to protecting senior investors from financial exploitation. It provides resources for senior investors, caregivers, and policymakers.*



# SeniorSAFE

## Protecting Your Finances

*If you have a question or concerns,  
or you think you have encountered one of these frauds, please  
contact us directly to report the fraud and to get assistance.*



Georgia Secretary of State  
Securities Division  
2 Martin Luther King Jr. Drive SE  
Suite 317 West Tower  
Atlanta, GA 30334

470.312.2640


[registrations@sos.ga.gov](mailto:registrations@sos.ga.gov)





# SeniorSAFE Protecting Your Finances



*Elder financial abuse can result in devastating financial losses. Sometimes the con artist is relatively new to the person's life. Or, someone you know and have a personal relationship with may start taking financial advantage. Be alert that there are many different ways to financially exploit an older adult.* 

## Common Investment Scam Scenarios

*"Fantastic" opportunity or fraud?*

- 1. Unsuitable Investments:**  
What might be suitable for one investor might not be right for another. Securities professionals must not recommend investments that are inappropriate for a customer's age, risk tolerance and need for access to the money.
- 2. Affinity Fraud:**  
In affinity fraud, the senior makes an investment because of a recommendation by a trusted friend based on similar backgrounds.
- 3. Unregistered Investments**  
The senior is sold a stake in a new company or enterprise and is told that the investment "does not need to be registered" with the state or federal government.
- 4. Unlicensed Salespeople**  
Those who sell securities or provide investment advice must be appropriately licensed. If not, chances are they aren't qualified to offer investments or advice.
- 5. Free Lunch/Dinner Seminars**  
Regulators find the majority of these seminars are actually sales pitches.
- 6. Ponzi Schemes**  
These amount to robbing an army of Peters to pay a handful of Pauls. As the number of initial investors grows and the supply of potential new investors dwindles, the Ponzi bubble bursts with the vast majority of investors losing all or most of their money.
- 7. Senior Designations**  
These are individuals who call themselves "senior specialists" to create a false level of comfort among seniors and then get them to invest.
- 8. Any sales pitch accompanied by pressure or coercion.**

## Common Traits & Characteristics

***A lack of investment knowledge and predatory tactics creates a susceptibility to fraud among seniors.***

### Financial Predators Use Fear Tactics

- Instill fear in seniors of running out of money and becoming a burden to their families.
- Inspire distrust in seniors of family members concerning their finances to keep seniors from disclosing fraud.
- Prey upon the loneliness and isolation, and availability of some retired or widowed seniors.

### Target Victim Profiles for Financial Predators

- Easily intimidated and will make an immediate decision.
- Good mannered, trusting, and less apt to be rude.
- Want a better rate of return on their money.
- Impressed with fancy credentials and titles.
- Finds it difficult to say no when the "salesperson" appears nice, friendly and caring.

## Common "Red Flags of Investment Fraud"

- Mail piled up; unpaid bills; trouble paying bills because bills are confusing.
- Fearful, distressed or depressed.
- Regret about financial decisions made.
- Senior received information or was asked to invest in unregistered or start-up companies.
- Senior was asked to sign blank paperwork on an investment, or gave an adviser discretionary authority over their account.
- Senior has given Power of Attorney to someone else, such as new companion or adviser, to manage his or her finances.
- Senior has unopened investment account statements, missing account statements, or missing documentation for an investment (salesperson claiming to get paperwork to the senior later).
- Senior is missing checks from the checking account, or made checks for the purchase of an investment directly to the adviser or salesperson.
- Senior complains that he or she is unable to get in touch with the adviser or broker and has difficulty remembering the terms of the investment.
- Senior has lost money in other scams.
- Excitement about winning sweepstakes/lottery.