



Elder Financial Abuse

Tips and Tools to Protect You & Your Loved Ones

December 7, 2019

What is Elder Financial Abuse?



- Elder financial abuse is an illegal or improper use of an elder's funds, property, or resources by another individual.
- Comes in various forms including scams, abuse by family members or friends, and products and services marketed to the elderly.

The Impact of Elder Financial Abuse



- Over 13% of American elders become victims of financial fraud every year.
- Elders lose more than \$3 billion annually to financial scams.
- Consequences include financial loss, mental health issues (such as depression and anxiety), and/or physical complications (from counterfeit drug scams).
- Due to embarrassment and fear of losing independence, incidents often go unreported. In fact, only 1 in 44 incidents of elder financial abuse are reported to authorities.

Common Types of Elder Financial Abuse

- 1. Grandparent Scam:** A fraudster pretends to be a grandchild, or other family member, in trouble in order to convince the Elder to send money to them, or to gain access to their account. *(We see this regularly).*
- 2. Charity Scams:** Scammers call the victims to solicit for fake charities and pressure Elders to donate on the spot. This often occurs after natural disasters or during the holiday season.
- 3. Sweepstakes/Lottery Scams:** Scammers call, mail, or email Elders to say they have won a lottery, prize, or sweepstakes – many times without the victim even entering the lottery. To claim winnings, victims are told they must pay taxes or fees by sending a check or wiring an initial deposit.
- 4. Email Phishing or Social Engineering:** Scammers pretend to be from a financial institution, the IRS, or other official entities, and send fraudulent emails that request personal information using a fake website link or attachment.

Common Types of Elder Financial Abuse (cont.)

5. **Internet Scams:** Pop-up windows appear on unsecured websites and offer updated virus protection. These scams either ask the user to purchase an expensive program, or upload an actual virus that grants scammers access to personal information. Scammers may even install ransomware and request payment to regain personal information.
6. **Identity Theft:** A scammer uses a fraudulent website, email address, phone outreach or other method to steal your personal information to gain access to your credit cards, bank accounts, medical care, or other aspects of your finances.
7. **Health Care Scams:** Scammers pose as Medicare representatives and provide unnecessary/fraudulent services at mobile clinics to try to steal seniors' personal information and bill fraudulent Medicare claims.
8. **Counterfeit Drug Scams:** Elders purchase cheap medications online to save money, but end up paying for counterfeit drugs that won't help or worsen their medical condition.

Common Types of Elder Financial Abuse (cont.)

9. **Investment Fraud/Securities Fraud:** Scammers sell deceptive, inappropriate, unethical, or confusing investment products to seniors.
10. **Tech Support Scams:** Scammers attempt to steal sensitive data from the victim's computer by contacting the victim, claiming they are with a well-known technology company and attempting to remotely access the computer to "update" or "repair" the computer.
11. **Tax/IRS Scams:** Scammers claim to be IRS employees or another official entity. They advise the victim that money is owed for taxes and must be paid promptly to avoid arrest, deportation, or suspension of a driver's license or passport revocation.

Elder Financial Abuse and Regulatory Assistance

What are regulators doing to prevent and educate Elders on Elder Abuse?

- On July 25, 2019 the Federal Deposit Insurance Corporation (FDIC) and Consumer Financial Protection Bureau (CFPB) hosted a webinar on the prevention of Elder Abuse.
- The presentation focused on strategy and collaboration between Banks and Law Enforcement and how when the two are working together they can make a big difference in this space:
<https://www.fdic.gov/news/news/press/2019/pr19055.html>
- The FDIC has released several articles on preventing Elder Abuse including:
 - FDIC Consumer News: Protecting Seniors from Financial Abuse
 - Money Smart for Older Adults
 - Money Smart News Success Stories – Spring 2019
 - Building Collaboration between Financial Institutions and Law Enforcement to Prevent and Address Elder Financial Abuse (Jointly with the CFPB).

Elder Financial Abuse and Regulatory Assistance (cont.)

