Elder Financial Abuse

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How many older Americans are abused?

- A 2011 Cornell University study suggests that only one in 24 cases of all types of elder abuse are reported, and when considering financial abuse, the number increases to one in 43

- 4.6
Current State

- Elder financial abuse is estimated to be at least $2,900,000,000 annually. 
  MetLife Mature Market Institute 2011

- According to AARP, the average retirement income is about $37,847 per year

- = over 76,000 incomes lost

- Sonora ranked 36th of the “Richest Small Towns in America”
  2015 Bloomberg Business and Bloomberg.com
Who are the abusers of older adults?

Perpetrators of financial exploitation can be:

- Family members and caregivers
- Friends, neighbors or acquaintances
- Persons with Power of Attorney or the legal authority to access or manage your money
- Telephone, mail and email scammers
- Financial advisors
- Internet scammers
- Home repair contractors
- Medicare scam operators
How to identify financial abuse or neglect

Money-management changes

• Reluctance to discuss financial matters.
• Sudden, atypical, or unexplained withdrawals, wire transfers, or other changes in financial situation
• Utility or other bills not being paid
• Abrupt or unexplained changes in wills, trusts, power of attorney and beneficiaries
• Concern or confusion about “missing funds”
• Older individual denied access to his or her funds or account statements
• Multiple disbursements for similar items over a short period of time
• Cash disbursements to a caregiver
• Purchases inconsistent with lifestyle or area of residence
How to identify financial abuse or neglect

Social, behavioral, and physical changes

• Isolation of the elder, either deliberately by a caregiver or simply as a result of life changes
• A caregiver who is also isolated from other friends, family, or associates.
• Behavioral changes in the older individual, including:
  Fear or submissiveness
  Withdrawn behavior
  Disheveled appearance
  Forgetfulness
  Changes in the older individual’s normal routine
• Family members or others taking an excessive interest in finances of older individual
• “Coaching” overheard or evident in conversations with the elder
• Missing possessions from the home or residence
Common Types of Older Adult Financial Exploitation

• Power of Attorney (POA) or Fiduciary Abuse
• Investment scams
  “Good as Gold”
• Lottery and Sweepstakes scams
• Telephone scams (Grand Parent Scam)
• Craigslist
Common Types of Older Adult Financial Exploitation

- Microsoft / Links in Emails
- Mystery Shopper / Mystery Checks
- Relationship / “Sweethearts”
- Large Gifts
- Debit Card
- IRS
- Bills for others
Why do you think older adults don’t report financial exploitation?

- Shame and embarrassment—Many people are ashamed to admit that they have been financially exploited.
- Loyalty—Reluctance to report a family member, caregiver or other person who may treat them well in other ways.
- Fear of retaliation - not being believed or losing their independence by being declared incompetent and moved into a “nursing home.”
- Dependence on the abuser for care or assistance.
- Denial—Some victims are unwilling or unable to acknowledge that financial exploitation is happening to them.
- Self-blame – Abuse can erode an older person’s self-esteem and some victims may believe they deserve or have caused the abuse.
- Lack of awareness – Some victims are unaware that they are being exploited or don’t know to whom they can report financial exploitation.
Recovery of funds

Check Fraud

The bank paid a check when it was obvious that the signature was not mine. Why didn't the bank catch this?

• National banks are responsible for knowing their customer's signature, but they do not manually process checks. Each day a huge volume of checks are processed through the clearinghouse for payment. Checks are processed by machines that read the MICR-encoded routing number.

• You are responsible for reviewing your periodic statement. Generally, if there were multiple problem transactions from the same person, you have 30 days from the statement date to find the error and inform the bank. However, if there is one problem transaction, you generally have up to one year after the statement date to notify the bank. (Please note: the time period for this prompt notification may vary by bank and state.)

• Your deposit agreement specifies your bank’s specific time requirement. Therefore, we suggest that you review your Deposit Account Agreement and contact the bank directly regarding any alleged error.
Recovery of funds

Reg E (EFT, ATM and/or debit card, teller transactions, credit card)

A consumer must report an unauthorized electronic fund transfer that appears on a periodic statement within 60 days of the financial institution's transmittal of the statement to avoid liability for subsequent transfers. If the consumer fails to do so, the consumer's liability shall not exceed the amount of the unauthorized transfers that occur after the close of the 60 days and before notice to the institution, and that the institution establishes would not have occurred had the consumer notified the institution within the 60-day period.
Understanding FDIC insurance

If you select investment products offered by a bank, it is important to understand which of your investments are covered by the Federal Deposit Insurance Corporation or FDIC. The FDIC insures funds in deposit accounts at FDIC-insured institutions including:

- Checking
- Savings
- Money Market Deposit Accounts (MMDAs)
- Certificates of Deposit (CDs)
Ways To Protect Yourself

If you’re a family member or caregiver, here are some ways you can help protect yourself or loved ones in your life:

• Plan ahead to protect your assets and ensure that your wishes are followed
• Consult with a qualified financial professional or attorney before signing complex agreements or anything you don’t understand
• Build relationships with professionals who are involved with your finances – they can assist in monitoring for suspicious activity
• Limit your use of cash – using checks and credit cards leaves a paper trail
• Trust your instincts and feel free to say “no” – remember, it’s your money
Ways To Protect Yourself

Avoid joint accounts

Don’t set up joint accounts as a method of planning for incapacity or getting help with paying your bills. “Both parties are equal owners and have equal access,”
Wrap Up

• Thank you for being proactive, not reactive.
• Thank you for having the courage to ask questions.