

Understanding the Rationale, Recognition, & Prevention of Elder Financial Exploitation

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General Facts

America seems to lack respect and an attitude of concern for older adults that is unseen in other countries of the world.

Capitalism:

**"When you produce you have value;
when you quit producing, even if you've
produced your whole life, your value
disappears."**

Older adults control 13-15 trillion dollars.

Willie Sutton:

"Why do you rob banks?"

"Because that's where the money is at!"



General Facts

Financial exploitation makes up 78% of elder abuse in Jefferson County, Colorado.

Most financial exploitation committed by family members.

Scams are growing in prevalence.

**35 billion to foreign lotteries in Canada;
2.9 million recovered by Project Colt.**

80% of financial exploitation committed against older adults goes unreported.

Financial exploitation (elder abuse) is not under-reported; it is unreported!



General Facts

Older adults are the second most vulnerable population for identity theft.

Research has verified that older adults who become victims of crime are 3X more likely to die earlier than their peers.



Dr. Mark Lachs—Cornell Medical School

40% of adults 75+ have a medium form of dementia that has not been diagnosed.

Dr. Robert Parker—University of Texas Medical School

Older Adults & Victimization

**The virtues of older adults
have become their vulnerability**

- **Trusting**
- **Did business with a handshake**
- **Their word was their bond**
- **The telephone was an excellent means of communication**
- **They conquered the world and brought peace**
- **Door-to-door sales was a legitimate form of doing business**



VIRTUE
ChineseComments.com

Older Adults & Victimization

**The virtues of older adults
have become their vulnerability**

- **Most generous society that ever lived**
- **Honesty is their policy**
- **Prepared for their years of retirement**
- **Taught their children to work hard
and love/respect their family**



Older Adults & Victimization

Life Truths

They are often isolated.

A downside of 'Aging in Place'

They do not desire to lose their independence.

They are looking at their retirement savings & are afraid.

They want to be part of the 'Computer Age'.



Older Adults & Victimization

Life Truths

They sometimes miss the challenge/esteem/adrenaline rush of the work environment.

They want to feel like they still know how to conquer the world.

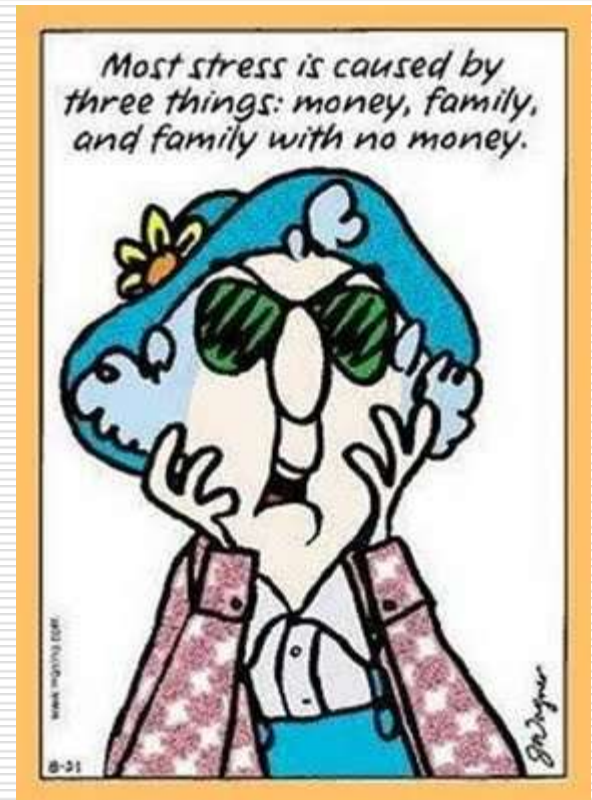
Their mental & physical capacities may be diminishing.

If they notice, it is frightening!



Perpetrators

- ❖ Charming
- ❖ Not physically abusive
- ❖ Someone who seems interested in their care/welfare
- ❖ Most often a family member; may be a caregiver
- ❖ Methamphetamine addict
- ❖ Someone living in a foreign country



Understanding Terms

Financial Exploitation

Occurs when a person acts or fails to act in a way that causes a substantial monetary or property loss to an older adult or causes a benefit that should normally go to the older adult to be received/used by the agent.

