



**HOW THE  
ELDERLY  
CAN AVOID  
BEING  
CHEATED**

**INSTITUTE ON AGING  
MOREHEAD STATE UNIVERSITY**

H O W   T H E   E L D E R L Y  
C A N   A V O I D  
B E I N G   C H E A T E D

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## INTRODUCTION

Elderly citizens of Northeastern Kentucky have often been victims of fraud and schemes to cheat them. They requested the Institute on Aging of Morehead State University to give them help to avoid being cheated in the future. This booklet is a first attempt to fill this need. It deals with those methods, practices and schemes that the elderly need to become aware of.

By pointing out how these frauds work, the Institute hopes to give the reader the information he needs to help him avoid being cheated of his money, his time, and/or his health.

## HEALTH FRAUDS

The elderly, more than other age groups of the American people, are victims of the health quack who cares more for the fast buck than for the health of his clients. The quacks most often promise to restore human senses such as sight, hearing or touch, or to restore the functions of other organs such as lungs, heart, liver, kidneys, etc.

The smooth-talking, quick-acting sales agent offers miracle drugs or instant cures for health conditions that physicians diagnose as incurable. This raises hope in people who long for hope. But the hope is most often a false hope and when it does not become real, it can cause despair and dissociation of the elderly from their friends and relatives.

## Arthritis "Remedies" to Restore the Sense of Touch

The Arthritis Foundation offers these quack warnings:

1. Avoid advertised arthritis "cures". A real cure has not been found.
2. **Discount** testimonials. Each human being is different.
3. **Beware** of any drug or device claiming more than temporary relief for minor symptoms.
4. **Be aware** that even in many products advertising temporary relief, there is usually aspirin or an aspirin-like ingredient. Aspirin alone can be bought as such much cheaper.
5. Check any product, before you buy, with your family doctor, county medical society, or local chapter of the Arthritis Foundation.
6. Even if a remedy has not been driven off the market by legal



action, this does not mean that its claims are justified. Many promoters hold off the government for years in long court battles while they reap big profits on a worthless product.

### Eye "Remedies" to Restore the Sense of Sight

The National Better Business Bureau points to several restrictions on the sale of so-called eye remedies.

1. Since eyeglasses cannot be safely or accurately prescribed by mail or at a local 5-and 10-cent store, such offers should be avoided.
2. Mail-order courses of eye exercises to correct defects of vision may not be of any value and should not be taken seriously.
3. No known medicine may be truthfully advertised as a cure or treatment for eye diseases or

- to correct errors of refraction.
4. Properly compounded eye drops and lotions may be truthfully advertised only to help cleanse the eyes and soothe minor local irritations.

### Hearing "Remedies" to Restore the Sense of Hearing

Be careful in regard to advertised cures for deafness and hearing aids. Before investing--investigate. Consult a qualified hearing specialist (otologist) about your hearing problems.

To avoid problems, the U.S. Department of Health, Education, and Welfare strongly urges these guidelines in selecting a hearing aid:

1. Compare for clarity and quality of sound. Listen to familiar voices with each aid.
2. Compare how well each aid helps you understand - listen in noisy places as well as quiet - outdoors as well as indoors.



3. Check the aid for comfort and convenience - controls should be easy to operate, batteries and parts should be available locally.
4. Check the costs. A low-priced hearing aid may be satisfactory. It depends on your own needs.
5. Look for extra services. Do you get a money-back guarantee? Will the dealer help you learn how to use the aid?

### Schemes to get organs to function better

The American Medical Association suggests that some ways health quacks have used to mislead people are:

1. They use a special or "secret" machine or formula, which they claim can cure a particular disease or a variety of ailments.
2. They guarantee a quick cure.
3. They advertise or use case histories and testimonials to pro-

- mote their cure.
4. They state that surgery, X-rays, or drugs prescribed by licensed physicians cause more harm than good.
  5. They clamor constantly for medical investigation and recognition.
  6. They claim medical men are persecuting them or are afraid of their competition.

### Securing Help

If the medical method or product promoted had real proven merit, the medical profession would adopt it, as it does each year for hundreds of new proven drugs and techniques. If you are approached by someone who you think may be a health quack your safest preventive measure is to contact YOUR LOCAL PHYSICIAN, LOCAL HEALTH CLINIC or LOCAL HEALTH AGENCY for advice. Always investigate and be skeptical of a high pressure sales agent. For other sources of help beyond your community see Appendix.

## HOME IMPROVEMENT FRAUDS

Many elderly people want to improve the homes they live in with better roofing, siding, windows, heating, plumbing, closets, etc. Each of these has been an area for cheating and fraud, with elderly victims going into debt more than they can afford, or paying much more than the home improvement is worth, or being sold unnecessary home improvements.

