Elder Financial Abuse
Awareness and Prevention

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Introduction

Welcome to the Elder Financial Abuse Awareness and Prevention Training on Demand course. Elder financial abuse is a growing problem in America. Persons 60 and older are the fastest growing segment of the population.

One in four seniors will be a victim of a financial crime and these crimes often go unreported.

It’s estimated that seniors make up 75% to 90% of all con game and fraud victims; suffering over $40 billion in losses each year. Credit unions, especially tellers, are in a unique position to detect when seniors are being financially abused or exploited—we can help protect our members by reporting suspected abuse to the correct agency/law enforcement.

If you see something, say something.

Objectives

By the end of this course you will be able to:
• Define elder financial abuse;
• List the types of elder financial abuse;
• Recognize the red flags of elder financial abuse;
• Recall the actions to take if you spot it; and
• Know where to report it, when you suspect it, and how to prevent it.

What Is Elder Financial Abuse or Exploitation?

The National Center on Elder Abuse defines it as the “illegal taking, misuse, or concealment of funds, property, or assets of a vulnerable elder at risk for harm by another due to changes in physical functioning, mental functioning, or both.”

It takes the form of fraud coercion, intimidation, and scams. Sometimes the perpetrator preys on seniors who have Alzheimer’s or dementia and they do not realize they gave consent to a financial transaction.
The Timeline on Elder Financial Abuse

Elder Financial Abuse has become a hot topic in government, law enforcement, and financial circles in recent years.

December 21, 2009 — Astor Settlement

In a high-profile criminal court case that went to trial for five months in 2009, the New York State Supreme Court in Manhattan jury found Anthony Marshall guilty of financial exploitation of his mother, prominent socialite and philanthropist Brooke Astor, who suffered from Alzheimer’s.

Marshall, age 85, was convicted of grand larceny, scheming to defraud, and other financial crimes. His lawyer was found guilty of forging Ms. Astor’s will.

The case helped to increase awareness of elder financial exploitation nationwide.

March 23, 2010 — Elder Justice Act Passed

The US Congress Passed the Elder Justice Act (EJA). This law authorized federal funding for state programs that create jobs and protect seniors from abuse.

This Act established the Elder Justice Coordinating Council that will make recommendations to the Secretary of Health and Human Services on the coordination of activities of federal, state, local and private agencies. They will also work with entities who relate in elder abuse, neglect and financial exploitation.

July 2010, Illinois Passed Elder Abuse and Neglect Act

In July of 2010, Illinois passed the Elder Abuse and Neglect Act, the first state law to mandate training in elder abuse for employees of financial institutions. Under regulations adopted by the Illinois Department of Financial and Professional Regulation, all employees and officers of financial institutions that have direct contact with customers must complete a 30-minute training program on financial exploitation and refresh knowledge every three years.

March 2011 — Mickey Rooney Testifies to Senate

In March of 2011, 90-year-old actor Mickey Rooney testified to the Senate Aging Committee that he had been a victim of elder abuse and financial exploitation. Rooney said that he was forced to seek court protection against family members who had withheld food and

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The building in the image symbolizes the structural support and frameworks that are put in place to combat elder financial abuse.
medicine, while stealing his assets. At the time, the court granted Rooney’s request for a temporary conservator. A conservator is a person who’s appointed by the court to handle another person’s finances and certain legal issues. The fact that Rooney asked for a conservator is a sign of the seriousness of Rooney’s situation. The conservator’s primary responsibility is protecting the interests of the older person. The conservator regularly reports back to the court and must seek court approval before some actions.

March of 2011 — GAO Report

In March of 2011, the U.S. Government Accounting Office (GAO) released a report on Elder Justice, advocating stronger federal leadership to enhance a national response to elder abuse.

The report estimated that in 31 states surveyed, 357,000 abuse reports were received in 2009, resulting in 292,000 investigations and 95,000 substantiated acts of abuse.

In the 2012 legislative session, 27 states and Puerto Rico have introduced or pending legislation to address financial crimes and exploitation against the elderly and other vulnerable adults. Nine states—Arizona, Colorado, Delaware, Iowa, Maryland, Nebraska, Oregon, Vermont, and West Virginia enacted legislation in 2012.

Types of Elder Financial Abuse

Here are the types of financial abuse that typically occur with people who are in a personal relationship with the senior victim — in most cases, a family member.

