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SCAMS & FRAUD

Many Scammers Now Ask for Payment in Gold Bars

Criminals tell victims to liquidate their savings to buy gold – then hand it over for ‘safekeeping’

By Matt Alderton, AARP | 7 Comments
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PHOTO ILLUSTRATION: MATT CHASE



Linda Khandro, 77, is a scientist, educator, musician and artist in Seattle who found herself in an anxious frenzy last September, packing up three gold bars in an unmarked box that she then placed in the backseat of a car parked across the street from her home – a courier who was picking up her life savings, now in the form of gold, on behalf of the government, she was told.

The reason? A supposed official from the Federal Trade Commission (FTC) told her that her accounts had been hacked and used to commit fraud and theft; to avoid arrest, she needed to send her money to a secure location until the case was resolved. She bought the bars, delivered to her home by UPS, after withdrawing \$233,000 in retirement savings from her bank account – funds she couldn't access unless she was retired. So she'd abruptly retired from her job as a college professor after nearly 32 years of teaching.



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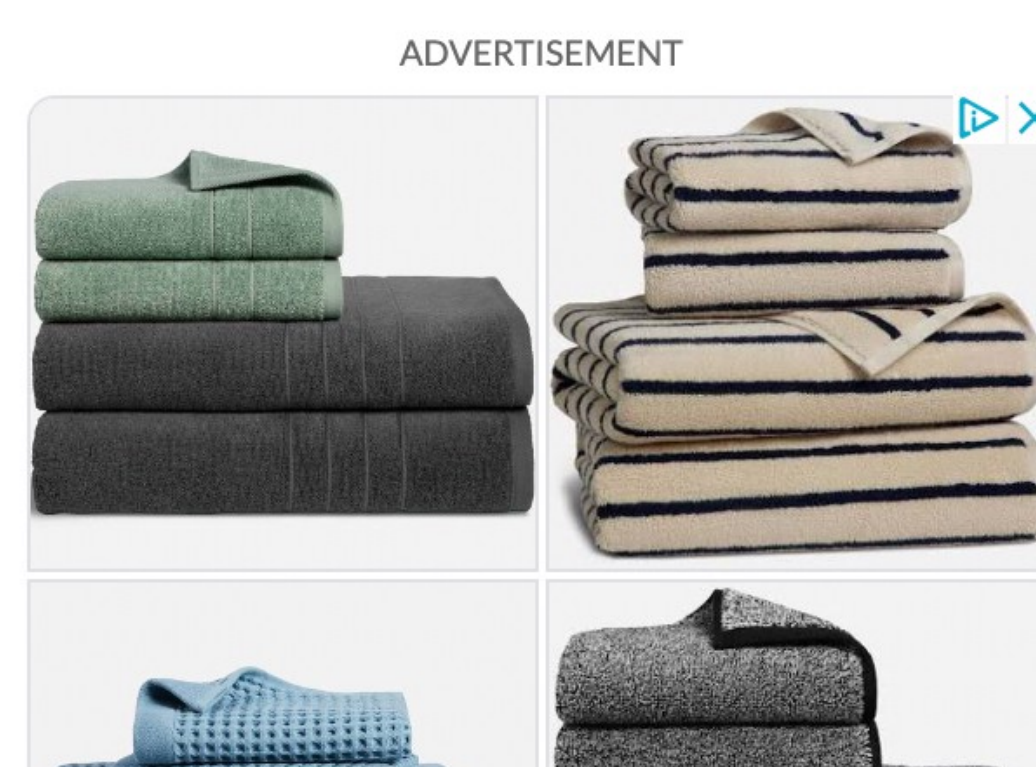
Khandro ended up transferring a total of more than \$400,000 (some of it in cash and bitcoin), nearly all she had, before realizing that she'd been the victim of an elaborate scam, as she recounted in a March 2024 episode of AARP's The Perfect Scam podcast. "It was like the walls of my house blew down," recalled Khandro, who described her emotions as "absolute rage.... I've never felt that angry in my life ever."

While versions of this scam are disturbingly common, criminals asking for payment in gold bars is a relatively new twist, one that the FBI is seeing more frequently. From May to December 2023, its Internet Crime Complaint Center saw an uptick in scammers asking victims to liquidate their assets into cash or precious metals. In that time, the FBI reported in January, victims collectively lost over \$55 million.

