

Elder FINANCIAL

exploitation

Welcome!

We're glad you're here...

PLEASE: sign in • help yourself to a snack • grab a handout • have a seat



OBJECTIVES

By the end of this seminar, you will be able to answer the following questions:

What is elder financial exploitation?

Why are older adults at risk?

Who are the abusers?

What are the most common forms of exploitation?

What do I or a loved one do if financially abused?

Where can I find more information?

| What is elder financial exploitation?

Fraudulent, unauthorized, or improper act of an individual that uses the resources of an older person for personal benefit, profit, or gain

Actions that result in depriving an older person of rightful access to, or use of benefits, resources, belongings, or assets

Why are older adults at risk?

Receive regular income and have accumulated assets

Are trusting and polite

Can be lonely and socially isolated

May be vulnerable due to grief from a loss

Are reluctant to report someone they depend on

Receive care from a person with financial or other issues

Fear retaliation by the exploiter

Are unfamiliar with managing financial matters

May be unprepared for the loss of decision-making capacity

Is cognitively impaired

Who are the abusers?

Familiar to senior:

Family members and caregivers

Friends, neighbors, or acquaintances

Agents under a power of attorney

Financial advisors

Strangers to senior:

Telephone and mail scammers

Internet scammers

Home repair contractors

Medicare scam operators



Exploitation by
an agent under a
POA or person in
another fiduciary
relationship



Theft of money or
property by family
members,
caregivers, or
in-home helpers



Investment fraud
and scams



Lottery and
sweepstakes
scams



Grandparent/
Imposter scams



Charity scams

Examples of financial exploitation



Identify theft



Contractor fraud
and home
improvement
scams



Telephone,
computer, and
internet scams



Reverse
mortgage fraud



Tax and debt
collection scams



Telemarketer, mail
offer or
salesperson
scams

and there's more...

Exploitation by an agent under a POWER OF ATTORNEY or person in another FIDUCIARY relationship



SAFEGUARDS

Trust but verify

Avoid appointing anyone who mismanages money or has personal issues

Tell trusted professionals about your POA

Change, cancel, or revoke the POA if warranted

Avoid appointing hired caregivers/helpers

Beware of new “best friends” who offer to handle your finances

Theft of money or property by family members, caregivers, or in-home helpers



Secure private financial documents and valuables

Require receipts for all purchases made on your behalf

Monitor bank and investment statements

Set up automatic bill pay systems and transaction alerts

Never let hired caregivers open your mail, pay your bills, manage your finances

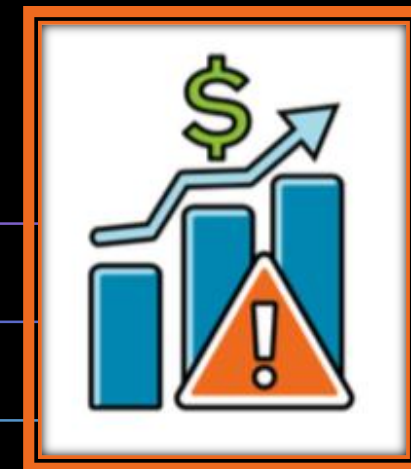
Never promise money or assets after you die in exchange for care now

Never lend employees money or property

Never let caregivers use your credit or ATM card

SAFEGUARDS

Investment fraud and scams



Check the background of brokerage firm or an investment adviser

Don't trust strangers, no matter how trustworthy they sound

Take time to understand your investment choices

Say "no" to pressure

Be wary of salespeople who prey on fears or promise returns that seem *"too good to be true"*

Ask for a written explanation of every investment opportunity and get a second opinion

Be wary of financial advisers who tell you to leave everything in their care

Make checks payable to a company or financial institution, NEVER an individual

Retain and maintain account statements and confirmations

Document every conversation

Don't put all of your eggs in one basket

SAFEGUARDS

Lottery and sweepstakes scams

Keep track of all contests entered – cannot win if not entered

Never “pay to play”

Be suspicious of pressure to wire funds

Pay attention to warnings from your financial institution

Be wary of “emergencies” - make sure the call is from a valid number

Don’t trust requests for secrecy



Grandparent and imposter scams



SCAMMERS MAY:

Know grandchild's name

Cry to disguise voice

Plead for victim to wire money

Ask not to tell family members

Charity scams

YOU SHOULD

Ask for information (name, address, phone)

Research organization and check for trustworthiness

Inquire about the percentage of your donation that will go to the charity

Contact the charity directly about the solicitation

Keep a record of your donations

Make an annual donation plan

Learn if the organization is eligible for tax deductible contributions

Pay by check or credit card; never send cash or wire money

Be wary of charities that spring up suddenly in response to current events/disasters



