

**Statement for the Record**  
*On Behalf of the*  
**American Bankers Association**  
*Before the*  
**Special Committee on Aging**  
of the  
**United States Senate**  
**September 22, 2022**



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Chairman Casey, Ranking Member Scott, and distinguished Members of the Committee, the American Bankers Association<sup>1</sup> (ABA) appreciates the opportunity to submit a statement for the record regarding the hearing titled, “Stopping Senior Scams: Empowering Communities to Fight Fraud.”

Over the past several years, there has been an increasing trend in criminal activity targeting America’s seniors. With the onset of the COVID-19 pandemic, financial fraud became more pronounced as a result of isolation from lockdowns and social distancing. Scammers capitalized on societal disruptions and are using a variety of tactics to manipulate and victimize seniors. They may go door-to-door or utilize social engineering techniques, phone calls, texts, emails, social media, and other approaches to steal seniors’ financial assets and identities.

Given the circumstances seniors are facing, ABA, its non-profit foundation, and the banking industry are expanding their commitment to protecting America’s elders and are taking specific steps to combat elder financial exploitation.

## **Background**

Often referred to as the “age wave,” the United States is in the midst of a demographic transition. Ten thousand Baby Boomers<sup>2</sup> are turning 65 every day and will continue to do so until 2030 – at which point 20 percent of the nation will be of “retirement age.” Just four years later, by 2034, there will be more people aged 65 and older than children for the first time in our nation’s history.<sup>3</sup> This shift is affecting people and industries alike throughout the country, and the financial services sector is no exception.

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<sup>1</sup> The American Bankers Association is the voice of the nation’s \$23.7 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2 million people, safeguard \$19.6 trillion in deposits and extend \$11.8 trillion in loans.

<sup>2</sup> Defined by the U.S. Census Bureau as people born between 1946 and 1964.

<sup>3</sup> <https://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html>.

Older people tend to have more wealth than their younger counterparts. The most recent Federal Reserve Survey of Consumer Finances notes that the median net worth of people under 35 is \$13,900, while the median net worth of people aged 65-74 is nearly 20 times that at \$266,400.<sup>4</sup> This fact is one of the reasons that elders are attractive targets for fraudsters.

Each year, older Americans lose billions of dollars to financial exploitation. Citing exact losses is difficult as older adults are often reluctant to report abuse. According to the New York State Elder Abuse Prevalence Study, only 1 in 44 cases is typically reported.<sup>5</sup> However, the Financial Crimes Enforcement Network indicates that financial exploitation “affects at least 10 percent of older adults each year,”<sup>6</sup> while AARP reports that average losses are as high as \$120,000 per victim.<sup>7</sup>

Losses from such abuse are significant and take an emotional toll on top of the financial impact. Victims often become depressed and experience intense feelings of shame as well as fear. Many lose their savings, while others may also lose their homes and suffer greater risks of mortality,<sup>8</sup> harming one of America’s most vulnerable populations.

Recognizing the challenges facing America’s older population, both ABA and the banking industry take protecting older customers seriously and are actively working to safeguard seniors and combat elder financial exploitation.

### **American Bankers Association Efforts to Protect Seniors**

Given the seriousness of the issues facing older customers, ABA works through its non-profit foundation to ensure that all banks, irrespective of membership status, can access tools and resources to prevent, detect, and combat elder financial exploitation. ABA and the ABA Foundation utilize a multi-pronged approach, involving education, partnerships, research, and training to stem abuse.

#### Education

The ABA Foundation offers banks a free toolkit on “Protecting the Financial Security of Older Americans.” This three-part resource is designed to help banks develop a framework on educating and engaging their communities on preventing elder financial exploitation.