Financial exploitation may occur in concert with other forms of exploitation such as physical abuse and neglect.

Understanding Terms

Financial Exploitation

- ❖ **Mismanagement of income or assets;**
- ❖ **Signing of checks or documents without older adult's consent;**
- ❖ **Charging excessive fees for rent, home repair, in-home care, or other services;**
- ❖ **Stealing money or property;**
- ❖ **Obtaining money/property without authorization by threat or deception**



Understanding Terms

Valid Consent

Requires that the older adult have the mental ability to understand what is happening.

An older adult who is confused and demented, and does not have the mental ability to give consent, has not given consent.



"Here's one you'll understand."

Understanding Terms

“At-Risk” Adult

C.R.S. 18-6.5-102 (3)

“Any person 70 years of age or older, or any person who is 18 years of age or older and is a person with a disability.”



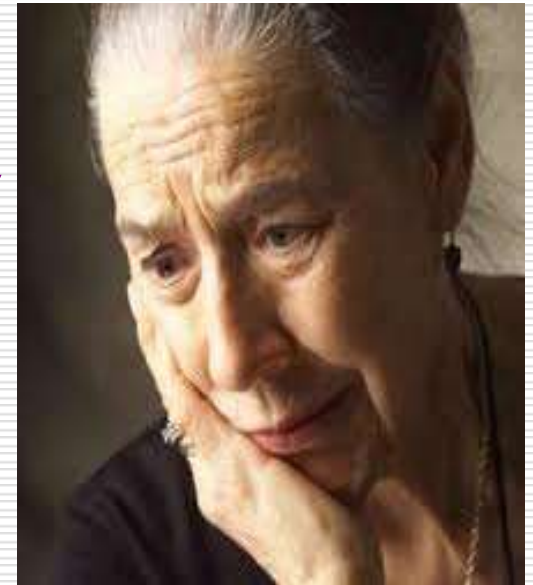
Warning Signs Of Exploitation

- ❖ Living below their means;
- ❖ Failure to pay bills/buy food/take medication;
- ❖ Missing personal property or belongings;
- ❖ Isolation from family/friends;
- ❖ Confusion about papers being signed;
- ❖ Can't account for missing money or don't know where it's gone.



Why Older Adults Don't Report

- ❖ **Sense of shame & embarrassment;**
- ❖ **Belief they are to blame;**
- ❖ **Fear of separation from home/family;**
- ❖ **Economic/emotional dependence on the abuser;**
- ❖ **Fear of the criminal justice system;**
- ❖ **Fear of physical harm;**
- ❖ **Fear of not being believed.**



Consequences of Victimization

Elderly victims of financial exploitation:

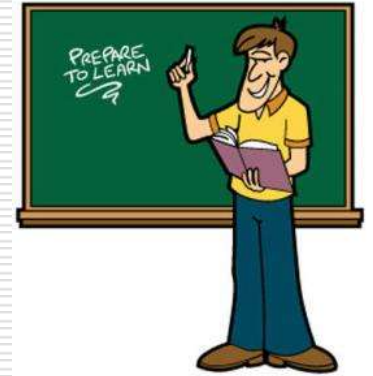
- ◆ Experience significant trauma from life-changing events;
- ◆ Feel personally violated;
- ◆ Lose trust in self and others;
- ◆ May experience further isolation from family, friends, and community.

SHE'S BROKEN
BECAUSE SHE
BELIEVED.