- Theft of property—Money or jewelry is stolen and “pawned” for cash;
- Willful misuse of income or assets, for example, instead of paying bills for the senior, the son goes gambling with the money;
- Forging checks without the senior’s consent; and
- Fraudulent use of the Power of Attorney or other Fiduciary Authority. For example, a son executes power of attorney for personal gain or an attorney who writes him or herself into the senior’s will.
Scam Examples
The following are some examples of scams targeted toward the elderly:

- **Phony contests, sweepstakes or lottery.** This can be online or in the mail;
- **Bank examiner scam.** This could take the form of a phone call, online phishing scam, or text messages where the victim is contacted and told there is a problem with their account. They are then asked for account number and personal identification information which is then used to steal money or open false accounts;
- **Fake accident ploy.** A person comes to the house or approaches on the street with a fake accident or sob story about being stranded with no money—they need money to get home. They promise to pay the money back but never do. They disappear;
- **Soliciting money for phony charities;**
- **Pigeon drop.** A stranger walks up to victim with money and tells them that they can have the money if they deposit some of their own money with a 3rd party. Then, the 3rd party and the stranger make off with the whole lump sum;
- **Unsolicited work.** Someone claims to have done something for a senior and is there to collect payment;
- **Selling worthless or dangerous medical cures;**
- **Selling fraudulent investments, mishandling investments, or stealing of the funds.**

Red Flags Associated with Elder Financial Abuse
Here are some of the red flags associated with elder financial abuse. Be on the lookout for these red flags exhibited in your members. One or two of these red flags may not be a cause for concern, but the more red flags you see, the more likely it is that you’re seeing a pattern of abuse.

- Uncharacteristic banking activity. When the senior’s banking activity takes on these uncharacteristic shifts, financial abuse could be taking place.
- Frequently changing accounts from one branch or credit union or bank to another.
- Changes in usual patterns of withdrawals (i.e., several in one day) or unusually large withdrawals.
- Large withdrawal or transfers from recently opened joint accounts or previously inactive accounts.
• Frequent withdrawals from ATMs, especially if the senior is isolated or has not used ATMs recently.
• Suspicious signatures. If you notice suspicious signatures on any elder member’s documentation, investigate further. Someone could be exploiting them for financial gain.
• If a senior’s signature appears forged or if checks, withdrawal slips or applications are made out in another person’s handwriting.
• Sudden increase in debt: If a senior member has large credit union or bank loans, takes out a second mortgage, takes out a loan on an existing mortgage, or if there are a large amount of credit card transactions, there may be financial abuse taking place.

**Additional Red Flags**
Here are some additional red flags to watch out for:
• A Power of Attorney executed by a senior who appears confused;
• Changes in the senior’s property titles, will, or other documents;
• Someone who handles the senior’s affairs withdraws cash, with no apparent benefit to the senior;
• Credit union statements and share drafts are no longer being sent to the senior’s home;
• Implausible reasons for banking activity given either by the senior or by the accompanying person.

**Suspicious Behavior Patterns**
If you see credit union members and their guests behaving the following ways, it may be a sign of elder financial abuse.

When a senior:
• is accompanied by a stranger and withdraws a large amount of cash;
• is coerced into making transactions;
• isn’t allowed to speak for themselves or make decisions;
• is accompanied by an acquaintance who appears too interested in the senior’s financial dealings;
• is nervous or afraid of the person with them;
• is concerned or confused about “missing funds” in their accounts;
What Should I Do if I Notice Red Flags or Suspicious Behavior?

If you notice any of the red flags or suspicious behavior, contact your supervisor immediately. In addition:

- Try to find out the reason for large transactions or frequent withdrawals. Ask a few questions.
- Give the member some privacy. Separate customers from unknown family members or strangers before discussing sensitive or confidential business.
- Remind the member of the initial withdrawal request as a confirmation of the transaction.
- Check authorization and documentation.
- Slow the transaction down by explaining to the senior that a supervisor must review the transaction (especially if they are closing out the account).
- Notify law enforcement or security if you think the member’s safety is in question.

Elder financial abuse and exploitation is generally reported and investigated at the local level, with Adult Protective Services, District Attorney’s offices, sheriff’s offices, and police departments.

FinCEN, the Financial Crimes Enforcement Network, is a part of the US Department of Treasury which advises financial institutions to fill out a Suspicious Activity Report (SAR). SARs are a part of the Bank Secrecy Act’s reporting requirement. In the narrative portion of the SAR, be sure to include the “Suspected Elder Financial Exploitation.” In some instances, the scams that seniors face are money laundering efforts. In the online portion of this course, click the Resources link in the upper right hand corner to view the advisory from FinCEN. A SAR is a good way to document any suspicious activity including elder financial abuse. In fact, some credit unions model their policy on the Bank Secrecy Act’s compliance program which requires a SAR.
The SAR

A typical Elder Abuse report follows the same format for the Suspicious Activity Report (SAR) that is used to file with FinCEN to comply with the Bank Secrecy Act. The form can be downloaded from the FinCEN website at [www.fincen.gov/forms/files/f9022-47_sar-di.pdf](http://www.fincen.gov/forms/files/f9022-47_sar-di.pdf).

Section One asks for information about your credit union and the account affected. Section Two asks questions about the suspect. Section Three and Four deal with the suspicious activity and the primary contact for this information. Section Five is the narrative portion. Provide details of your experience dealing with the credit union member and the reason why you suspect financial abuse or exploitation is taking place.
Which Agency Should You Report Suspected Elder Financial Abuse To?