Since 2016, 1600 banks have participated in the ABA Foundation’s [Safe Banking for Seniors](#) program.<sup>9</sup> Through the free initiative, participating banks have access to turnkey materials to inform their communities about avoiding scams, choosing

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<sup>4</sup> <https://www.federalreserve.gov/publications/files/scf20.pdf>

<sup>5</sup> <https://ocfs.ny.gov/reports/aps/Under-the-Radar-2011May12.pdf>

<sup>6</sup> <https://www.fincen.gov/sites/default/files/advisory/2022-0615/FinCEN%20Advisory%20Elder%20Financial%20Exploitation%20FINAL%20508.pdf>

<sup>7</sup> <https://www.aarp.org/ppi/info-2020/the-thief-who-knows-you-the-cost-of-elder-exploitation-examined.html>

<sup>8</sup> <https://www.sec.gov/files/elder-financial-exploitation.pdf>

<sup>9</sup> <https://www.aba.com/seniors>

executors, financial caregiving, preventing identity theft, and understanding powers of attorney. Banks use the materials to help empower their communities and lead a combination of in-person and virtual workshops, post videos and other content on social media, and share vital information during one-on-one conversations at teller stations. Recent program additions include videos on how scammers target seniors, family imposter scams, government imposter scams, lottery scams, money mule scams, sweetheart scams, and tech support scams.<sup>10</sup> All of the resources are available at no cost to both ABA member and non-member banks.

Through a partnership with the Federal Trade Commission, the ABA Foundation also developed infographics to raise awareness about scams that disproportionately affect older customers. Banks and non-banks alike can freely access and disseminate materials on: [Fake Check Scams](#), [Government Imposter Scams](#), [Imposter Scams](#), [Money Mule Scams](#), [Online Dating Scams](#), and [Phishing Scams](#).<sup>11</sup>

While not targeted exclusively to seniors, ABA's award-winning [#BanksNeverAskThat](#) anti-phishing campaign provides real-world tips for consumers on how to identify common phishing scams and protect themselves.<sup>12</sup> More than 2000 banks across the country have participated in the industry-wide campaign since its launch in 2019. The latest iteration launches in October 2022.

### Partnerships

The ABA Foundation participates on the National Adult Protective Services Association's (NAPSA) Financial Exploitation Advisory Board (FEAB) to support efforts to encourage and improve collaboration and communication between banks and adult protective services in combating financial exploitation.

The ABA Foundation also partners with the National Sheriffs Association in supporting efforts to train sheriffs' offices around the country about the most prevalent scams against seniors.

ABA works closely with 51 state banker associations from the 50 states and Puerto Rico to provide training and resources to their banking members on protecting seniors. Sample collaborations include joint efforts with the Maryland Bankers Association, Michigan Bankers Association, and the Virginia Bankers Association to create elder financial exploitation prevention summits for bank members.

The ABA has partnered with the [National Cybersecurity Alliance](#)<sup>13</sup> for many years on efforts to educate consumers on safe computing practices as part of the annual National Cybersecurity Awareness Month observance, which is held each October.

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<sup>10</sup> <https://www.aba.com/about-us/press-room/press-releases/raise-awareness-on-senior-scams>

<sup>11</sup> <https://www.aba.com/advocacy/community-programs/consumer-resources/protect-your-money>

<sup>12</sup> <https://www.banksneveraskthat.com/>

<sup>13</sup> <https://staysafeonline.org/>

ABA also supports the U.S. Department of Justice’s annual Money Mule Initiative (MMI) to raise awareness about money mule scams.

### Research

Since 2017, the ABA Foundation has conducted three biennial Older Americans Benchmarking Surveys to understand the latest products and services banks offer older customers, the training they offer staff on identifying elder financial exploitation, and how banks are educating their older customers about safeguarding their financial assets and identities.<sup>14</sup>

### Training

ABA offers an online module on elder financial exploitation prevention through our Frontline Compliance Training program.<sup>15</sup> The course teaches bankers about how to identify elder financial exploitation, understand how seniors are vulnerable to financial exploitation, and the role banks play in recognizing and reporting signs of exploitation. Annually, more than 50,000 bankers take the course.

