

WISER/NAPSA *Just the Facts* SENIOR FINANCIAL FRAUD AND ABUSE



Introduction

Senior financial abuse scams are a multi-billion dollar "industry." Studies estimate the annual financial loss nationwide to be around \$2.9 billion¹. In a recent New York State study, estimated annual losses for seniors in a subsample of New York State districts fell between \$352 million to \$1.5 billion, suggesting the national total may be substantially higher than previously estimated.² Although it can be difficult to measure the exact extent of the total financial loss, we know that these crimes are on the rise and continue to deprive seniors of their savings and assets. These figures do not account for the tens of billions spent on indirect costs for medical care, social services, and legal costs, or for the pain and suffering of the victims. Victims are not only older people, but also their families and all who provide services and financial assistance.

All seniors, regardless of income, are at risk. Financial abuse may be perpetrated by anyone—a professional con artist, a paid caregiver, a stranger or casual acquaintance, or even a son, daughter, or other family member.

The following factors contribute to the prevalence of senior financial abuse:

- A high percentage of seniors live alone and may be more vulnerable to scams.
- Seniors may be trusting and readily believe the sales "pitches" they hear.
- The population of seniors is increasing, providing a continuous source of wealth for financial abusers.

Elder financial fraud and abuse victimizes hundreds of thousands of seniors each year. Older Americans hold the largest percentage of the nation's wealth, making them prime targets for scammers, con artists and other unethical professionals and even family members.

Education and awareness are two key strategies to preventing and responding to elder financial abuse. This brief describes some common types of financial fraud and abuse and provides resources to keep seniors from becoming victims.

Types of Senior Financial Abuse

There are many different ways seniors are scammed and defrauded:

- ❑ **Fraud:** Using a senior's vulnerability to convince the senior to hand over property, money or valuable information under false pretenses.
- ❑ **Theft:** The wrongdoer takes property or assets directly from the senior.

Scammers and con artists are always coming up with new ways to rob seniors of their money and other assets. Educate yourself and others about common scams and swindles, and stay current on the latest scams by visiting www.fbi.gov/scams-safety/fraud/seniors



Common types of Senior Financial Abuse include:

WHO ARE THE VICTIMS?³

- ❁ Most are between the ages of 80 and 89
- ❁ Women are twice as likely as men to be victimized
- ❁ Most live alone
- ❁ Most require some level of help with either health care or home maintenance

WHO ARE THE PERPETRATORS?⁴

- ❁ Strangers: 51%
- ❁ Family/Friends/Neighbors: 34%
- ❁ Business: 12%
- ❁ Medicare/Medicaid Providers: 4%
- ❁ 60% of known perpetrators are men, mostly between the ages of 30 and 59
- ❁ Women perpetrators tend to be younger, mostly between the ages of 30 and 49

❑ Healthcare Scams

Getting information about a senior's medical accounts —like Medicare and Medicaid—in order to make fraudulent claims and take advantage of these taxpayer programs.

❑ Telemarketing and Internet Fraud

Targeting victims through the mail, phone, or email—characterized by aggressive tactics along with the use of false promises of cash prizes, goods, or services in exchange for paying fees or making purchases.

❑ Identity Theft and Credit Card Fraud

Gaining access to a senior's personal information to take money and property. Includes tax ID theft where a scammer uses a senior's Social Security number to file a tax return and steal the refund, or impersonates the IRS and tells the senior that the IRS is owed money. If you suspect fraud, go to <http://oig.ssa.gov/report-fraud-waste-or-abuse>.

❑ Grandparent Scam

Pretending to be a grandchild in trouble in order to convince the senior to wire money or send prepaid debit cards.

❑ Sweepstakes and Lottery Scams

A widely practiced form of telemarketing fraud, scammers tell seniors that they have won a lottery or sweepstakes. The catch is, the senior must make a small payment or pay a fee to receive the alleged prize. Seniors may also receive a fake check back from the scammer, which will "bounce" after it gets deposited.