When do you report to local law enforcement? When do you report to the local adult protective services? When you have a suspected elder financial abuse or exploitation scenario, ask yourself these questions:

1. Is the member in danger, or was a negotiable instrument or legal document forged? If so, call local law enforcement and/or security.

2. Are you located in a state that has mandatory reporting? If so, call the adult protective services in your state. Even if you’re not in a state that has mandatory reporting, it’s crucial to report any suspected elder abuse to your state adult protective services to get your member the help they need. In many states, you can contact the district attorney or attorney general’s office.

3. Does your credit union have an elder abuse policy? If so, act in accordance with that policy.

Mandated Reporting

All 50 States have enacted adult protective services legislation to establish a system for reporting and investigating elder abuse. These laws define “mandated reporters” and reporting processes, and they offer immunity for good faith reporting to professionals and caregivers. According to a Government Accounting Office (GAO) report issued in 2011, all states except Colorado, New York, North Dakota, and South Dakota now require some mandated reporting of elder abuse incidents.

Currently, 14 states mandate reporting any suspected abuse. Click the resources tab in the online module to access the state-by-state statute list.

Find the Adult Protective Agency for your State

To find the adult protective agency in your state, go to the National Department of Health and Human Services website at www.eldercare.gov/Eldercare.NET/Public/Index.aspx. There is also a hotline available at 1-800-677-1116 if you don’t have online access.

Harriet’s Story

Here’s a true story in which elder abuse took place and how the credit union dealt with it.

Harriet, a 68-year-old woman, was a member at an area credit union. She would walk three miles to the credit union to withdraw money she needed for the week. Harriet had a specific amount she typically withdrew per week—no more—no less. Suddenly she began withdrawing large amounts of cash and showing up at the credit union with people no one recognized. The tellers began asking her privately her why she was
taking out such large amounts of cash. Was someone pressuring her? Harriet insisted the money was being used for groceries and hairdos. The tellers weren’t convinced she was telling the truth and alerted the manager. The next time Harriet came in, the manager asked her if they could talk. He reminded her of how much she was withdrawing, how much she had in the account, and said that the amount she was withdrawing each week was very unusual based on her historical withdrawals. Harriet still insisted the money was being used for normal every day expenses and that nobody was asking her for money.

Eventually, she was talked into taking smaller amounts out of the account. Unfortunately, the activity continued off and on until Harriet’s account was completely drained. Her son finally became involved at this point.

The credit union learned to get Adult Protective Services involved as early as possible and to ask their members questions as soon as they spotted red flags. The credit union now observes their state’s Vulnerable Adult and Elder Abuse Awareness month in their newsletter and lobby signage, they’re working on age-friendly services for members, they collect emergency contact information from members, and visit senior centers in the community to implement a proactive approach to alerting others about elder financial abuse. The outreach fosters a community culture and helps senior members feel more at ease with the credit union.

**Prevention**

It’s important to be able to spot elder abuse when it may be taking place and to report it to the authorities. It’s equally important to have programs in place that can help prevent elder abuse. You can prevent elder abuse by developing a culture in your credit union that includes senior citizen services and educate your elderly members (and their close family members) about their rights under the Older Americans Act, Elder Justice Act, and state law. Having a culture where you know your elderly members, actively engage them in discussion about their financial goals, and understand their key relationships and financial needs will prevent elder abuse from taking place.

Here are some examples of preventive programs collected from various credit unions:
• You can hold workshops focused on senior topics such as budgeting, the security & peace of mind of using direct deposit, measures they can take to keep their identity secure, and educate them on their rights under the Older Americans Act, Elder Justice Act and state law.

• Collect emergency contacts for your members.

• Observe the Elder Abuse Awareness Month in your area. Contact your Elder and Adult Protective services department and find out when it is. You can observe it by posting signage in your lobby, including it in your newsletter, and offering senior-focused programs and specials for products during that month. Publicly observing this can help your senior members know the credit union is advocating for them. It will also help foster a community culture within the credit union where senior members will be more connected to the tellers and credit union as a whole.

• Meet with elderly members in person at least once or twice a year so you can observe their appearance, evaluate their state of mind, and evaluate their accounts to be sure the credit union is serving them with the best products it has available.

Conclusion

Congratulations on completing this course! In this Elder Financial Abuse Awareness and Prevention course, you learned how to:

• Define elder financial abuse;

• List the types of elder financial abuse;

• Recognize the red flags of Elder financial abuse;

• Know what actions to take if you spot elder financial abuse; and

• Know where to report it when you suspect it and how to prevent it.

Final Exam

To register for the final exam go to training.cuna.org and click on CPDOline under LOG IN on the left hand side of the screen.

Remember, elder financial abuse is a growing problem in America. Credit unions, especially tellers, are in a unique position to detect when seniors are being financially abused or exploited—we can help protect our members by reporting suspected abuse to the correct agency/law enforcement.

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