The ABA Foundation developed a resource titled, “Protecting Seniors: A Bank Resource Guide for Partnering with Law Enforcement and Adult Protective Services.”<sup>16</sup> It provides banks with key information on financial scams, observing changes in consumer activity, the roles of adult protective services and law enforcement in combating senior scams, and ways to collaborate with community partners.

Each year, in collaboration with the American Bar Association, the ABA hosts a dedicated panel on elder financial exploitation through the ABA/ABA Financial Crimes Enforcement Conference. Panelists generally include bank regulators, banking professionals, law enforcement, federal agents, and others who speak about ways to effectively combat elder scams and fraud.

Since the onset of the COVID-19 pandemic, ABA created the Senior Protection Taskforce, a forum open to all member banks to discuss challenges and best practices in combatting scams and protecting older customers. Bankers meet virtually three times a year to assess trends, compare notes, and learn from each other.

Additionally, the ABA Foundation hosts several free webinars for the banking industry on a variety of topics relating to safeguarding seniors, including identifying scams, bank partnerships to protect elders, caregiver support, cognitive decline, as well as tackling money mules, among other subjects.

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<sup>14</sup> <https://www.aba.com/news-research/research-analysis/older-americans-benchmarking-report>

<sup>15</sup> <https://www.aba.com/training-events/online-training/elder-financial-exploitation>

<sup>16</sup> <https://www.aba.com/-/media/documents/about/foundation/protecting-seniors-partnership-guide.pdf?rev=4a5f4507c56741d3a582cbe7199c4930>

## Banking Our Nation's Seniors

Older customers comprise the bulk of bank depositors and hold the lion's share of bank deposit balances. As such, banks of all sizes and charters are dedicated to supporting their older customers and safeguarding them from scams. Banks utilize several strategies to protect their customers and communities, including:

### Account Monitoring

Banks assign staff to review accounts of older customers when they suspect potential exploitation, flag affected accounts, utilize automated tools and algorithms to monitor and detect unusual activity, and may also open new accounts after closing affected ones for victimized customers. Banks are also increasingly working with fintech companies such as Carefull<sup>17</sup> and EverSafe<sup>18</sup> to incorporate artificial intelligence in their arsenal of fraud prevention tools to mitigate against elder financial exploitation.

### Advocacy

Banks have been working with their state bankers associations to enact state laws that allow for greater communication and information sharing with adult protective services and permit delaying transactions when they suspect financial exploitation. Examples include:

- New Hampshire Senate Bill 385, which allows banks to delay transactions to help combat financial exploitation.<sup>19</sup>
- Maryland Senate Bill 175, which requires financial institutions to disclose financial records to adult protective services when investigating cases of financial exploitation.<sup>20</sup> This requirement removes any potential legal ramifications against banks for sharing customer information.

### Consumer Outreach & Education

Banks recognize that education plays a significant role in understanding how criminals target seniors. Accordingly, banks of all sizes engage in a variety of consumer outreach and education efforts to inform their communities. Some examples include:

- Large Banks
  - o Bank of America offers the Security Center as a dedicated web resource with tools and tips consumers can take to help protect their personal and financial information from fraud, learn about red flags, and how to avoid scams. Bank of America also offers the Better Money Habits™ program, which is a free financial education resource dedicated to helping people

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<sup>17</sup> <https://www.getcarefull.com/>

<sup>18</sup> <https://www.eversafe.com/>

<sup>19</sup> [http://www.gencourt.state.nh.us/bill\\_status/pdf.aspx?id=31799&q=billVersion](http://www.gencourt.state.nh.us/bill_status/pdf.aspx?id=31799&q=billVersion)

<sup>20</sup> <https://legiscan.com/MD/bill/SB175/2022>

manage their money, and includes specific information on financial caregiving, privacy, and security.

