AARP ELDERWATCH SURVEY:
FRAUD EXPERIENCE AND PREVENTION AMONG COLORADANS 18+

June 2020
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EXECUTIVE SUMMARY
Executive Summary

The Federal Trade Commission’s Consumer Sentinel Network received over 3.2 million U.S. consumer reports of fraud in 2019.\(^1\) Identity theft (all forms) topped the list of consumer complaints, followed by imposter scams, and telephone and mobile service complaints. In 2019, Colorado ranked 8\(^{th}\) in the nation in fraud complaints (with imposter scams being the top reported) and 27\(^{th}\) in identity theft complaints (with credit card fraud topping the list of complaints) to the Sentinel.

**AARP ElderWatch Colorado** is a program with the Colorado Attorney General’s office whose shared mission is to fight financial exploitation of older Coloradans and their families through outreach, data collection, information, and assistance programs. ElderWatch volunteers help older Coloradans recognize fraud as well as report it to the proper authorities. AARP ElderWatch and the Colorado Attorney General’s office continues to engage in public opinion research to help identify instances of fraud, concerns about fraud, and information that will help prevent consumers from being a target or victim of fraud or a scam.

This report describes the results of a survey commissioned by AARP ElderWatch Colorado in collaboration with the Colorado Attorney General’s office. The survey was conducted by Alan Newman Research (ANR) and 1,006 interviews were completed among Colorado residents ages 18 and older with a margin of error of ± 3.1 percent. **Age differences are reported where cell counts equal 100 or more respondents in both age groups.** Key findings include:

- Most feel their personal information is less secure than (48%) or the same (30%) today as it was 5 years ago and are concerned (72%) about someone they don’t know accessing their online information.
- Many Coloradans feel they have been the targets of IRS (68%), Tech Support (61%), and Social Security Administration (51%) imposter scams, with those ages 50 and older more likely than younger to say so to each.
- Half (49%) of all Coloradans say they or someone they know has experienced identity theft and half (51%) of them say they or someone they know lost money to the incident. Moreover, most are concerned (73% very/somewhat) about becoming a victim of identity theft but few have taken certain measures that could help them protect their personal information.

RESEARCH METHODOLOGY AND SAMPLE DESIGN
Methodology

In April 2020, AARP engaged Alan Newman Research (ANR) to conduct a quantitative research study among Colorado residents ages 18+ to gauge their vulnerability to and experience with fraud, and their use of certain preventative measures. ANR completed a total of 1,006 telephone interviews (598 via landline telephones and 408 via cell phone) with residents of Colorado who were 18 years of age and older. The sample of 1,006 respondents yields a maximum statistical error of 3.1% at the 95% level of confidence. (This means that in 95 out of 100 samples of this size, the results obtained in the sample would be within ±3.1 percentage points of the results obtained had everyone in the population been interviewed.) The survey was launched on April 26, 2020 and closed on May 8, 2020. All data have been weighted by age, gender, race/ethnicity, and geographic distribution according to 2018 Census Bureau CPS statistics.

Percentages of some questions may exceed 100% due to rounding or the use of multiple response question formats. Statistical tests have been performed on the weighted sample to determine whether observed differences in the tables are statistically significant.
Coloradans of all ages are online everyday.

<table>
<thead>
<tr>
<th>Wireless Access At Home (n=1,006 Coloradans 18+)</th>
<th>Frequency of Accessing Internet (n=1,006 Coloradans 18+)</th>
<th>Devices Used by Most to Access Internet (n=1,006 Coloradans 18+)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="94% YES" /></td>
<td><img src="image" alt="90% Everyday" /></td>
<td><img src="image" alt="Smartphone" /> 86%</td>
</tr>
<tr>
<td>✓ 87 percent of 50+ have wireless in their home</td>
<td>✓ 84 percent of 50+ access internet everyday</td>
<td>✓ 75 percent of 50+ access Internet via smartphone</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ 87 percent of 50+ access Internet via personal computer</td>
</tr>
</tbody>
</table>

Coloradans used the internet for work and enjoyment.

Among the top ten online activities tested in the survey question, older Coloradans are less likely than those younger to have engaged in social media, checked their online financial accounts, browsed retail, used video platforms, paid bills, downloaded/streamed entertainment, or logged into work or school in the week prior to completing the survey.