The New York Department of Financial Services (NYDFS)

NYDFS has released several articles and held informational meetings about preventing Elder Abuse including:

1. Tips for preventing elder financial exploitation. <https://www.dfs.ny.gov/>
2. Press releases on issues that Elders face.
3. General public outreach on a variety of issues including elder abuse.

New York City Department for the Aging and Elder Abuse (DFTA)

DFTA has released several articles and held informational meetings about preventing Elder Abuse, including:

1. Elder Abuse & Crime – DFTA.
2. DFTA Launches 'Providing Options to Elderly Clients Together' Clinical Service.
3. NY Connects. <https://www1.nyc.gov/>

Elder Financial Abuse and Regulatory Assistance (cont.)

The Consumer Financial Protection Bureau (CFPB) and Elder Financial Abuse:

The CFPB has published many articles about this topic and how to prevent it. They post periodic webinars for Elders to watch specifically on this topic. In 2019, 5 webinars on Elder Financial Abuse were posted to the CFPB site with full video and transcripts made available. Those webinars were:

The CFPB has also written the following articles that are helpful for Elders:

1. Guard your new Medicare ID card to avoid fraud.
2. Spoil your grandkids, not scammers!
3. Scams involving your Social Security Number and benefits are on the rise.
4. This tax season, protect yourself from IRS imposter scams.
5. 5 ways you can guard against identity theft.
6. Helping to prevent scams targeted at veterans.

DATE	DESCRIPTION
July 2019	Building Collaboration to Prevent and Address Elder Financial Abuse
May 30, 2019	Elder Fraud Prevention and Response Networks
May 21, 2019	How Librarians Can Engage in Elder Fraud Prevention
April 2019	Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends
March 2019	Money Smart for Older Adults

Elder Financial Abuse and Regulatory Assistance (cont.)

TIPS from the CFPB specifically on Grandparent Scams:

- Don't panic! Take a deep breath and get the facts.
- Don't send money unless you're sure it's the real person who contacted you. Hang up and call your grandchild or friend's phone number to see if the story checks out. You could also call a different friend or relative to confirm the facts.
- Is the person asking for gift cards? This is a sign that it may be a scam, since when someone is really in need, gift cards usually won't help.
- Talk about it! You have probably heard of this type of scam or know someone who has received one of these calls or emails. Share the message with others to make them aware of this type of scam and how they can protect themselves.
- Report scams to the Federal Trade Commission at [FTC.gov/complaint](https://www.ftc.gov/complaint) or by calling 1-877-FTC-HELP.

Elder Financial Abuse and Regulatory Assistance (cont.)

TIPS from the CFPB specifically on IRS Scams:

- The IRS will **NEVER**:
 - Call to demand immediate payment with a prepaid debit card, gift card, or wire transfer.
 - Threaten to bring in local police or other law-enforcement groups to have you arrested or deported for not paying.
 - Demand payment without giving you the opportunity to question or appeal the amount they say you owe.
 - Contact you by email, text message, or through social media to request personal or financial information such as PINs, passwords, credit card, bank, or other account information.
- If you know you owe taxes or you think you might owe taxes, call the [IRS](https://www.irs.gov) at 1-800-829-1040.
- Report possible IRS scams to the [Treasury Inspector General for Tax Administration](https://www.treasury.gov/tax-ir/whistleblowers) at 1-800-366-4484 and to [FTC.gov/complaint](https://www.ftc.gov/complaint).

Elder Financial Abuse: Recognizing The Risks

Who is at Risk?



- The majority of Elders who are targeted for scams are between the ages of 80 – 89 years old.
- The majority are women.
- Many have physical and/or mental disabilities or cognitive impairment.
- Many live alone, isolated from their communities, rely on others for care, or have limited social relationships.
- At times, family members, caregivers, or another person may pressure Elders for money, or to control their finances.