TRUST

Educational Components

***'Power Against Fraud'* seminars**
28-page resource handbook



Monthly or *'Urgent'*
Fraud Alerts



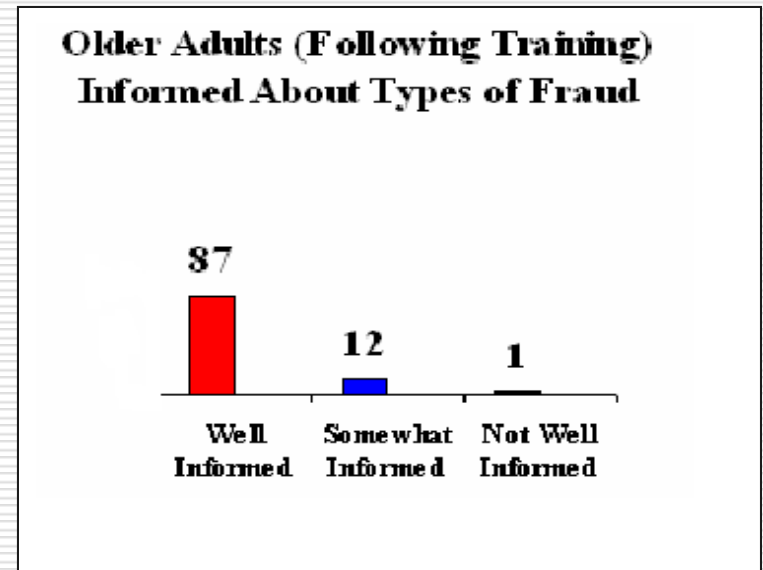
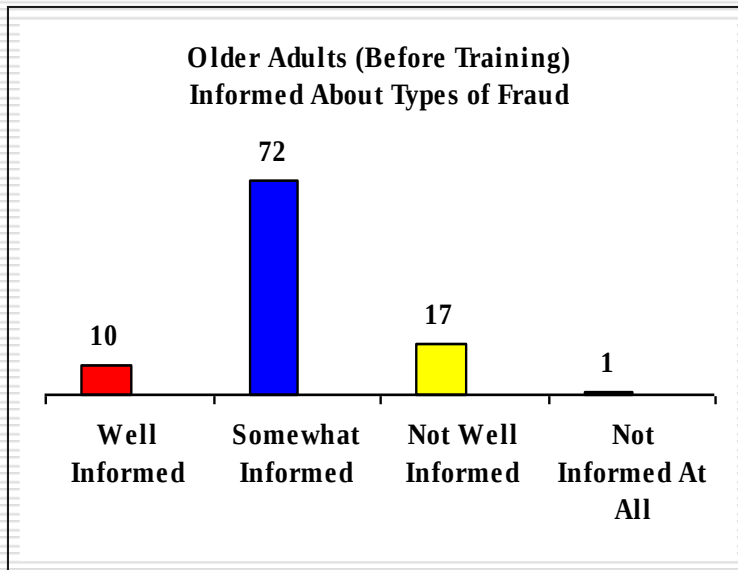
Fraud Hotline

An available resource number to call



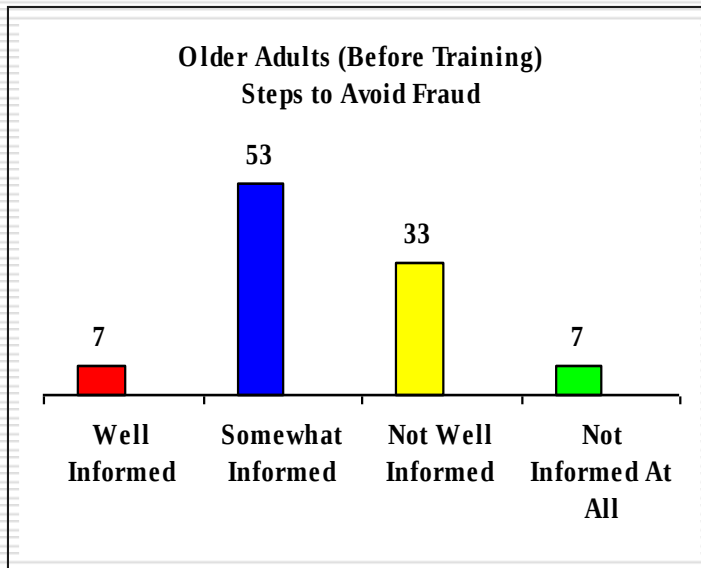
Fraud Seminar Outcomes

Before the *Power Against Fraud* seminars, 18% of older adults reported they were not informed about fraud and only 10% were 'well informed.' Following the seminar, 99% reported to be informed with 87%, 'well informed.'