<table>
<thead>
<tr>
<th>Online Activity Week Before Survey*</th>
<th>Total</th>
<th>&lt; 50</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent/received email/text from family/friend</td>
<td>87%</td>
<td>87%</td>
<td>88%</td>
</tr>
<tr>
<td>Engaged in social media (facebook, twitter)</td>
<td>74%</td>
<td>81%</td>
<td>65%</td>
</tr>
<tr>
<td>Read news online</td>
<td>73%</td>
<td>72%</td>
<td>74%</td>
</tr>
<tr>
<td>Checked financial accounts</td>
<td>73%</td>
<td>76%</td>
<td>68%</td>
</tr>
<tr>
<td>Browsed retail but didn’t buy anything</td>
<td>69%</td>
<td>73%</td>
<td>63%</td>
</tr>
<tr>
<td>Used video platforms like Zoom or Skype</td>
<td>64%</td>
<td>72%</td>
<td>54%</td>
</tr>
<tr>
<td>Paid bills</td>
<td>62%</td>
<td>65%</td>
<td>58%</td>
</tr>
<tr>
<td>Downloaded, streamed entertainment</td>
<td>61%</td>
<td>72%</td>
<td>46%</td>
</tr>
<tr>
<td>Make retail purchases online</td>
<td>57%</td>
<td>58%</td>
<td>56%</td>
</tr>
<tr>
<td>Logged into/connected with employer or school</td>
<td>49%</td>
<td>59%</td>
<td>35%</td>
</tr>
</tbody>
</table>

* Multiple response question – percents will not add up to 100.

Qs4: How often do you access the internet? (n=1,006)
Qs5: Do you have wireless internet access, otherwise known as WiFi, at your home? (n=1,006)
Qs6: People use the internet for many reasons these days. Please tell me if you have used the internet for any of the following things in the past week. (n=1,006)
Q1: Do you access the internet through …..? (n=1,006)
Yet, many Coloradans young and old are still not securing their devices for accessing the Internet.

At least one in five (20%) adult Coloradans say they do not use a passcode, facial identity, or fingerprint to unlock the device they use to access the internet and one in seven (14%) say they do not have any protective software installed or enabled on any of their devices.

Age differences are significant where younger Coloradans are more likely than those ages 50 and older to say ‘yes’ to using some type of security to lock and unlock their phone, laptop or personal computer, or tablet-like device.

Public WiFi is convenient for Coloradans …and scammers.

With the increased availability of free wireless connectivity (typically unsecured) in public places like airports, coffee shops, or restaurants comes an increased risk of personal information being viewed, stolen, and fraudulently used by others. In the past year, Coloradans were active users of public WiFi.

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Q2. Do you use a password, facial identity, or fingerprint recognition to unlock your…..? (n=861)
Q3. Do you currently have any protective software installed or enabled on any of your devices or computers such as antivirus, anti-spyware, a firewall, or a call or pop-up blocker feature or app? (n=1,006)
Over half (52%) of all Coloradans engaged in 3 or more financial, purchasing, or social online activities using public WiFi in the past year.³

Colorado adults are engaging in online activities that may require passwords, reveal personal identification or financial account information, and expose family and friend’s identities and information.⁴

Using public WiFi requires greater personal online security.

When using public WiFi, many Coloradans are not enabling protections that could help keep their information from being viewed, stolen, and used by someone they don’t know without their permission. Just half indicate they utilize 2-factor authentication and far fewer visit only HTTPS sites, disable file sharing, a VPN service, or set airdrop to off or contacts only. One in five actually say they do none of the measures tested in the survey question.

### Security Used with Public WiFi

<table>
<thead>
<tr>
<th>(n=647 Coloradans 18+ who used Wifi in past year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% Use 2-factor authentication</td>
</tr>
<tr>
<td>38% Visit only HTTPS sites</td>
</tr>
<tr>
<td>29% Disable file sharing</td>
</tr>
<tr>
<td>27% Connect through a VPN service</td>
</tr>
<tr>
<td>27% Set Airdrop to ‘off’/’contacts only</td>
</tr>
<tr>
<td>20% None of these</td>
</tr>
</tbody>
</table>

** Multiple response question – percents will not add up to 100

³Q4. In the past year, or since April/May 2019, have you ever accessed public WiFi in places like airports, cafes, hotels, or wherever available to….? (n=1,006)

⁴Q5. Before or when connecting to public WiFi, which of the following, if any, do you do? (n=647)
Coloradans take care of their financial business online.

