The Elder Consumer Protection Program at Stetson University College of Law’s Center for Excellence in Elder Law is an educational and information resource on general and legal matters regarding elder consumer protection and awareness. The program, which is supported by state funding, offers assorted materials and various services that provide and promote general knowledge, public awareness and assistance, and professional development and training.

The information contained herein is intended only as a brief overview on matters of general interest. It is not offered as legal advice, is not a definite statement of law, and is not a complete analysis of the area of law.

The applicability of law to a particular matter requires an exhaustive examination of the specific facts with the appropriate laws. If you have a specific legal issue or legal concern, you should always consult with an attorney for detailed legal advice.
**What Is Financial Fraud?**

Financial fraud occurs when someone intentionally withholds the truth or deliberately makes a misrepresentation about themselves, a financial product, or a financial opportunity which results in your suffering monetary loss or economic damage.

More than 8 in 10 consumers have received a “potentially fraudulent offer” in the past year, according to FINRA Investor Education Foundation.

- Elderly individuals are 34% more likely to have lost money than younger consumers.
- But because people often fail to report financial fraud — either because they don’t know who to report it to or because they are too embarrassed — this number is likely much higher.

**Types Of Financial Fraud**

- **Ponzi/Pyramid Scheme**: Investment scam certain to fail because it relies on money from newly recruited investors to pay previous investors instead of any real business revenue.
- **Affinity Scheme**: Scam where the trust shared by a group is used and exploited, such as a religious congregation, ethnic community, or professional group.
- **Predatory Lending**: Loans with extremely high interest rates, loans requiring more insurance than normally necessary, or loans with unusually large fees, costs and commissions.
- **Variable Annuity**: Although sometimes a valid investment option, consumers are seldom told about the long-term obligation of funds, the lack of a guaranteed return, and the high fees, costs, and penalties charged to access funds or make early withdrawals.
- **Reverse Mortgage**: Although sometimes a valid loan option, consumers are seldom told about the high interest rates, the large commission costs and fees, and the possible impact to heirs of an estate.
- **Unlicensed/Unregistered**: Scam where the sales agent is not licensed or the investment product is not registered.

**Tips To Protect Yourself**

- Ask questions, demand details, and insist all information be in writing.
- Carefully read and fully understand everything before you sign.
- Review any and all available options and possible implications with a trusted independent personal or financial advisor.
- Verify all information with the appropriate state and federal regulatory agencies that oversee the product and sales agent.

**Suspect Something?**

**Contact these government agencies:**

- The Florida Office of Financial Regulation
  - By telephone: 1-850-487-9687
  - Online: [www.flofr.com](http://www.flofr.com)
- The Federal Trade Commission
  - By telephone: 1-877-382-4357
  - Online: [www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)
- The Securities and Exchange Commission
  - By telephone: 1-800-732-0330
  - Online: [www.sec.gov](http://www.sec.gov)
- The Consumer Financial Protection Bureau
  - By telephone: 1-855-411-2372
  - Online: [www.consumerfinance.gov](http://www.consumerfinance.gov)