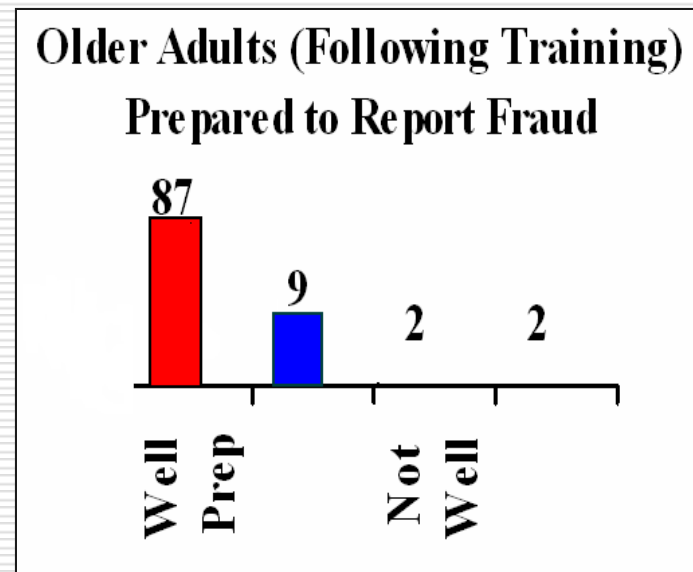
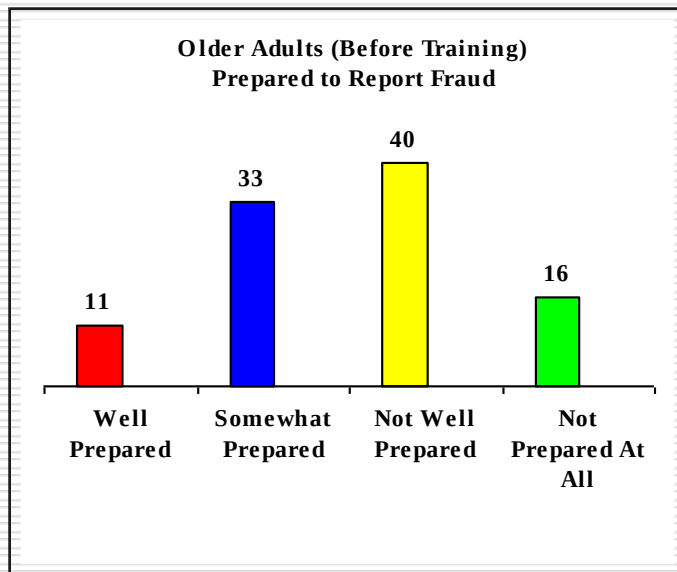
Fraud Seminar Outcomes

Before the seminars, 40% of older adults reported they did not know how to avoid fraud and only 7% were 'well informed.' Following the seminar, 95% reported to be informed with 83%, 'well informed.'



Fraud Seminar Outcomes

Before the *Power Against Fraud* seminars, the majority of older adults reported they were not prepared to report fraud. Following the seminar, 96% reported to be prepared to report fraud with 87%, 'well informed.'



How to Reach Older Adults

Start with the obvious:

Retirement communities; faith communities;
service clubs; educational/veteran groups

Make a simple marketing flyer

Mail it; E-mail it;
Hold an 'Information' session;
Find a 'Senior' volunteer

Make it easy for the scheduling agency:

Handbook; Pocket wallet; Promotional flyer;
Make the time 'agency convenient';
Ask for a commitment to post **"Fraud Alerts"**



Phishing And Scams

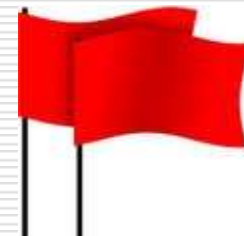
- ❖ Foreign lotteries/prizes;
- ❖ The Grandparent scheme;
- ❖ Secret shopper;
- ❖ Trade representative;
- ❖ Inheritance transfer from a foreign country.



