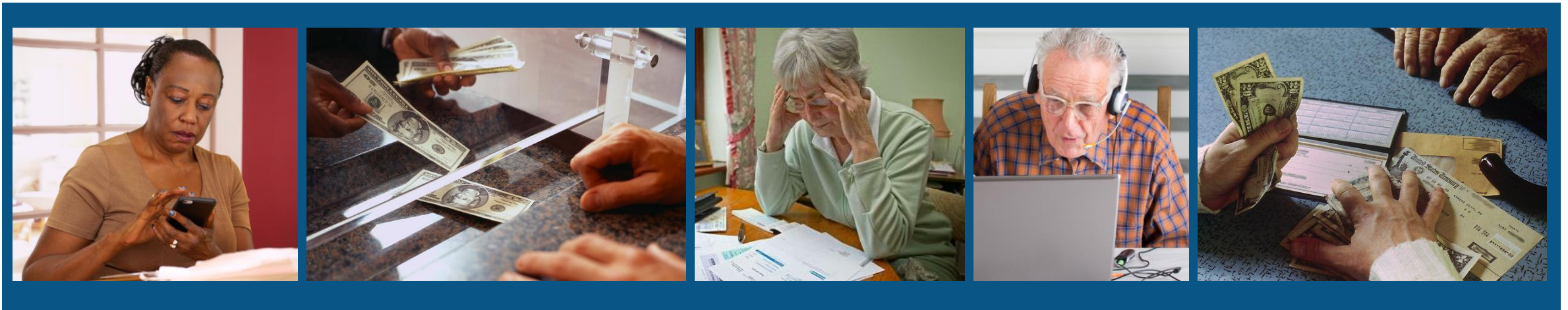




FINANCIAL EXPLOITATION

WHAT TO WATCH FOR, WHAT TO DO, AND WHY IT MATTERS.



FINANCIAL EXPLOITATION DEFINED

An action that involves the misuse or theft of a vulnerable adult's funds, property, or other assets by another person for their own personal benefit.

Vulnerable Adult: A condition in which an adult is unable to protect himself or herself from abuse, neglect, or exploitation because of a mental/physical impairment or advanced age.

WHY TALK ABOUT THIS?

10%

1 in 10 older adults experience abuse, neglect, and financial exploitation.

\$2,900,000,000

Estimated financial loss to seniors from financial exploitation.

1 in 44

Estimated cases of financial exploitation reported to authorities.

WHY ARE SENIORS TARGETED?

- ✓ **Loneliness and grief** may make older adults more vulnerable; financial predators take advantage and exploit this vulnerability.
- ✓ **Isolation** means there may be fewer family or friends around to notice a suspicious situation and intervene.
- ✓ **Poor physical health and needing assistance with daily tasks** are associated with being dependent on others, this dependency can create the opportunity for exploitation.
- ✓ **Age-associated brain changes** make people more trusting as they get older. Research has shown that as people age, they tend to become more optimistic and more trusting.

THE TOLL IT TAKES

- ✓ Loss of trust in others
- ✓ Feelings of fear, shame, guilt, anger, self-doubt, remorse, worthlessness, depression
- ✓ Loss of financial security; financial destitution
 - Inability to provide long term care needs
 - Loss of primary residence
 - Becoming reliant on government safety net programs



WHO IS DOING THIS?

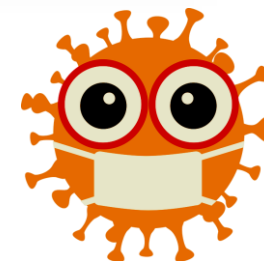
- ✓ A professional con artist.
- ✓ A paid caregiver.
- ✓ A stranger or casual acquaintance.
- ✓ A friend.
- ✓ A son, daughter, or other family member.



85.5% of financial exploitation perpetrators are family members or trusted others.

