GULF COAST
FINANCIAL ADVISORS

PROTECTING YOURSELF FROM FINANCIAL FRAUD

The best defense against fraud isn't luck — **it's preparation.**

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Financial fraud is more common and sophisticated than ever. Scammers use phone calls, emails, texts, social media, and even artificial intelligence to trick people into giving away money or personal information. In recent years, Americans have lost billions of dollars to these schemes, with losses continuing to rise.[1]

This white paper explains the most common types of financial fraud, how they work, and—most importantly—practical steps you can take to protect yourself and your loved ones. Drawing from current reports by the Federal Trade Commission (FTC), FINRA, SEC, and other trusted sources, it offers clear, actionable guidance in plain language.

- **Why this topic matters:** Fraud can happen to anyone, regardless of age or experience. Older adults often lose larger amounts when targeted, while younger people report falling victim more frequently. The emotional and financial cost can be significant, affecting retirement security, family relationships, and overall well-being.[2]

- **Who should read it?** Individuals and couples planning for or in retirement, business owners, families building wealth, young professionals, and adult children helping aging parents. Anyone who wants to protect their hard-earned money will benefit.

Be Skeptical of Urgency:

- How common scams operate and why they succeed.
- Simple daily habits and red flags that can keep you safer.
- Ways to talk with friends and family about fraud protection.
- Practical next steps and resources for recovery if something happens.

Protecting yourself from fraud does not require being suspicious of everyone. It means staying informed, asking questions, and having a plan. This guide equips you with knowledge and confidence to safeguard what matters most: your financial security and peace of mind.

GETTING STARTED

No one likes to think about being targeted by a scammer. Yet financial fraud affects millions of Americans every year. Scammers are professional, persistent, and increasingly use technology to make their schemes feel legitimate.

Financial fraud occurs when someone tricks you into sending money, sharing personal information, or making investment decisions that benefit them. Common methods include phone calls, emails, texts, fake websites, and social media messages.

The good news is that awareness is your best defense. By understanding how scams work and taking a few simple precautions, you can greatly reduce your risk.

This paper explains the issue clearly, like a helpful conversation over coffee, and includes a special section on how to share this knowledge with friends and family. The information comes from **reputable sources** so you can trust it and use it confidently.

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Understanding Financial Fraud Today

Fraud losses in the U.S. reached record levels in recent years, with billions reported annually. Scammers adapt quickly, using current events, new technology, and personal data to build trust. Anyone can be targeted—older adults often lose larger sums, while younger adults report more incidents.[3]

Common red flags include pressure to act immediately, promises of guaranteed high returns, requests for gift cards or wire transfers, and unsolicited contact asking for personal or financial details.

COMMON TYPES OF FINANCIAL FRAUD:

- **Investment Scams:**
- Promises of high returns with little risk, often promoted on social media or through fake advisors.

- **Government Impersonation:**
- Callers pretending to be from the IRS, Social Security, or Medicare, threatening arrests or benefit cuts.

- **Tech Support Scams:**
- Pop-ups or calls claiming your computer has a problem and requesting remote access.

- **Romance Scams:**
- Building fake relationships online to ask for money.

- **Grandparent Scams:**
- Impersonating a family member in an emergency needing urgent funds.

- **Online Shopping and Prize Scams:**
- Fake deals or lottery wins requiring upfront payments.[4]

Practical Ways to Protect Yourself:

- Verify Before You Trust:
- Never click links or provide information from unsolicited contacts. Call the organization directly using a known number.
- **Guard Your Information:**
- Use strong, unique passwords. Enable two-factor authentication. Shred sensitive documents.
- Be Skeptical of Urgency:
- Legitimate companies give you time to think.
- **Monitor Accounts:**
- **Review statements regularly. Set up alerts for unusual activity.**
- **Use Trusted Tools:**
- **Check advisors on FINRA's BrokerCheck. Report issues to FTC.gov or your state regulator.**[5]

Call-out Box – Free Money Alert

If It Sounds Too Good to Be True, It Probably Is.

High returns with no risk, secret opportunities, or pressure to act fast are classic scam signs.

How to Help and Inform Friends and Family

One of the best ways to fight fraud is by talking about it openly with people you care about. Here is how to approach those conversations helpfully:

- **Start Gently:** Share a recent news story or FTC statistic rather than accusing anyone of being vulnerable.
- **Make It a Team Effort:** Say, "I read about these scams and wanted to make sure we all know what to watch for."
- **Role-Play Scenarios:** Practice responses together, such as "I need to check with my family first."
- **Share Resources:** Forward FTC's "Pass It On" materials, FINRA tips, or this white paper.[6]
- **Set Up Check-Ins:** For older parents, agree on a family code word for emergencies or review accounts together periodically.
- **Encourage Professional Help:** Suggest consulting a trusted financial advisor when big decisions arise.

Teaching others **multiplies protection** and **strengthens family bonds.**

What to Do If You Suspect Fraud:

Act quickly: Contact your bank, freeze accounts if needed, change passwords, and report to the FTC at ReportFraud.ftc.gov, your local authorities, and FINRA if it involves investments. Recovery is possible with prompt action.

KEY TAKEAWAYS:

- Financial fraud can happen to anyone; awareness is your strongest protection.
- Recognize common red flags: urgency, guaranteed returns, and unsolicited requests.
- Verify sources, guard personal information, and monitor accounts regularly.
- Share knowledge with friends and family through open, supportive conversations.
- Report suspected fraud promptly to limit damage and help others.
- Simple habits can provide significant peace of mind.

NEXT STEPS:

- Review your recent financial statements and set up account alerts.
- Update passwords and enable two-factor authentication on key accounts.
- Register your phone on the National Do Not Call Registry.[7]
- Talk with at least one friend or family member this week about fraud protection.
- Bookmark reliable resources: FTC.gov, FINRA.org, and SEC.gov.
- Schedule a review with a trusted advisor for personalized guidance.

We Help Regular People that Have Done
Extra-Ordinary Things.

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[1] TEN Magazine. *The Future of Financial Fraud: The Sophistication of Common Scams.* https://www.kansascityfed.org/ten/the-future-of-financial-fraud-the-sophistication-of-common-scams/

[2] Federal Trade Commission. *FTC Issues Annual Report to Congress on Agency's Actions to Protect Older Adults.* https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-issues-annual-report-congress-agencys-actions-protect-older-adults

[3] Federal Trade Commission. *Top Scams Affecting Older Adults.* https://www.ftc.gov/news-events/events/2026/05/top-scams-affecting-older-adults

[4] National Council on Aging. *The Top 5 Financial Scams Targeting Older Adults.* https://www.ncoa.org/article/top-5-financial-scams-targeting-older-adults/

[5] FINRA. *Avoid Fraud*. https://www.finra.org/investors/protect-your-money/avoid-fraud

[6] Federal Trade Commission. *Pass It On.* https://consumer.ftc.gov/features/pass-it

[7] Federal Trade Commission. *National Do Not Call Registry.* https://www.donotcall.gov/