**It's
Peggy!**



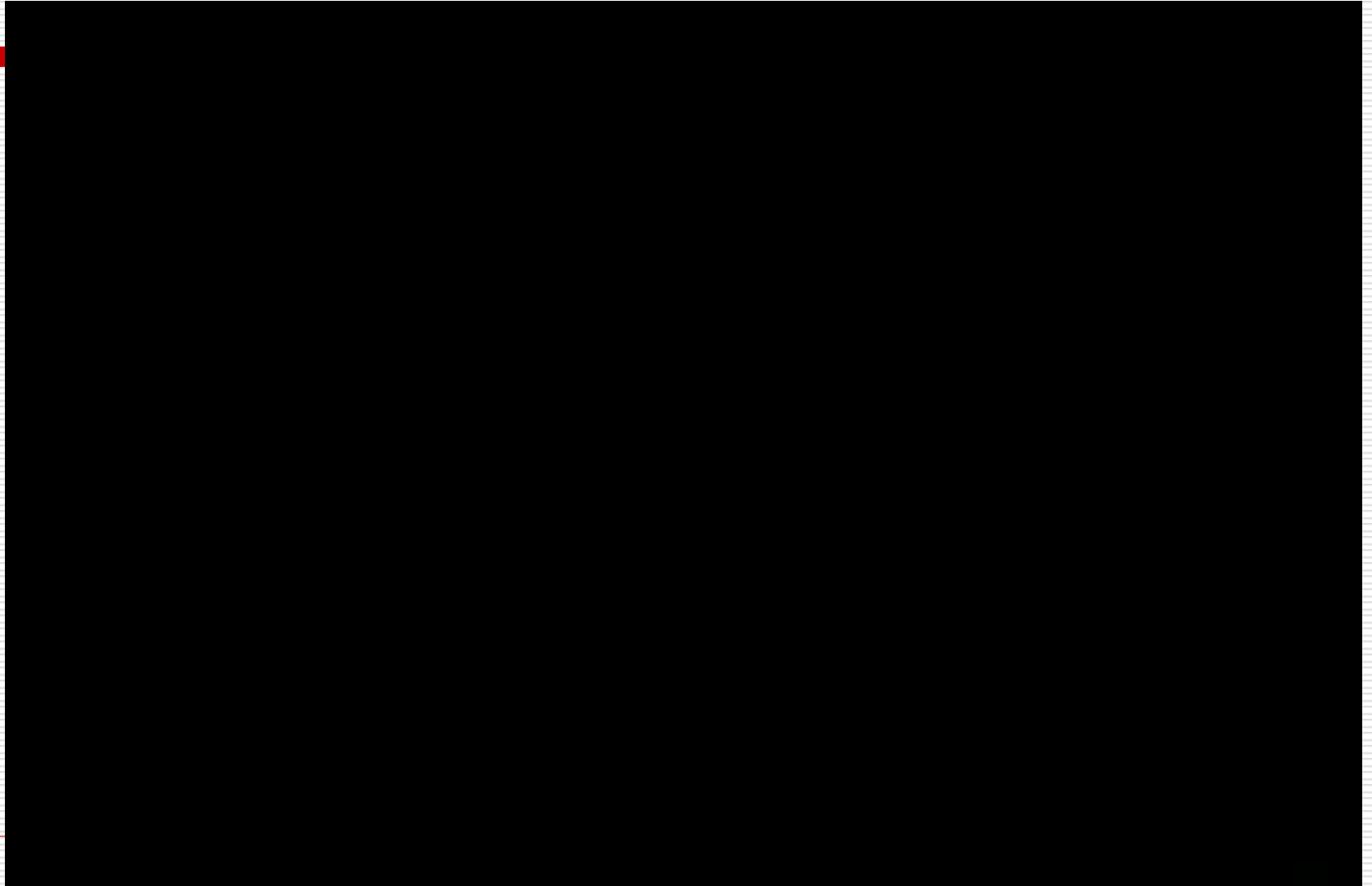
5 'Red Flags' of Scams



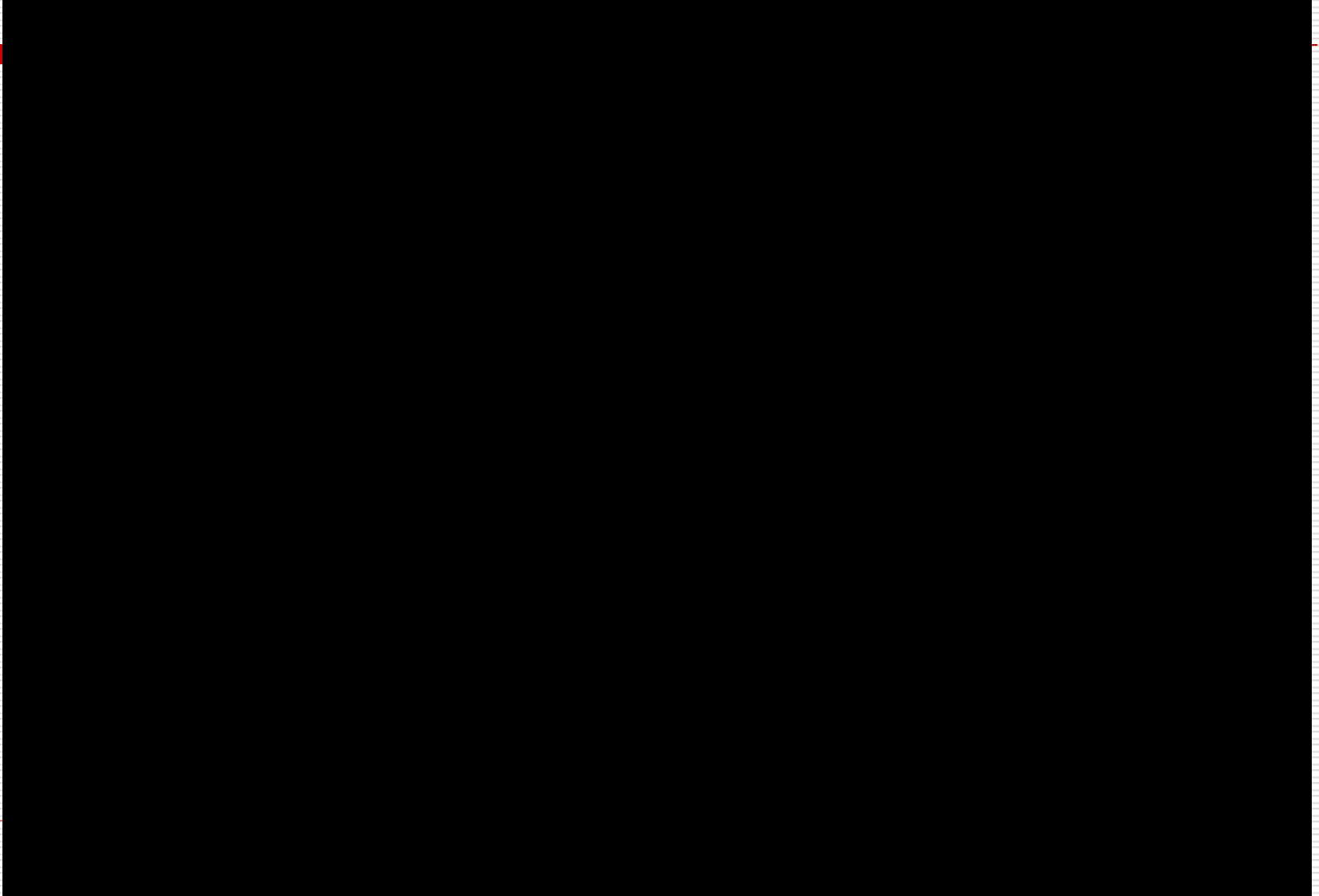
- ❖ They initiated the contact
- ❖ Urgency & immediacy
- ❖ Secrecy & confidentiality
- ❖ It if sounds too good to be true...it is!
- ❖ Money must be sent by wire transfer



Solutions?



Solutions?