IMPOSTER SCAMS

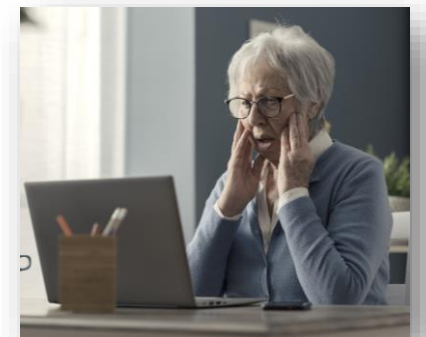
- Using authority: IRS, Michigan State Police, Medicare
- Using family: “I’m traveling and can’t get home”
- Romance: “I know I just met you but I love you!”
- “You’ve won the sweepstakes! Send us \$1,000 so we can send you \$10 million.”
- Scarcity/Deadline: Limited quantity, act now!
- COVID-19 – cures, treatments, vaccines



CASE STUDY: LET ME JUST FIX THAT FOR YOU

Mrs. Johnson saw a pop-up while using her computer that said her computer would be unusable unless she contacted Microsoft at a number provided. She called the number and a man “helped” her by installing something on her computer and rebooting it. He then informed her that \$2,500 on her credit cards was used for online gambling and pornography. She was transferred to the “Fraud Department”, where she was told that they could help her if she purchased \$2,000 in gift cards and sent them photos of the cards. She did so, only to be informed that they were the wrong cards and that she would need to go back for more. At this point she believed that something was strange and called the police to report the incident. She also contacted her credit card companies and her bank to report the fraud.

The local law enforcement agency suggested that she have her computer cleaned to remove any software installed during the scam. She then spoke with our SafeSeniors team, who documented the case in the national fraud databases and provided education on how to monitor her credit report and look into fraud protection.



HOW DO WE HELP

Being aware of and reacting to unusual activity can help protect vulnerable adults from being taken advantage of financially.

It's better to act on instinct and be wrong,
than to not act on instinct and be right.

GENERAL FINANCIAL EXPLOITATION RED FLAGS



Unpaid bills or unmet needs, despite seemingly adequate income and assets.



Missing household items.



Unexpected changes in wills or property deeds.



Purchase of large items the older adult does not use.



Changes in spending habits/patterns.

RED FLAGS FOR FINANCIAL ORGANIZATIONS

- ✓ Customer/client appears to be a vulnerable adult because of advanced age, physical or developmental disability, or mental illness.
- ✓ They may be fearful, confused, timid, or seem intimidated or under duress.
- ✓ Their transaction request is:
 - inconsistent with known banking history
 - involves a large amount of money
 - is a result of coaching or prompting by a third party (“new best friend”)

CASE STUDY: YOU WON! BUT WAIT...

Mrs. Miller was convinced she had won the Publisher's Clearinghouse Sweepstakes by a scammer who told her that the taxes must be paid up front before she could claim her winnings. She sent a \$15,000 cashier's check to the address she was given. After she sent it, she realized it was a scam and tried to have payment stopped on the check, which can't be done with a cashier's check.

Our SafeSeniors detective contacted local law enforcement in Tennessee, where the check was sent, and they were able to make contact with the recipient - an 85 year old who was also a victim of the scam. When the check arrived, he thought it was his first sweepstakes payment from Publisher's Clearinghouse, but didn't understand why the check came from a credit union in Michigan. The Tennessee Sheriff's Office was able to secure the check and send it back to be deposited into the Mrs. Miller's account. While we were unable to recover the total amount lost, she was only out a couple of hundred dollars instead of thousands.



CASE STUDY: HELPING OUT A “FRIEND”

Mrs. Smith was asked by her granddaughter's friend to cash his \$1,300 payroll check for him. He tells her that he only wants \$1,000 right now and he'll get the other \$300 when he needs it. She deposited the check and withdrew \$1,000 from her account and gave it to him. A couple of days later, she was notified that the check was not good, so she was out \$1,000. The case came to our Task Force and the investigation led them to the suspect. The check was from a closed business in Nevada and was related to several fraud cases throughout the U.S. In this case, we were able to get a warrant and make an arrest. The offender pled guilty in court and was ordered to pay the victim \$1,000 as part of his probation.