Since home improvements do not take place very often for most people, they have little or no experience as to how to proceed, and are more apt to be cheated if they are not careful. Often there are legally-binding contracts to be signed. Before signing, elderly persons should be sure they have read and understood every line in the contract.

Many high-pressure home improvement agents promise a great deal, but deliver little or nothing. Some promise high



quality materials and workmanship, but deliver neither.

### Preventive Measures

The National Better Business Bureau makes these tips on **avoiding** unnecessary home improvements:

1. Have your home checked regularly by a qualified reputable person or groups of people (in-laws and relatives often are reliable sources), so you know what, if anything, is really needed.
2. Beware of bait advertising of home repairs and services.
3. Watch out for the traveling repairman who "just happens to be in the neighborhood."
4. Demand **proper** credentials of anyone claiming to be a government authority.
5. Never let anyone have access to any major area of your home (furnace, electrical service, plumbing, etc.) without your

being completely satisfied with his integrity.

6. Get at least one additional estimate of cost for the same home improvement from some local dealer who has a good reputation.
7. Don't make a hasty decision on any aspect of remodeling.
8. Read and understand any paper that you sign.
9. Obtain all guarantees in writing.

### Securing Help

If someone you do not know comes to your door and wants to fix up your home, be suspicious. **DON'T SIGN** anything until you do these things:

1. Call local housing authority or other responsible local agency to check out the salesman's company.
2. Call **Better Business Bureau** to check on seller's legitimacy.

Remember that if an agent is legitimate he won't be fearful of returning another day. DON'T rush into any contract before reading and understanding ALL OF IT.

For other sources of help beyond your community, see Appendix.



## RETIREMENT SCHEMES

Many elderly people seek security by investing money in real estate. A sales agent pictures a "paradise promised land", which in actuality may be a desert tract of waste land. The hope of buying now at low rates, with insured increases in value, is seldom true. The only quick dollar made in a hurried retirement plan is made by the selling agent.

### Land Buying Rules

The National Better Business Bureau advises determining these points before buying any land:

1. Know who you are dealing with, and his reputation.
2. Are advertised improvements, such as beaches or golf courses, completed or just planned? Are distances to these improvements

from the land offered you exactly as indicated?

3. Exactly where is the property located in reference to highways, utilities, employment, and the nearest town.
4. Is the lot in an approved plat, and where was this plat filed.
5. Are these objectionable conditions associated with the lot: flooding, noise, smells, smoke, or industrial encroachment?
6. What is the current selling price of unimproved land around the lot?
7. Who is to pay for future improvements (water supply, sewage, utilities, roads, schools, etc.)
8. Are sewage, drainage, water and mineral rights, topsoil, taxes, and surrounding developments, satisfactorily understood?
9. Know full details of financing, with the help of an attorney.

Other kinds of retirement schemes are the investment-in-business schemes,

such as franchises, stock purchases, etc. All of these that are not worthy may be avoided by an individual who takes:

### Preventive Measures

To avoid becoming a victim, here are ten commandments.

1. Think before buying.
2. Deal only with a reputable securities firm you know.
3. Be skeptical of telephone offerings made to you by unknown salesmen or firms.
4. Guard against all high pressure sales.
5. Be skeptical of promises of spectacular price rises.
6. Be sure you understand the risk of loss.
7. Get the facts. Never buy on tips or rumors.
8. Have the person who offers securities by phone, mail you complete written information about the corporation.
9. If you don't understand this



information, consult someone who does.

10. Give as much thought when buying securities as when buying any valuable property.

### Securing Help

See Appendix for available agencies outside your community who are able and willing to help.

of a number of graduates for whom the school claims to have obtained positions. Then contact these people and ask them.

### Charity Donations

To determine if a certain charity is the one that you want to help:

1. Be wary of door-to-door solicitors. We suggest you give only if you know and believe the collection is honest.
2. Ask whether the solicitor is registered, and ask for his credentials. Call the charity itself, the Better Business Bureau, or other trusted sources of information, before you give, if you have any doubts. The honest solicitor won't object.
3. Make any contributions by check, insuring that the contributions will be used by the charity only, and you have a record for income tax purposes.
4. Never make a contribution in

response to a telephone request, unless it is from someone you know and trust.

5. Use your head as well as your heart before you buy.

### Flowers, Trees, and Shrubs

To determine if you should buy a certain flower, tree, or shrub:

1. Beware of outlandish advertising claims relating to growth, flowering or fruiting of trees and shrubs.
2. Question claims of "tremendous bargains."
3. If you have any doubt about age, size, grade, or quality of the plant before you buy, write and inquire about it. Established and reputable nurserymen will supply this information.
4. Beware of guarantees.