Ground Zero: Purse & Wallet Theft



ID Theft Prevention

Methodology & Prevention

Purse and wallet theft

Carry minimal personal/financial information in public;
Ladies: carry information separate from purse;
Men: carry wallet in front pocket;
Be especially vigilant in parking lots.



Ground Zero: Mail Theft



ID Theft Prevention

Methodology & Prevention

Mail Theft

**Bring 'outbound' checks into the U.S. Post Office and deposit inside;
OPT OUT of receiving 'Pre-Approved' credit card applications;
OPT OUT of receiving credit card 'convenience' checks;
Have new boxes of checks sent to your bank/credit union.**



Ground Zero: Bank and Check Fraud



FNB
Accounts · Transfers · Payments · Services · My Profile

accounts > Transaction History

To locate a specific transaction on your account, try using the Transaction Search functionality in the action bar.

Name	Account Number	Type
Trans	Trans: 62121545262	Smart Account

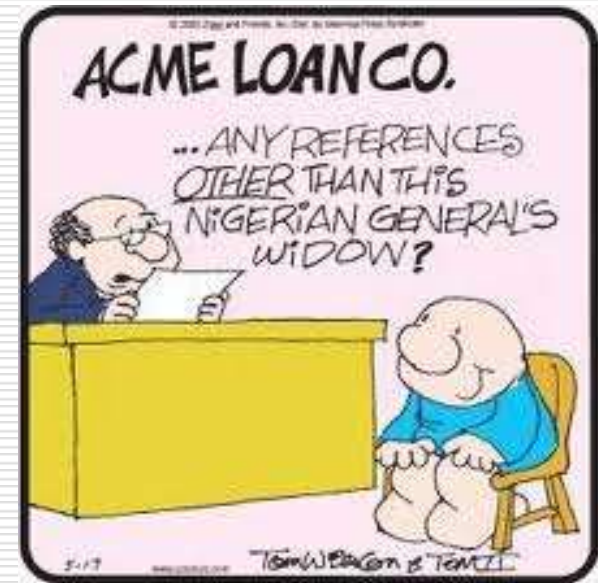
Effective Date	Description	Service Fee	Debit	Credit
2007-03-29	BOOK DEPOSIT FEE	0.00	-7.00	86,454.41
2007-03-28	RT ON CHECK BALANCE	0.00	69.31	86,483.81
2007-03-17	HARRY AND LINDA	0.00	2,000.00	84,483.81
2007-03-14	WVSTE PD DONATION	0.00	5,000.00	79,483.81
2007-03-14	CASH DEPOSIT (MAGNOLIA BANK)	7.50	500.00	79,383.81
2007-03-12	CHEQUE DEPOSIT (HALF PAYMENT)	0.00	6,000.00	73,383.81
2007-03-12	SHOWALLEY STREET	0.00	2,150.00	71,233.81
2007-03-10	MICHELLE GREENBERG	0.00	300.00	70,933.81
2007-03-08	ARMA BANK (BANK OF CANADA)	0.00	2,500.00	68,433.81
2007-03-08	RT BANKING (RT FIB THE HAWK)	0.00	1,000.00	67,433.81
2007-03-08	WVSTE PD DONATION	0.00	1,000.00	66,433.81
2007-03-07	RT BANKING (RT FIB DONATION FOR THAI)	0.00	1,000.00	65,433.81
2007-03-06	2 MONTHS AGO (BANK OF CANADA)	0.00	2,000.00	63,433.81
2007-03-05	CHEQUE DEPOSIT (HALF PAYMENT)	0.00	30,000.00	33,433.81

ID Theft Prevention

Methodology & Prevention

Banking and Check Fraud

Stop using checks;
Monitor your bank statement each month for fraudulent activity;
Consider Online banking to better monitor your account;
Do not store bank account numbers on your computer;
Open and use a 'Bill Pay' system.



Ground Zero: Credit Card Fraud



ID Theft Prevention

Methodology & Prevention

Credit Card Fraud

Never allow your credit card to leave your line-of-sight;
Monitor your credit card statement every month;
Call your credit card company before making a large purchase or traveling;
Only carry one credit card at a time;
Have a credit card just for Online activity;
Lower your credit limit;
Consider refusing to have a credit card with an RFID chip;
Do not store credit card numbers on your computer/phone;
Don't allow your credit card to be used with an old machine that makes a carbon copy of the transaction.