Setting up online financial accounts is a convenient and swift way to pay bills, make purchases, and send or receive money to and from friends, family, and personal online buyers and sellers. But using online financial accounts can expose consumers to fraud. Regularly monitoring financial accounts and keeping them secured can help prevent fraud.

At least 2 in 3 Coloradans 50+ set up online financial accounts. But they are less likely than their younger counterparts to say they’ve set up online access to all or some of their banking and credit card accounts. Both age groups, however, are similarly vigilant about monitoring those accounts.

State closings due to Coronavirus did not move many Coloradans to open new financial accounts. In fact, 62 percent say they haven’t opened any new online accounts (retail, entertainment, grocery, etc.) since March 17, 2020 when the Governor ordered many non-essential businesses to close. Just one-quarter (25%) say they opened one to two new accounts, and another one in ten (11%) opened three or more.

Q7. Do you currently have online access set up to access (all, some, or non) of your bank accounts - namely your checking and savings accounts… (n=1,006)
Q8. Thinking about the bank account you use most often, about how frequently do you monitor that account online … (n=784)
Q9. Do you currently have online access set up to access (all, some, or non) of your checking accounts… (n=1,006)
Q10. Thinking about the credit card account you use most often, about how frequently do you monitor that account online (n=673)
Many Coloradans have set up P2P payment accounts.

Peer-to-peer (P2P) payment platforms like Zelle, PayPal, Google Pay, ApplePay, or Venmo allow consumers to transfer funds online or through an app quickly from their bank accounts to other people or merchants. The convenience and speed of P2P transfers is attractive to scammers who can quickly close an account once they collect funds from an unsuspecting consumer who will not receive a promised service or product or a refund.

Well over half of all Coloradans say they have set up online peer-to-peer payment accounts, with those ages 50 and older being less likely than younger respondents to set up these types of accounts. Among those Coloradans who have ever set up a P2P account, nearly all (96%) indicate they used it for at least one of the activities listed in the survey question, and two-thirds (73%) have used it for up to five of the activities listed. Interestingly, more Coloradans age 50 and older than those younger have made up to five P2P transactions (80% vs 70%). Top reasons among all Coloradans to use P2P include sending money to family member and sending money to a friend or neighbor, or receive money from someone, a group, or business.

### How Coloradans Use P2P Payment Services

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Send money to family member</td>
<td>50%</td>
</tr>
<tr>
<td>Send money to friend/neighbor</td>
<td>50%</td>
</tr>
<tr>
<td>Receive money from someone/group/business</td>
<td>44%</td>
</tr>
<tr>
<td>Purchase an item from retailer/business</td>
<td>40%</td>
</tr>
<tr>
<td>Reimburse someone for tickets, paid bill, etc.</td>
<td>39%</td>
</tr>
<tr>
<td>Purchase item on bidding site</td>
<td>33%</td>
</tr>
<tr>
<td>Make donation to charity/non-profit</td>
<td>32%</td>
</tr>
<tr>
<td>Pay bills</td>
<td>27%</td>
</tr>
<tr>
<td>Pay for personal services (housekeeping, errands)</td>
<td>26%</td>
</tr>
<tr>
<td>Purchase ticket to entertainment/sporting event</td>
<td>24%</td>
</tr>
<tr>
<td>Send money to someone met online or fundraiser</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Multiple response question – percents will not add up to 100.**
Some Coloradans could be at greater risk than others for fraudulent access to their financial accounts.

With the increased use of online personal financial accounts, unique and long passwords that include numbers, symbols, upper and lowercase letters can help secure a personal online account for fraudulent access. While many of the Coloradans with online banking, credit card and P2P accounts say they have a distinctly different password for each financial account, some are putting their financial accounts at risk for fraudulent access (younger more so than those ages 50+). One in five are using variations of the same password for all accounts and over one in ten are using the same password for all or at least two accounts.