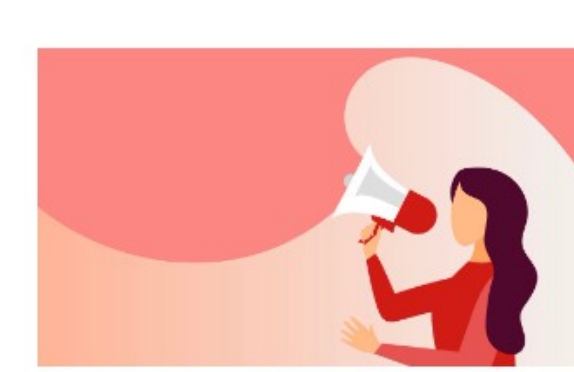
In March the FTC [warned](#) that many such scammers are pretending to be affiliated with the FTC, sometimes using real employees' names.



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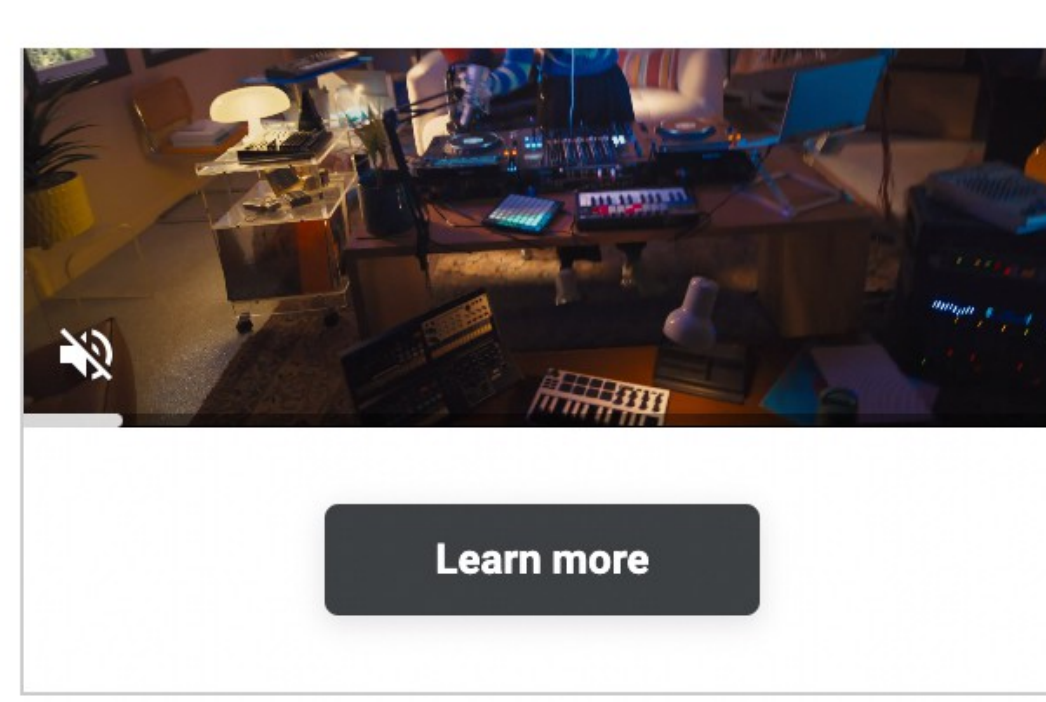
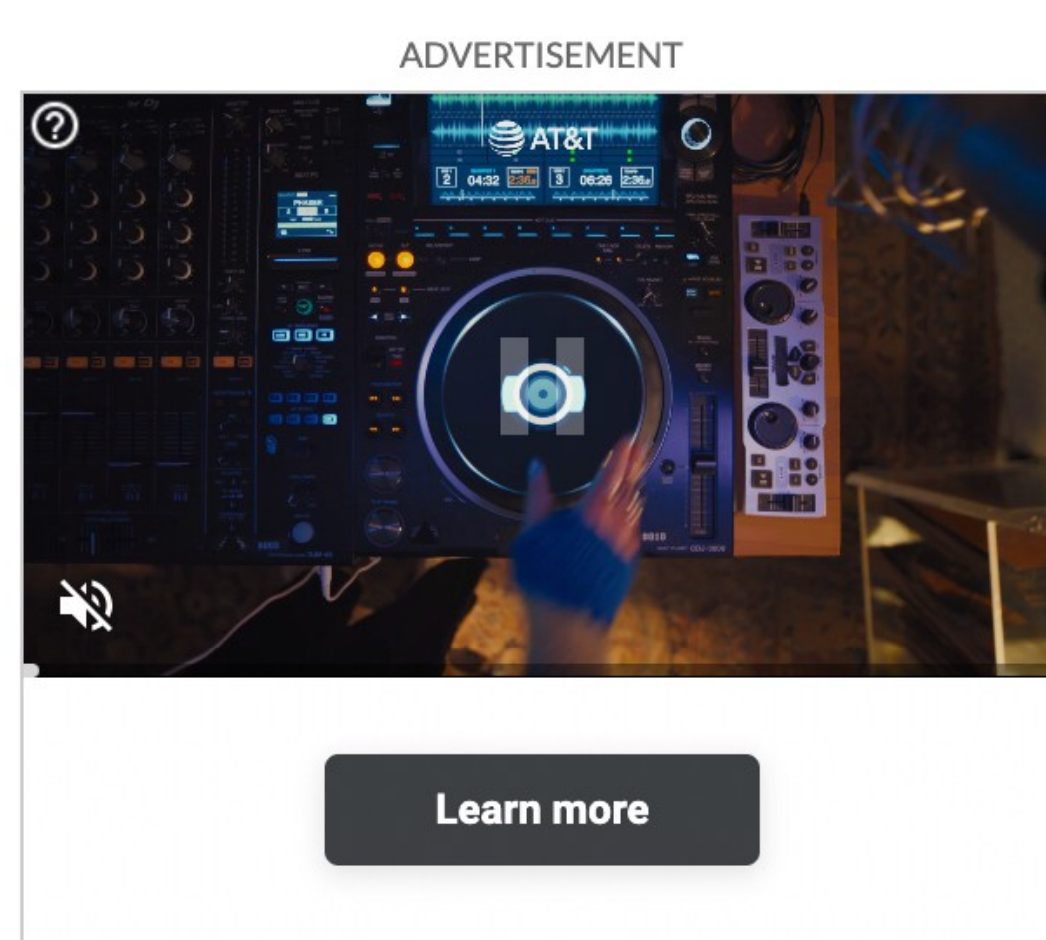
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What a gold bar scam looks like