❑ Investment Schemes & Fraud

Unscrupulous professional investors try to sell inappropriate, unethical, or confusing investment products to seniors, or from con artists claiming to be the "Nigerian prince" or some other wealthy foreigner who asks for your bank account number to transfer millions of dollars into your banking account.

1 The MetLife Mature Market Institute. *The MetLife Study of Elder Financial Abuse*. June 2011.

2 New York State Office of Children and Family Service. *The New York State Cost of Financial Exploitation Study* June 15, 2016

3 The MetLife Mature Market Institute, op.cit.

4 Ibid.

How Can I Help Stop Elder Financial Abuse?

Educate seniors and their caregivers about financial abuse risks and what to look for. *Pay attention* to possible signs of financial abuse among your family members, friends and clients. *Stay knowledgeable* about your community's resources so you can provide caregivers with current up-to-date information. If there are signs of wrongdoing, contact Adult Protective Services and file a report with the local police department.

What is the Role of Adult Protective Services (APS)?

APS programs are state and local agencies authorized under state law to investigate reports of abuse, neglect and financial exploitation of older persons and adults with disabilities. APS interventions include:

- ▣ Receiving and investigating reports of senior abuse
- ▣ Developing a case plan and interventions, based on the victim's wishes
- ▣ Arranging for emergency housing, medical care, legal assistance, etc.
- ▣ Coordinating with other agencies to address abuse as comprehensively as possible



ADDITIONAL HELPFUL RESOURCES

Many public agencies are involved in preventing and detecting senior abuse and in prosecuting those who commit it. Many organizations are also dedicated to educating seniors on these topics:

- ✿ **National Center on Elder Abuse** www.ncea.acl.gov
State Resources: Helplines, Hotlines and Information.
- ✿ **FBI** www.fbi.gov
Provides information on fraud schemes and how to avoid them.
- ✿ **National Center for Victims of Crime—
Financial Crime Resource Center** www.victimsofcrime.org
Helps victims of financial crime recover their assets and recover control of their lives.
- ✿ **Consumer Financial Protection Bureau** www.consumerfinance.gov
Ensures that consumers get the information they need to make sound financial decisions.
- ✿ **Federal Trade Commission** www.ftc.gov
Protects consumers from unfair, deceptive and fraudulent business practices.
- ✿ **Financial Fraud Enforcement Task Force** www.stopfraud.gov
Investigates suspected financial fraud.
- ✿ **Postal Inspection Service** www.postalinspectors.uspis.gov
Investigates domestic and international fraud which uses the U.S. Mail.
- ✿ **The Securities and Exchange Commission (SEC)** www.investor.gov
Investigates securities and investment fraud. **1-800-732-0330**
- ✿ **U.S. Administration on Aging** www.eldercare.gov
In partnership with the National Association of Area Agencies on Aging, operates the Eldercare Locator to help individuals find local caregiving services and resources. **1-800-677-1116**

ADMINISTRATION ON AGING RESOURCE CENTERS partner to provide valuable information to seniors, caregivers, families and communities across the nation.

National Resource Center on Women and Retirement Planning



The Women's Institute for a Secure Retirement (WISER), in partnership with the Administration on Aging, operates the National Resource Center on Women and Retirement Planning. The Center provides user-friendly financial education and retirement planning tools for low-income women, women of color, and women with limited English speaking proficiency. WISER's mission is to educate women about the issues that affect their long-term financial security and highlight the importance of taking an active role in planning for retirement. WISER offers tools and resources on the topics of Social Security, retirement plans, savings and investments, banking, caregiving, divorce and widowhood, and long-term care.

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National Institute
on Elder Financial Exploitation

National Adult Protective Services Resource Center

NAPSA, in partnership with the Administration for Community Living, operates the National Adult Protective Services Resource Center (NAPSRC). The Resource Center serves professionals from Adult Protective Services (APS) agencies across the United States. The goal of the Resource Center is to provide federal, state and local APS agencies with current, accurate, research based information and training, along with technical assistance to improve their capacity to provide effective protective services to vulnerable and elder adult abuse victims.

NAPSA also operates the National Institute on Elder Financial Exploitation (NIEFE), the first national clearinghouse to focus on the complex issues of elder financial abuse.