Signs Of Elder Financial Abuse: What to look for

- Elder is accompanied to the financial institution by an *unknown* person(s) or niece/nephew, someone “repairing” the Elder’s home or a new “best friend.”
- Elder suddenly wants to add a new joint account holder or beneficiary.
- The Elder is confused about recent financial arrangements or changes.
- The Elder’s bills are not being paid.
- There are sudden large, unexplained account withdrawals.
- Suspicious changes are made in wills, trusts, insurance policies, or other financial documents.
- A caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the Elder without proper documentation like a Power of Attorney or Guardianship.
- Unexplained disappearance of an Elder’s funds or possessions.

Protecting Yourself or Your Loved Ones

What can you do?



- Check your financial statements each month.
- Store and safely protect your financial information.
- Choose a trustworthy person to help you with your financial planning.
- Visit [ftc.gov](https://www.ftc.gov) or [annualcreditreport.com](https://www.annualcreditreport.com) to get your free credit reports and review them for suspicious activity.
- Ask for more information in writing and get a second opinion before changing your Power of Attorney, wills, trust(s), or any of your personal financial information.

Protecting Yourself or Your Loved Ones (Cont.)



- Pay with checks or credit cards instead of cash, to have records of transactions.
- Never provide your personal or financial information (including your Social Security number or account numbers) to unknown individuals via phone or email.
- Donate only to established charities.
- Know that the federal government, including the IRS, will **NEVER** call you on the phone and ask for personal information.
- Do not agree to deposit a check or wire money back to any unknown individuals.
- If it sounds too good to be true, it probably is.

Elder Financial Abuse: How We Can Help



- Changes in an older family member's financial behavior can be a warning sign of Elder financial abuse.
- Identify a trusted contact person that the Bank may contact should we see unusual account activity in the Elder's account.
- If you see unusual activity, report it to your Bank immediately.
- Branch personnel are trained to recognize signs of Elder Financial Exploitation, and to escalate and report to the appropriate local, state, and federal agencies.

Elder Financial Abuse: How to Escalate and Report

If you or someone you love is experiencing Elder abuse, please call one of the organizations below to report:

Agency	Phone	Website
The New York State Department of Financial Services	(800) 342-3736	dfs.ny.gov/consumer/fileacomplaint.htm
The New York State Adult Protective Services	(844) 697-3505	ocfs.ny.gov/main/psa/
Federal Trade Commission (FTC)	(202) 326-2222	ftccomplaintassistant.gov/
Federal Communications Commission	(888) 225-5322	consumercomplaints.fcc.gov/hc/en-us
Nassau County Adult Protective Services	(516) 227-8472 or (516) 573-8626	https://www.nassaucountyny.gov/1649/Elder-Abuse
Suffolk County Office for the Aging	(631) 853-8200 or (631) 852-1420	https://www.lawhelpny.org/organization/suffolk-county-office-for-the-aging/seniors/elder-abuse
Westchester County Adult Protective Services	(914) 995-2259	https://www.westchesterda.net/crime-prevention/elder-abuse
Rockland County Office for the Aging	845-364-2110	http://rocklandgov.com/departments/aging/elder-abuse/
NYC Adult Protective Services	212-630-1853	https://www1.nyc.gov/site/hra/help/adult-protective-services.page

Helpful Resources

For more information about Elder Financial Abuse, please visit:

The United States Department of Justice – Elder Justice Initiative:	justice.gov/elderjustice
The New York State Department of Financial Services:	dfs.ny.gov/consumers/scams_schemes_frauds/tips_for_preventing_elder_financial_exploitation
The New York State Attorney General:	ag.ny.gov/smart-seniors
Federal Deposit Insurance Corporation:	https://www.fdic.gov/consumers/consumer/moneysmart/olderadult.html https://www.fdic.gov/consumers/consumer/news/april2019.pdf
Federal Trade Commission:	consumer.ftc.gov https://www.consumer.ftc.gov/blog/2015/08/spotting-elder-financial-abuse
Consumer Financial Protection Bureau:	https://www.consumerfinance.gov/practitioner-resources/resources-for-older-adults/protecting-against-fraud/