Khandro's experience is similar to other scams involving gold bars. Common elements include:

1. Scammers reach out to victims by phone, email, text message or other means, pretending to be someone they're not – for example, [someone from the IT department](#) at a trusted technology company, a representative of the victim's bank or an official from a government agency. Sometimes there will be multiple individuals claiming to represent multiple parties.
2. The criminals then inform victims that their financial accounts have been hacked or are vulnerable to hacking. To protect their wealth, victims are instructed to liquidate their accounts and purchase gold, silver or other precious metals.
3. Once victims obtain the precious metals, scammers send couriers to retrieve them at victims' homes, with the promise that they will safeguard the assets in a protected account on the victims' behalf. Instead, the scammers take the precious metals and disappear with them.



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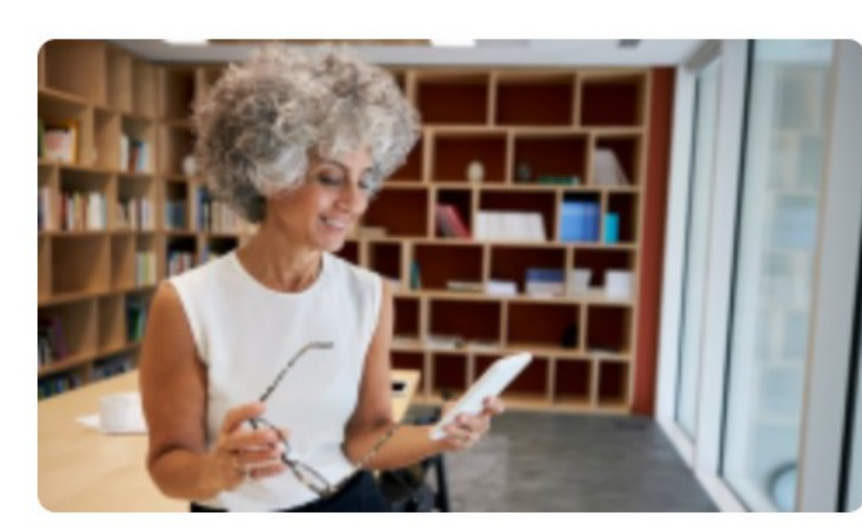
Why gold?

