



## Elder Financial Abuse

by Kate Alexander for *The Sturbridge Times*, May 2018

Financial exploitation of our seniors is a problem. We likely all know of a senior that has been approached by a financial predator. Many of us even know someone that has fallen victim.

In a 2017 national survey done by the Cooperative Credit Union Association, results showed that more than two-thirds of familial caretakers reported that their elderly relatives were once a target of a fraud or scam, with 28% of the elderly actually being the victim of a scam. According to National Adult Protective Services, one out of nine seniors experiences financial exploitation but *only one in 44 will ever report it*. That's scary!

### 28% of the elderly have fallen victim to financial scams.

The predators are stealthy, often calling or emailing with emotional warfare that is entirely believable. Popular ones we have experienced with our senior members at Southbridge Credit Union include:

- IRS calling stating that there is a warrant out for the intended victim's arrest due to tax fraud and they must pay \$XXX immediately.
- An email stating that a family member is in jail and money must be wired to get them out immediately.
- An email stating that the target has won the lottery and can claim \$XXX once they wire taxes in.
- An email or phone call from "Microsoft" saying that their computer has been hacked and infected by a virus and they need to pay \$XXX for an expert to log in and fix it. (Only to hand over total access to all online financial accounts).
- A contractor coming to the house offering to do a specific project for a discount by paying cash up front and scheduling the work at a later date.

These are just some samples that we have experienced at SCU. Some of you are reading this wondering; who would fall for this? Well, someone that I know really well, that I may or may not have lived with for the first 18 years of my life, may or may not have fallen victim to this. To protect their identities, I will refer to them as Subject A.

Subject A was on her computer when it froze up and she simultaneously received a phone call from Microsoft telling her that she needed to quickly allow access for a Microsoft Engineer

to clear the virus from her computer. This would only cost \$275. Subject A paid the \$275 and within minutes gave over complete control of her online world. In her case, she also realized something wasn't right about this and immediately called her son-in-law, who happens to be a network manager, for help. He rectified the situation, for free, disputed the charge and so far Subject A has not experienced ANY loss other than peace of mind. This could have been much more catastrophic.

How can we prevent this? Here are a few ways:

- 1 Start by simply talking with the seniors in our life.** It is NOT a sign of weakness or cognitive impairment—on the contrary, it is financially savvy to have a plan set up now.
- 2 Work with your financial institutions to set up documentation to allow one or even multiple trusted advisors to oversee financial accounts of seniors.** This is not to give up negotiating power entirely, but to make sure there is someone that is trusted that can be able to recognize a change in habits. One of the first symptoms that presents when a senior has fallen prey, is some type of atypical transaction such as a large transfer or the opening or closing of accounts. Allowing an advisor to keep an eye on these things can allow for early detection that fraud is happening.
- 3 Visit this topic frequently—vigilance is key.** It can be perceived as embarrassing, but as someone in the financial industry, I can tell you I have seen some of the smartest and most recognizable people in town that have fallen prey to these scam artists. Share your stories with friends, regular conversation is important.
- 4 Get on the Do Not Call registry.** You can register your telephone number with the Federal Trade Commission's Do Not Call Registry either online at [www.donotcall.gov](http://www.donotcall.gov) or by calling 888-382-1222. This is not foolproof, however, at the very least it may limit your number of calls from sales people or politicians.
- 5 Consider meeting with an attorney that specializes in Elder Law and Estate Planning.** You may consider a revocable trust. This is a popular choice for seniors as they do NOT give up ownership of their accounts. It

acts as a way to assign trustees that can step in and access your accounts without them taking ownership as in the case of a joint account.

- 6 Here is one that may make you cringe if you are like the seniors that I know—limit your use of cash.** Using a debit card or check leaves a paper trail and is easier to investigate and in some cases recover funds. That scam contractor that offered to do your roof next week for half price if you pay him today in \$500 cash—you may never see the roof fixed or those dollar bills again.
- 7 Lastly—if it sounds too good to be true.... well, it probably is.** Never feel pressured to make rushed financial decisions. If you are uncomfortable at all, pause, and ask if you can call the person or email back. Check references and if they are legit, they will not mind it. If they do not want to wait for your commitment, that should be a huge red flag.

**If you or someone you know has been the victim of exploitation, reach out to your financial institution as fast as possible.**

If you or someone you know has been the victim of exploitation, reach out to your financial institution as fast as possible. Theft should also be reported to local law enforcement. There are new laws and regulations that have been passed on this topic, so please also seek help at The National Center on Elder Abuse for local resources: <http://ncea.acl.gov/>