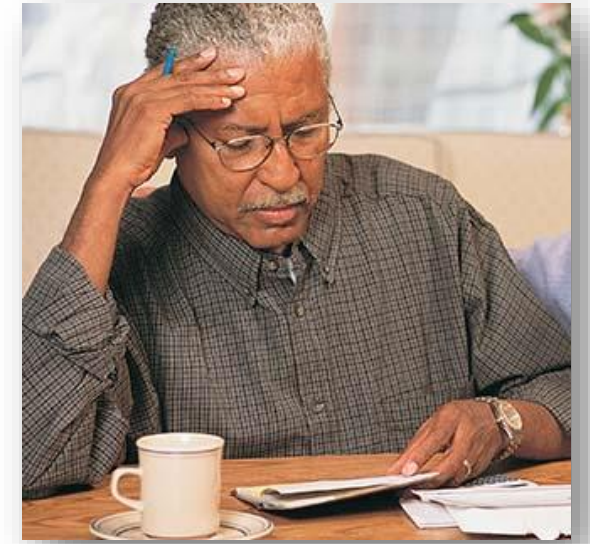


RED FLAGS FOR FINANCIAL ORGANIZATIONS

- ✓ Signature/handwriting discrepancies; improper documents.
- ✓ Unusual account activity:
 - Addition of new names to accounts and signature cards.
 - Check numbers are out of order.
 - Insufficient funds.
 - Excessive number of checks written.
 - Unusual number of ATM withdrawals.
 - Recent withdrawals or transfers that cannot be explained.
- ✓ Failure to pay loan obligations in a timely manner.

CASE STUDY: TRUST US, WE'RE YOUR BANK (NOT)

Mr. Davis received a call from someone pretending to be a “fraud investigator” from his bank, who informed him that his account has been compromised. The scammer convinced Mr. Davis to “verify” (i.e. provide) personal identifying information to prove to the “fraud investigator” they are speaking to the actual account holder. Mr. Davis then found out that a debit card has been opened on his account, but was mailed to a different address. The scammer had used the personal identifying information obtained during the phone call to perpetrate identity theft and fraudulently obtain a card in Mr. Davis's name. Our SafeSeniors team was able to provide education on how to monitor his credit report and look into fraud protection, but identity theft is an ongoing issue once it has happened.



HOW TO RESPOND TO A POTENTIAL EXPLOITATION SITUATION

Ask relevant questions, such as:

- How are you today, is everything satisfactory?
- I see you've made some changes to your account, is there anything I can do to help?
- I see you've added a joint owner to your account, how is that new arrangement working out for you?
- You brought a new friend/relation with you today, is he/she helping you with your banking?
- This is a very large transaction, are you sure this is the amount you want to withdraw/transfer?

HOW TO RESPOND TO A POTENTIAL EXPLOITATION SITUATION

If you feel that there may be financial exploitation occurring :

- ✓ Delay the transaction and consult your supervisor.
- ✓ Follow policy regarding handling possible fraudulent transactions.
- ✓ Report suspected exploitation per the Financial Exploitation Prevention Act

Report suspected financial abuse of a vulnerable adult
to Adult Protective Services at 855-444-3911

CASE STUDY: TOO GOOD TO BE TRUE

Someone contacted Mr. Jones with an offer to help him sell a time share he owned, saying that they could get \$1,000,000 for the unit that he paid only a few thousand for years before. He signed the paperwork that was sent to him and paid a brokerage fee. Over time there were more and more fees. As the fees grew, so did the story of how much he could get, rising eventually to a promise of \$1.5 million, making him vulnerable to the continuing con job. In the end, he was out \$750,000. Our team followed the money to Mexico, where it was deposited to a place called a “bank of many institutions”. After that, it was impossible to follow the money and it was gone.

Mr. Jones lost his home and almost lost his business. His marriage fell apart because he kept this a secret and lost their life savings, leaving his wife feeling betrayed and deceived. Victims often keep quiet about the scam they are involved in, at first because the scammer usually tells them not to tell anyone, but then because they are ashamed or embarrassed that they fell for it.



QUESTIONS AND ANSWERS

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