Current events may be driving the increase in gold bar scams, says investment banker James Rickards, author of *The New Case for Gold*, who notes that the apparent stability of gold is appealing in the face of inflation, economic uncertainty and geopolitical instability. "Physical gold is a pretty good hedge," he says. "Because it's a tangible asset like real estate or fine art, it can't be hacked and it can't be frozen."

Older adults tend to be particularly receptive to gold, which makes it a logical medium for scammers who are targeting them, says Darius Kingsley, managing director and head of consumer business practices at JPMorgan Chase & Co. "Gold appeals to a lot of older Americans in the same way that [cryptocurrency](#) often appeals to a lot of younger Americans," he says. "It's sort of seen as a store of value. It's seen not only as a place where you can shield yourself from fluctuations in the dollar and inflation, which is very much in the news right now, but as a place where in an appreciating market you might make a lot of money."

Indeed, the price of gold has risen 36 percent in the past five years, from \$1,395 per ounce in 2019 to \$1,900 per ounce in 2023, according to the U.S. Geological Survey. And in May 2024, gold prices reached a new record high of almost \$2,440 per ounce.

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For scammers, gold may have other advantages: It's easy to transport across borders and is virtually untraceable when criminals eventually sell it to jewelers and other buyers who end up melting it down. Gold bars "are impossible to track," said Maryland's Montgomery County State's Attorney John McCarthy in a [warning](#) on a local news site after an area resident lost nearly \$800,000 to a gold bar scam in February.

Red flags for gold bar scams

- **A request for gold:** The very premise of paying in the form of gold bars is suspect, says Zulfikar Ramzan, chief scientist and executive vice president of product and development at digital security company Aura. "No legitimate entity like the U.S. government, and no reputable business, is going to ask you to buy gold or precious metal," he says.
- **Out-of-the-blue communications:** Like many other scams, gold bar scams typically begin with a fraudulent email, text message, internet pop-up or phone call from someone you don't know.
- **Urgency:** Pleas for urgency and immediacy are suspicious. Legitimate banks and businesses "will never contact people with a sense of urgency that you have to act immediately," Kingsley says. "Scammers will, because they know panic will overcome rational judgment."
- **Secrecy:** Scammers will almost always tell you not to tell anyone about your interactions with them.
- **Suggesting that you need to send your money somewhere to make it safe:** "If anyone tells you that you need to move your money or withdraw your money, that's probably a scam," Kingsley says. "All alarm bells should be going off."
- **Couriers:** Compared to other digital scams, the use of couriers makes gold bar scams unique. "For a lot of folks, the fact that there's a physical person involved might increase the legitimacy of a situation. But in the hybrid world we live in, that's not the case. Even if someone shows up at your doorstep, don't trust them," says Ramzan, who notes that couriers themselves might be innocent bystanders who either responded to a help wanted ad or work for a legitimate courier service. "Oftentimes, the person who's showing up at your doorstep may not even realize they're part of a scam."

How to protect yourself from gold bar scams

- **Screen all inbound communications from people not in your contact list.** "Don't interact with anybody who contacts you by email or telephone," Rickards says. "For routine inquiries, [government agents] don't call you or email you. They send you a letter."
- **Verify.** Rather than answering a phone call or message, look up the phone number for the relevant bank, business or government agency and call them directly to ask if the communication was legitimate.
- **Talk to someone you trust before sending a stranger money.** As soon as a stranger tells you that something is a secret, it's probably a good time to share that secret with someone who can look at the situation in a more objective light.
- **Ask for help.** You can call the [AARP Fraud Watch Network Helpline](#), 877-908-3360, where trained fraud specialists offer free support.

Report scams

If you suspect that you've been approached by a scammer or are a scam victim, report it to the FTC at [reportfraud.ftc.gov](#) and to the FBI's Internet Crime Complaint Center at [www.ic3.gov](#); consider contacting your local law enforcement agency and [state consumer protection office](#) or [attorney general](#).

Matt Alderton is a contributing writer who specializes in health and wellness, travel and technology. His work has also appeared in USA Today, Forbes and The Washington Post.



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