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Preventing Financial Exploitation

By

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Aging brings lots of good things but, for increasing numbers, it also brings victimization. Door-to-door hucksters, scam artists, and even family members are exploiting older adults, draining their financial resources. A year ago, elder law attorney Chris Desimone wrote a helpful case study, the lead article in the spring issue of *Age in Action*, entitled Protecting the Vulnerable: Free Ways to Prevent Financial Exploitation. But the matter won't just go away and we need to be vigilant.

VCoA has, for several years, labored in these fields. Our **Virginia Elder Justice Training and Services** project, a partnership with the Virginia Department for Aging and Rehabilitative Services and other statewide and local collaborators, has been tackling exploitation, as well as the often-related aspects of elder abuse and neglect. The project, directed by Dr. Paula Kupstas, with strong involvement by VCoA's Ruth Anne Young, Courtney O'Hara, and Lisa Furr (who is now with the Office of the Attorney General), is focusing its work in the geographic area of Washington County and the City of Bristol in Southwest Virginia. Supported by a grant from the USDOJ Office on Violence Against Women, project team members in 2014 conducted, among other things: two cross-disciplinary trainings on abuse in later life for victim and aging service providers; two basic Law Enforcement trainings on abuse in later life for officers serving in this region; an Advanced Law Enforcement Training in Financial Exploitation and Neglect for professionals in this region, delivered by a four-person team of two national experts, a local Commonwealth's Attorney and an Assistant Commonwealth's Attorney; a needs assessment to identify service gaps for victims of abuse in later life there. The project team also employed findings from this survey to establish new services for survivors of abuse in later life, including a new Abuse in Later Life Specialist position within District 3 Governmental Cooperative; and worked to create a new emergency fund and emergency housing for victims of abuse in later life with caregiving needs. We are hardly alone in confronting exploitation.

The federal **Consumer Financial Protection Bureau** (CFPB) offers many practical resources to avoid or combat financial exploitation no matter where one lives (see www.consumerfinance.gov). CFPB says it works to educate: "An informed consumer is the first line of defense against abusive practices." CFPB reports include: Consumer voices on credit reports and scores; Financial well-being: The goal of financial education; and Snapshot of reverse mortgage consumer complaints December 2011-2014." CFPB encourages consumers to Submit a Complaint if they have experienced difficulties with a financial product and it will forward it to the company. Also, it encourages consumers to Tell Your Story, good or bad, in order "to create a fairer marketplace."

The CFPB has dedicated pages on Financial Protection for Older Americans., to give “information and tools to navigate safely through financial challenges.” The *Money Smart for Older Adults-Prevent Financial Exploitation* curriculum is a 53-page examination of scams and identity theft practices, and what the individual can do to prevent or respond to them; *Money Smart* has both online PDF versions and printed copies that will be shipped free of charge. The CFPB also addresses financial caregiving, again with downloadable PDF and printed shipped versions of *Managing Someone Else’s Money*, designed for those with powers of attorney, court-appointed guardians, trustees, and government fiduciaries. These are excellent resources and are available in bulk.

On another positive note, the **Squared Away Blog** recently (March 17, 2015) reported initiatives by banks to prevent financial exploitation of older adults. Under the heading of Saving Products Deter Senior Fraud, Squared Away told the following stories.

“Ken Osborne became vigilant about safeguarding his 81-year-old mother’s savings as her memory loss set in. She often failed to recall what she’d said during frequent, unsolicited phone calls from people prying into her personal life and financial affairs. ‘She’s vulnerable,’ Osborne, a resident of Jacksonville, Florida, says about his mother who lives 140 miles away.

Osborne took preventive action. He signed his mother up for a debit card funded by, but segregated from, her primary bank account. Osborne maintains a \$500 balance in the card account, giving his mother the freedom to spend her own money, whether for groceries or a church excursion to North Carolina, while giving him control of the nest egg to protect her from herself and others.

Sold by True Link, the debit card is among a handful of new financial products capitalizing on what the Senate Committee on Aging called an ‘invisible epidemic.’ The incidence of fraud is rising, especially online, and experts warn that aging baby boomers will increasingly be the targets. True Link chief executive Kai Stinchcombe was moved to form his San Francisco start-up after his grandmother started writing small checks adding up to more than \$1,000 a month to a multitude of soliciting charities.

Banks, which often become aware of fraud against seniors, are also in a position to help. California now holds bank employees liable for failing to immediately report suspicious transactions and elder financial abuse to local law enforcement or adult protective agencies. The Bank of American Fork in Utah went further, introducing anti-fraud accounts for seniors in 2011 after seeing problems ranging from an older woman who repeatedly wired money to a lottery in Spain to a man with a drug problem looting his elderly mother’s account.

The Utah community bank’s anti-fraud product also has two separate accounts. The elderly customer has sole control over her primary savings account holding the bulk of her assets. A smaller secondary checking account is established for a caregiver or family member who needs access to help the senior with day-to-day expenditures. The customer can also grant a trusted family member the ability to go online and monitor the seniors’ or caregivers’ transactions in the

primary or secondary account. Although the product isn't a big money-maker, Tracey Larson, vice president, said, 'We're hoping more people use it in the future.'

Osborne selected from True Link's online menu of monitors and approvals for his mother's debit card. He has prohibited ATM withdrawals over \$50, cash-back purchases, and purchases charged to the card by telemarketers, casinos, liquor stores, charitable organizations, overseas organizations, and problem merchants that have been identified by True Link. He also receives text messages describing purchases over \$100. His mother no longer has carte blanche, but the True Link card preserves her dignity. For example, if her friends take her out to lunch on Sunday, he said, it 'gives her the ability to pay her way or pick up the tab for everyone'."

Unfortunately, financial exploitation of older adults isn't going away. Demographic trends would suggest just the opposite, with greater numbers of us achieving late life every day. We each need to be aware and proactive.