

FAMILY FINANCE: INVESTMENT SCAMS TARGET SENIORS

Bernie Madoff is the name everyone remembers, but shady investment "advisers" don't have to bilk billions to do real harm. In just the last two weeks, *The Associated Press* reported on at least a dozen cases in which advisers were accused of stealing, on average, just over \$416 million from unsuspecting investors. Their alleged frauds touched clients in as many as 22 states.

Senior citizens are especially vulnerable to con artists peddling Ponzi schemes and other dead-end deals. Most victims are older and many of them have cognitive impairment, said **Denise Voigt Crawford, the Texas state securities commissioner**. The problem is going to get worse as baby boomers age, she said, adding that one new twist is many of the newest hucksters are also elderly. "The people who are vulnerable can't even trust people who are their own age," Crawford said. And it's not just criminal schemes that can cost. Inappropriate investments, whether they're particularly risky or include products that lock up cash for long periods of time, may be perfectly legal but nearly as problematic for seniors.

"They don't have the luxury of making mistakes," said Don Blandin, CEO of Investor Protection Trust, an advocacy group. "The suitability issue is very important here." ... AARP has a program that sends volunteers to monitor investment seminars, which often are advertised as educational programs but turn out to be sales pitches.

Project manager Andres Castillo said certain products, like annuities with high commissions, are often promoted at these events. ... If mild cognitive impairment is an issue, hiring an accountant or daily money manager may help. Putting a neutral third party in the role of intermediary may also be a good step if you've had your own financial problems, or your parents don't trust you to access their financial details for other reasons.

(*The Associated Press*, 20 September 2010)