**Uniqueness of Passwords Used for Online Financial Accounts**

(n=854 Coloradans 18+)

<table>
<thead>
<tr>
<th>Distinctly different PW for each account</th>
<th>Variations of same PW for all accounts</th>
<th>Same PW for all/at least 2 accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>50+: 68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;50: 55%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Abbreviating password in graph for simplicity as PW**

State COVID-19 closings did not drive many Coloradans to change online account passwords. During the months of March or April – when the state asked businesses to close temporarily due to the pandemic, almost half (44%) of Coloradans with online financial accounts say they did not change a password to any of the accounts listed in the survey question. Still, at least one in five changed a password to their credit card (20%) or bank account (27%). Fewer changed their password to a retail account (16%), some other financial account (12%), a P2P account (11%), or an entertainment account (9%).
Coloradans show little confidence about online security and a lot of concern about vulnerability to fraud.

Nearly half of all Colorado adults say they feel their personal information (birthdates, financial account information, Social Security number, address or phone number) is less secure today than five years ago. And, nearly three-quarters (72%) are concerned about their online personal information being fraudulently accessed, with over one in four saying they are very concerned. Notably, the majority (81%) of those who report that they feel less secure today than they did 5 years ago are also the most concerned.

Coloradans ages 50 and older are more likely than those younger to say they feel less secure about their online personal information today than 5 years ago (57% vs 41%) but old and young alike are concerned about an unknown person accessing their personal information online without their permission (76% vs 70%).

Q15. In general, how secure do you feel any of your personal information—such as a birthdate, financial account information, Social Security number, address or phone number—is online, compared with 5 years ago? Do you think it is... (n=1,006)

Q16. To what extent are you concerned about someone you don’t know accessing any of your personal information online without your permission? Are you? (n=1,006)
COLORADAN EXPERIENCE WITH
IMPOSTER SCAMS
FTC shows imposter scams are the most reported type of fraud in Colorado. Survey shows many Coloradans, especially those ages 50+, say they’ve been targets.

In fact, at least half of all Coloradans say they have received a personal phone call, robocall, email or text from someone saying they were from the IRS, or the Social Security Administration, or a computer company. These contacts tell the consumer that to avoid criminal charges or personal information being compromised, or their computer system crashing, they must call and/or send money to the caller.

**Coloradans Contacted by Likely Scammer**

(n= 1,006 Coloradans 18+)

- **68%**
  - Likely target of IRS scam
  - 50+: 71%
  - <50: 65%

- **61%**
  - Likely target of tech support scam
  - 50+: 67%
  - <50: 56%

- **51%**
  - Likely target of Social Security Administration scam
  - 50+: 55%
  - <50: 49%

The FTC reports that between January 1 and June 8, 2020 they have received more than 91,000 total COVID-19 related complaints, with Colorado reporting 1,239 complaints in that time span.6 However, few Coloradans indicate they or anyone in their household received a personal call, robocall, or an email or text from someone saying they were seeking donations to a related charity or fundraiser (13%), selling related products like masks, cures, ventilators (11%), or holding the promised economic stimulus check until they received personal identification information or money (8%). Interestingly, of the few that received a solicitation for charitable donations related to COVID-19, over half (56%) say they believe all or most were fraudulent.

77%
Of all Coloradans, young and old alike, do NOT use a robocall blocking service

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Please see questions 18 through 24 in the Annotated Questionnaire. Space restricts listing all questions where each include substantial context.

6See https://www.ftc.gov/enforcement/data-visualizations/explore-data
COLORADAN’S EXPERIENCE AND CONCERN WITH IDENTITY THEFT
Coloradans say they or someone they know experienced identity theft; more are concerned about becoming a victim. Among those who have experienced identity theft or know someone who has (49%), half (51%) say they or the other person lost money to the crime. Despite incidence, most Coloradans – those ages 50 and older more so than younger – are concerned about becoming the victim of identity theft. Yet, most have not taken certain measures that could help prevent identity theft such as ordering free credit reports from each major credit bureau, or placing a security freeze or a fraud alert on their credit reports with those credit bureaus.

