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FTC reports increase in elder fraud losses

The Federal Trade Commission told Congress that fewer older adults reported losses to fraud last year, but that more money was lost, with the total reaching \$1.6 billion in 2022.

People over age 60 were more likely than other age groups to fall victim to tech support scams, lottery scams or impersonation scams, the FTC said in its annual report to Congress.

While the number of fraud reports from over-60 victims dropped from 2021 to 2022, the dollar amount of losses grew, especially losses to tech support scams, investment scams and impersonation scams.

Consumers who identified themselves as 60 and older filed 467,340 fraud reports to the FTC in 2021, versus 385,590 reports in 2022. Losses to investment scams in 2022 were \$404 million, up 175 percent from 2021. Business impersonation scams caused \$271 million to be reported lost, up 78 percent. Tech support scams soared to \$159 million reported lost, up 117 percent from 2021.

The largest median losses were reported by older adults as a result of fraud that started with a phone call, the FTC said. Social media scams increased: the median reported loss from this type of scam jumped from \$460 in 2021 to \$800 in 2022, the FTC said.

To combat the fraud, the FTC issued a notice of proposed rulemaking on government and business impersonation that would offer more tools for the FTC to seek refunds for consumers harmed by these scams.

In 2021, the Supreme Court deprived the FTC of some of its powers to obtain redress. In *AMG Capital Management LLC v. FTC*, the Supreme Court held Section 13(b) of the FTC Act doesn't authorize federal courts to require defendants to pay refunds to harmed consumers or give up the unjust gains they earned from breaking the law.

This month's report to Congress on protecting older consumers called for updating the FTC Act in response to the Supreme Court's decision.

"We do all we can to protect older adults and shut down the scams targeting them," Samuel Levine, director of the FTC's Bureau of Consumer Protection, said in a statement. "But we still need Congress to restore our authority to get money back from the scammers and into consumers' pockets."

The FTC also cited its enforcement actions against older consumers, including allegations against Publishers Clearing House of using dark patterns to mislead consumers into thinking that making a purchase would increase their chances of winning the company's sweepstakes drawing. (See [FTC Watch, No. 1052, July 10, 2023](#).)

The FTC said it was conducting outreach and education efforts through such programs as the Pass it On campaign, which focuses on providing fraud prevention resources to older adults that they can share with family and friends.

The agency also touted its ongoing efforts to implement the Stop Senior Scams Act of 2022 which includes coordination of an Advisory Group of 21 representatives from government, industry and consumer advocacy groups. The group focuses on expanding consumer education efforts.

Peter Lichtenberg, director of the Institute for Gerontology at Wayne State University in Michigan and an expert on financial exploitation of the elderly, said, "I'm heartened to see more of the investigations across agencies, and more prosecutions. I just think that, as the baby boom generation gets into older age, more and more would-be scammers are entering into the fray."

Lichtenberg said his research found that psychological vulnerability, relationship strain around money, financial strain and lack of confidence are related to being more likely to be exploited.

The number of older adults with Alzheimer's disease, lack of financial capacity and risk for financial exploitation is increasing, Lichtenberg said. Cognitive impairment and financial exploitation often go hand-in-hand, he said.

"I don't think we're seeing curtailment of older adult scam victims," said Lichtenberg, who has published articles on psychological vulnerability and fraud and is known for work on financial decision-making.

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