- Citi, in partnership with the ABA Foundation, has galvanized a national cadre of bank volunteers to lead Safe Banking for Seniors presentations in communities across the country.
- JPMorgan Chase, in collaboration with AARP, was the first large bank to train all of its retail branch bankers with AARP's BankSafe training program, helping bankers spot scams and teaching them how to talk to older customers about banking safely. Using the Consumer Financial Protection Bureau's Money Smart for Older Adults, Chase also leads educational workshops in retirement communities, branches, and other locations to inform seniors about how they can protect their financial assets.
- Wells Fargo instituted an Elder Client Initiative to help coordinate internal stakeholders and educate older customers as well as their families about preventing scams and financial abuse. Wells Fargo offers a free "Hands on Banking" program that includes information tailored to help seniors manage their money safely.

- Regional Banks

- MidFirst Bank's "MoneyMoments" financial education program supports financial literacy among people of all ages. As part of the program, their team of bank educators lead movie-themed fraud prevention workshops and distribute senior fraud crossword puzzles to area senior centers to help seniors prevent victimization. To creatively reach seniors, they printed a fraud infographic in a local senior journal and their fraud director has served as a guest host on a senior radio station to discuss scams.
- Old National Bank created the "Money Safety for Seniors" program to enable anyone in the bank's footprint to freely request and participate in a class on how to detect, protect against, and report financial exploitation of seniors.
- U.S. Bank offers a collection of educational articles and videos that elders and their loved ones can access to learn strategies for protecting themselves and their assets from financial exploitation. The free content includes tips to help people recognize and report common financial scams, stay safe online, and have conversations about financial caregiving with loved ones.

- Community Banks

- Amboy Bank created the "Protecting Our Seniors" program, focused on educating seniors in the community about identity theft and financial exploitation. Through the program, they share content via bank mailings, posters, seminars, and a dedicated Senior Safety webpage housed on the bank's website.
- Bank of the Rockies instituted the Senior Champions program at bank branches. Within each branch, the Champions facilitate outreach events to

- educate seniors about scams, take targeted approaches to connect with socially isolated seniors, and engage elder justice community stakeholders to help protect older people in the bank's footprint.
- First Community Bank partners with the Senior Housing Crime Prevention Foundation to support the Senior Crimestoppers program and leads educational sessions, such as "Cyber Savvy Seniors" to educate older people in the community.
  - Somerset Trust Company hosts financial literacy and fraud seminars throughout the bank's footprint to help people identify scams against seniors. The bank also participates in an annual Elder Justice Day seminar with the local Area Agency on Aging and the Pennsylvania Link to educate seniors and caregivers about avoiding financial scams and accessing victim services.

### Training

In addition to required fraud prevention training, banks typically offer additional elder financial exploitation prevention training for their frontline staff. According to the ABA Foundation's 2021 Older Americans Benchmarking Survey, 99% of bank respondents indicated that they offer elder financial exploitation prevention training on how to detect, prevent and report financial exploitation for their customer service representatives. More than eight in ten respondents provide the training at least once a year. Some banks, such as Incredible Bank based in Wausau, WI also provide Dementia Friendly Training to inform bankers how dementia impacts customers' financial security.

### **Recommendation**

The United States would benefit from a national reporting system that would allow all financial institutions to easily report suspected elder financial exploitation into one central location. This system should be accessible to law enforcement, adult protective services, and banking supervisors to access details and request records to appropriately investigate cases while ensuring that the privacy and data security of affected seniors is protected. Such a system would minimize reporting delays that result from individual state requirements and reporting challenges that national and regional banks often experience when working across multiple state lines. Time is often of the essence to stop or thwart financial exploitation.

At the same time, it is important for financial institutions to be protected from liability and any system developed should include "Safe Harbor" protections for financial institutions when sharing customer information with law enforcement, adult protective services, and other appropriate government officials regarding suspected elder fraud exploitation.

### **Conclusion**

ABA and America's banks are committed to protecting older customers. We appreciate the Committee's decision to examine scams and abuses facing our nation's seniors.



ABA and its members are available as a resource as you work to support America's elders across the nation.