**Concern about Becoming a Victim of Identity Theft**
(n=1,006 Coloradans 18+)

<table>
<thead>
<tr>
<th>Level of Concern</th>
<th>Very/Somewhat Concerned</th>
<th>Not Too Concerned</th>
<th>Not at All Concerned</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>51%</td>
<td>19%</td>
<td>7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**50+ are more concerned than younger (80% vs 68%)**

**Taken Certain Measures to Prevent Identity Theft**
(n=1,006 Coloradans 18+)

<table>
<thead>
<tr>
<th>Action</th>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordered free credit report from 3 major credit bureaus</td>
<td>71%</td>
<td>28%</td>
</tr>
<tr>
<td>Placed security freeze on credit reports with major credit bureaus</td>
<td>70%</td>
<td>22%</td>
</tr>
<tr>
<td>Placed fraud alert on credit reports with major credit bureaus</td>
<td>59%</td>
<td>33%</td>
</tr>
</tbody>
</table>

**47% alerted to security breach affecting their finances**

**60% noticed fraudulent charges on their debit/credit card**

Too many Coloradans of all ages have been alerted at some point in time to a security breach or noticed fraudulent charges on their debit or credit card. Yet, over a third (35%) rarely or never check their financial accounts or credit reports with the major credit bureaus.

Q25. In the past 12 months, or since (April/May) 2019, have you ordered a free copy of your credit report through any of the three major credit bureaus: Experian, TransUnion, or Equifax? (n=1,006)

Q26. About how often would you say you check your financial credit accounts, or credit reports, with the major credit bureaus? (n=1,006)

Q27. [see Annotated Questionnaire for pre-question context] Do you currently have a fraud alert placed on your credit report? (n=1,006)

Q28. [see Annotated Questionnaire for pre-question context] Do you currently have a security or credit freeze placed on your credit report with any or all of the three major credit bureaus? (n=1,006)

29. Have you ever received notice from your bank, credit union, or other financial institution, or perhaps a retailer or other business, alerting you to a breach in security or release of personal or financial account information that could negatively affect your finances or credit files? (n=1,006)

30. Have you ever noticed fraudulent charges on your debit or credit card that you or anyone in your family did not make? (n=1,006)
RESEARCH IMPLICATIONS FOR ELDERWATCH COLORADO
The findings of the research point to a key overarching implication – while a good number of Coloradans are engaging in online protections to keep their personal and financial information safe from intruders, too many are not. Too many have experienced fraud and identity theft that may have been avoided with some basic protections in place. The data strongly points to the need for additional education about risky behaviors and ways to protect personal and financial information. The following are a few places to start:

- **How to protect personal devices and online information, particularly among the 50+.** Many Coloradans are not implementing certain measures that could keep them safe from virtual intruders. Encouraging Coloradans to consistently lock a device or phone, utilize public WiFi protections, and create distinct online account passwords will help them prevent fraud or identity theft.

- **How to prevent identity theft** with solid tools like ordering and reviewing free copies of credit reports from major credit bureaus, place a security freeze and/or a fraud alert on credit reports, regularly monitoring financial accounts (as well as changing passwords). A third or less have taken advantage of the tools offered by the major credit bureaus and up to a third are *not* monitoring their bank or credit card accounts regularly.

- **How to block possible impostor scams from phone calls or robocalls emails, or texts or other means of communication.** Over half of all Coloradans have been contacted by imposter phone scam. Over three-quarters of all Coloradans, young and old alike, do not use a robocall blocking service. Increasing awareness of this tactic among Coloradans could help stop them from engaging with these scammers and losing money.

- **How to safely use Peer2Peer apps.** Over half of Coloradans have set up a P2P payment app on their phone or other device. While these tools are handy and safe for paying entities you know, they should not be used for paying unknown entities. One in three users of P2P apps used it to pay for an item on an online bidding site. And one in four used an app to pay for events tickets. These are considered risky activities.
About AARP

AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

AARP ElderWatch

AARP ElderWatch is a program with the Colorado Attorney General and AARP; its mission is to ensure that no older adults are left to suffer, alone and in silence, at the hands of those who exploit them. The program fights the financial exploitation of older Coloradans through education and outreach, data collection and the providing of assistance.
For information on AARP ElderWatch and this issue in Colorado, contact:
Mark Fetterhoff, Program Manager, AARP ElderWatch at mfetterhoff@aarp.org

For more information on fraud in the state or to file a fraud complaint, go to:

- Colorado Attorney General’s Website at www.coag.gov
- Colorado Attorney General’s Consumer Protection Education Website: www.stopfraudcolorado.gov
- Colorado Attorney General’s Consumer Complaint Line: 1-800-222-4444

For information about this survey or the methodology, contact: Jennifer Sauer, AARP Research at jsauer@aarp.org

Media inquires, please contact: media@aarp.org

This report is located online at: www.aarp.org/elderwatchsurvey2020