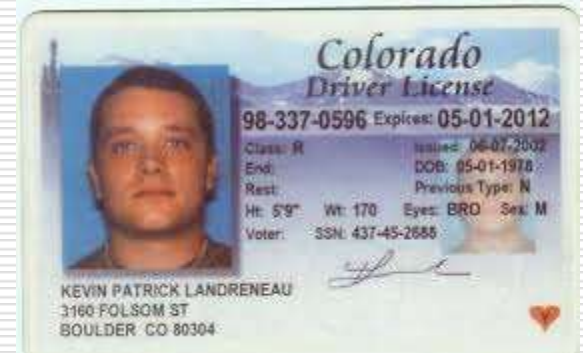


"I forgot my pin number..."

Ground Zero: Fraudulent use of a Social Security number



An Airman Certificate and/or Rating Application form. It contains various fields for personal information, flight history, and ratings. The form is titled "Airman Certificate and/or Rating Application".



ID Theft Prevention

Methodology & Prevention

Guard your personal Social Security number

Never carry your Social Security Card;
Carry a military ID Card on an as-needed basis;
Make sure your SS# is not on any other ID cards you carry;
Make a copy of your Medicare Card... blacken through the first 5 numbers and carry that copy;
Be cautious with Job Applications and Tax Forms;
Place a "Security Freeze" on your credit reports.



"How could somebody steal my identity when I still haven't figured out who I am?"

Ground Zero: Power-of-Attorney Fraud



ID Theft Prevention

Methodology & Prevention

Avoid 'Power-of-Attorney' Fraud

The person making a 'Power-of-Attorney' document, must have the 'capacity' to do so;
Never sign documents without knowing what you are signing;
Have a trusted advisor read the document before signing—there's usually no hurry;
Know the types of POA's your state recognizes;
Consider a system of 'checks-and-balances' in the provisions of your POA;
Most times a POA can be rescinded, immediately, as long as the acting party has 'capacity'.



"Your Honor, I would have concentrated on the facts, but they weren't in my favor!"

Ground Zero: Investment Fraud



"I know the difference between right and wrong, but it hasn't held me back."



Just because he has a nice smile and calls his Mother everyday of the year doesn't mean he can't be guilty of embezzlement!

ID Theft Prevention

Methodology & Prevention

Avoid Investment Fraud

**Most older adults should probably do nothing with their investments;
Choose an investment advisor wisely with counsel from family and friends;
Don't switch to an investment advisor who recently approached you at your faith community/communal meal site/via telephone without wise consultation;
Never pre-sign any checks for an investment advisor;
Don't be led to believe that money/investments can be hidden to qualify for Medicaid;
If it sounds too good to be true...it probably is!**



ID Theft Prevention

Methodology & Prevention

Good steps to take:

Sign up for the National 'No Call' List;
Get your free credit reports each year and check them;
Do not leave personal/financial information lying openly in your home or residence;
Never allow any stranger into your home—in fact, just don't open the front door unless you know friends or family are coming to visit;
Never agree to have home repairs done by someone who comes door-to-door or approaches you while outside;
Have a trusted advisor read any & every contract before you sign it;
Do not give any personal/financial information to anyone who asks for it by telephone or E-mail;
Stop 'Junk Mail' with the Direct Marketing Service.



Expectations

The “Power Against Fraud” program will quickly expand beyond a ‘Senior-only’ audience.



The “Power Against Fraud” program is a public relations jewel for the District Attorney’s Office.



Over time, you will know more about ID theft/scams than anyone else in your jurisdiction.

Keep the limits of your program to what you can do well.



Expectations

Information is an excellent means of “keeping citizens from ever becoming a victim in the first place.”

Remember that there are “For profit” groups conducting ID theft workshops; understand why your program is different.

Setting boundaries early on is easier than adjusting them later.

Constantly “think out of the box.”



"Say ... what's a mountain goat doing way up here in a cloud bank?"