## Preparing-for-Death

Cemetery salesmen may well point out these advantages of buying a cemetery lot now:

1. The survivor is relieved of a difficult decision at a time when sound business judgment is under emotional strain.
2. It helps prevent future family arguments over the burial place and marker for the deceased.
3. Prices are bound to be higher later.
4. It reduces the demands on the survivor's life insurance proceeds, at a time when they are sorely needed for other things.

These points may all be true, but that is no reason to buy from a high-pressure salesman who calls on you. Thoroughly investigate before you act.

See Appendix for help outside your community.

## GENERAL TYPES OF DECEPTION

The Federal Trade Commission has compiled a list of practices that are used to try to mislead or cheat the buyer. Whenever you spot any of the following, Beware!

1. Advertising claims such as "greatly reduced," "cut in half," or otherwise touted as special bargains when, in truth, the merchandise is being sold at the seller's regular price.
2. "You have been selected." This ego builder usually has, under the mask of flattery, the goal of your signature on a sales contract for the product, at the same price it could be had by any other human being with enough money to make the down payment.
3. "Buy now or lose the chance." F.T.C. studies show that prod-

ucts thus represented can usually be purchased at the buyer's leisure. The prices should be compared with those offered by other sources.

4. "You can earn up to \$ \$ \$."  
These schemes involve both exaggeration of possible earnings as well as hollow assurance of help from the seller in obtaining a market for the product. In fact, the sole goal is to sell the product or vending equipment or franchise.
5. Advertising which includes "???" should put you on guard. It often stands for false brand names and false guarantee clauses.
6. Unexpected good (or bad) fortune will come. "To renew this money you must fill out the enclosed **form**, giving your new address and place of employment." This is the time-worn but continuing method of locating persons for collecting debts. When the employer is known, the



wages may be garnisheed. Frequently the request for this information is mailed in official looking envelopes from Washington, D.C. and the return address carries the name of an imposing sounding bureau or department.

## APPENDIX

The material on the preceding pages was presented to help the elderly consumer. However, only if he/she becomes aware and uses the material, will it be of worth.

The following Appendix lists agencies, people, and organizations who will help with specific problems:

### HEALTH

- Local:
- Personal Doctor
  - Local Health Clinic or
  - Public Health Agency
  - Local Vocational Rehabilitation Office
- State:
- Better Business Bureau, Louisville, KY
  - Better Business Bureau, Lexington, KY
  - Health Department, Frankfort, KY

National: American Medical Association  
535 North Dearborn Street  
Chicago, IL 60610

Arthritis and Rheumatism  
Foundation  
10 Columbus Circle  
New York, NY 10019

### HOME IMPROVEMENT

Local: - Local Federal Housing Author-  
ity Offices  
- Fire Marshal

State: - Better Business Bureau,  
Louisville, KY  
- Better Business Bureau,  
Lexington, KY

National: National Federal Housing  
Authority,  
Washington, D.C.

### RETIREMENT SCHEMES

Local: - Banker



- Chamber of Commerce
- Board of Realtors
- Reputable Attorney

- State:
- Better Business Bureau, Louisville, KY
  - Better Business Bureau, Lexington, KY
  
  - Attorney General, State of Ky., Frankfort, KY
  - Securities Commission, State of Ky., Frankfort, KY

National: International Franchise Association, Inc.  
335 North Michigan Ave.  
Chicago, IL 60601

U.S. Securities and Exchange Commission  
Washington, D.C. 20549

## OTHER FRAUDULENT ENDEAVORS

### Education

Local: - Superintendent of Schools

State: - State Department of Education  
Frankfort, KY 40601  
- Better Business Bureau,  
Louisville, KY  
- Better Business Bureau,  
Lexington, KY

National: National Home Study Council  
1420 New York Ave., N.W.  
Washington, D.C. 20005

### Flowers, Trees, Shrubs

Local: - Nurseryman  
- County Extension Agent

State: - Conservation Department  
- Better Business Bureau,  
Lexington, KY

## Preparing for Death

Local: Funeral Home Director

State: - Better Business Bureau,  
Louisville, KY  
- Better Business Bureau,  
Lexington, KY

National: National Budget and Consult-  
ation Committee  
345 East 46th Street  
New York, NY 10017

Among the texts used to compile the information presented in the booklet were: Buyer Beware: The Dark Side of the Marketplace; The Billion Dollar Swindle: Frauds Against the Elderly; The Poor Pay More; The Innocent Consumer vs. the Exploiters. Materials gathered from pamphlets included those acquired from the Federal Trade Commission, U.S. Department of Health, Education, and Welfare, and Better Business Bureaus.