SCAMMERS MAY:

Say money is owed for taxes

Use common names and fake IRS badge numbers

May know the last 4 digits of a victim's social security number

Send bogus IRS emails

Mimic a call site

Threaten jail time or driver's license revocation

Hang up and call back pretending to be from the local police or Department of Motor Vehicles

Tax collection scams



THE IRS:

Always *mails* a written notice

Never asks for payment or credit card information over the phone

Never requests personal or financial information via email

SCAMMERS MAY:

Contact victims via phone

Refuse to answer any questions

Have information about victims

Use threats and scare tactics

Pose as law enforcement agents or government employees

Refuse to give you a mailing address or phone number

Ask for personal financial information

Ask you to buy a prepaid debit card and send the card

Debt collection scams



YOU SHOULD:

Ask the debt collector's name, telephone number, and address

Ask for information in writing

Get a breakdown of the amount owed

Not provide financial or sensitive information

Keep copies of related papers

Telephone and computer scams



Email spoofing: Email address disguised to look like that of someone you may know

Phishing: Authentic-looking emails, text messages, and web pages to trick unsuspecting users into revealing their personal financial information

YOU SHOULD:

Use trusted security software and update regularly

Never email/text financial information or account numbers

Be cautious about opening attachments and downloading files

Use passwords that are hard to guess

Shut down your computer when not using it

Not give control of your computer to a third party

Not rely on caller ID alone to authenticate a caller

Be cautious of scammers posing as tech support online

Not open any message from an unfamiliar sender

Delete suspicious email

Identity theft



YOU SHOULD:

Protect your personal information

Protect incoming and outgoing mail

Sign up for direct deposit

Use a shredder to destroy financial and medical trash

Monitor bank accounts and credit card bills

Review your credit record and social security statement annually and report any fraudulent activity

Protect your Medicare, insurance cards, and pension information

Review Medicare summary notices, explanations of benefits statements, and medical bills

Be cautious of offers for free equipment, services, or goods in exchange for your Medicare number

Thieves steal your **personal financial** and/or medical information and use your identity to commit fraud and other crimes.

- **social security number**
- **birth date**
- **credit card/account numbers**
- **Medicare number**
- **pins & passwords**
- **pension information**

Reverse mortgage



Allows homeowners
62 and older to
borrow against the
equity in their homes

WHAT TO LOOK FOR:

Family members or others pressure a homeowner to get a reverse mortgage so they can “borrow” the money

Scammer requires borrower to sign a power of attorney or otherwise sign over proceeds

Scammers may promise that you can stay in your home or ask for a lot of money to help you

Scammers might promise guaranteed or immediate relief from foreclosure and might charge you very high fees for few or no services

Contractor/home improvement fraud



- High pressure tactics are used to sell unneeded and overpriced contracts for home improvements
- Promises are given for quick work at below market prices
- Work done is substandard, unnecessary, or damaging
- Pressures to pay through threats or intimidation
- May pose as government officials and demand a fee

YOU SHOULD:

Verify the identity of anyone claiming to be a government employee

Obtain written bids from local contractors

Avoid contractors *who approach you*

Check for licenses and complaints

Check references

Require a clearly written contract

Not pay in advance and never pay cash

Not provide personal financial information

Not let the contractor steer you to a lender

Withhold final payment until you are satisfied and all required inspections are completed

If you suspect financial exploitation...

Take immediate action!

- Call local police department
- Contact Adult Protective Services
- Tell a trusted family member
- Contact banks, financial institutions, Internal Revenue Service, Federal Trade Commission

See handout for phone numbers,
websites, and additional resources





Working for Californians' Financial Future



Hello FPA Member:

SB496, the "Vulnerable Adults" bill that we wrote you about last month, with "must report" language and mandatory penalties, has passed the California Assembly and is now at the Governor's office awaiting his signature. We expect this bill to become law.

We would like to thank so many of you for your willingness to engage with this process: FPA sent over 100 additional emails to our legislative representatives in the last few weeks of August. The FPA of California Council is working on our process for advocacy in what can be an extremely tight time frame for an active piece of legislation, and we promise to do whatever we can to keep you informed, and our communications as quick and to-the-point as possible.



*Thank you for
attending*

References:

- MONEY SMART for Older Adults (FDIC and BCFP publication)
- US Department of Health and Human Services
- Federal Trade Commission
- Securities and Exchange Commission
- Financial Industry Regulatory Authority, Inc.
- Internal Revenue Service



Securities offered through Securities America, Inc., member FINRA/SIPC.

Advisory Services offered through Securities America Advisors, Inc. Arkot Wealth Management and Securities America are separate entities.