

Combating Elder Financial Exploitation



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- Slides will advance automatically
- Everyone is in listen only mode
- Submit questions through the Q&A Chat Box
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Combating Elder Financial Exploitation

Jacqueline Blaes-Freed
Assistant Director
Consumer Protection Branch



CONSUMER PROTECTION BRANCH

- Enforce laws that protect consumers' health, safety, and economic security
- Civil and criminal authority
- Embedded law enforcement agents, investigators, and analysts
- Coordinating member of the Department's Elder Justice Initiative, Transnational Elder Fraud Strike Force, and Money Mule Initiative

RECENT CASES/EFFORTS

- New York Man Enters Guilty Plea to Laundering Monies Connected to Proceeds from Facilitating Fraudulent Robocalls
- Multiple Defendants in “Grandparent Scam” Network Indicted for Racketeering Conspiracy
- Jamaican National Pleads Guilty to Defrauding Older Adults Through Jamaica-Based Lottery Scam
- Mastermind Behind \$300 Million Ponzi Scheme Targeting Retirees and Military Pension Holders, Sentenced to 10 Years
- Federal Jury Convicts Two for Operating Mass Mailing Fraud Scheme

Disclaimer

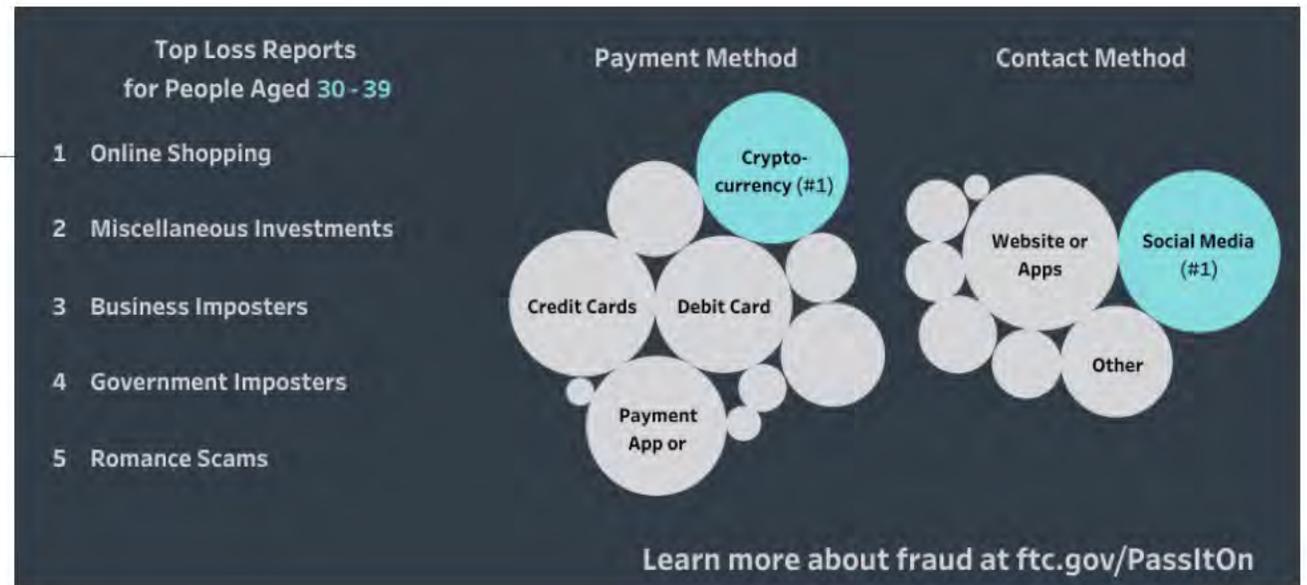
Context and Trends

ELDER FRAUD IN CONTEXT

- What is “elder fraud”?
- Over \$1 billion in losses reported to FBI’s IC3 alone, over 100,000 complaints, totaling 28% of all losses reported to IC3
- Perpetrators live next door and across the globe
 - One study from the CFPB indicated financial institutions about half of perpetrators are known to the victim and half are strangers
 - Another study from FinCEN indicated that of scam-related SARs, 66% of older adults transferred money to a foreign location

FRAUD AND AGE

- Less likely to report losing money, but have higher median losses
- More likely than younger to send money to tech scams, sweepstake scams, and family and friend imposer scams
- Highest aggregate to romance scams, business imposter scams, and investment scams.
- Sweepstakes scams account for highest losses for those over 80



IMPOSTER SCHEMES ARE CHANGING

FTC CONSUMER SENTINEL NETWORK

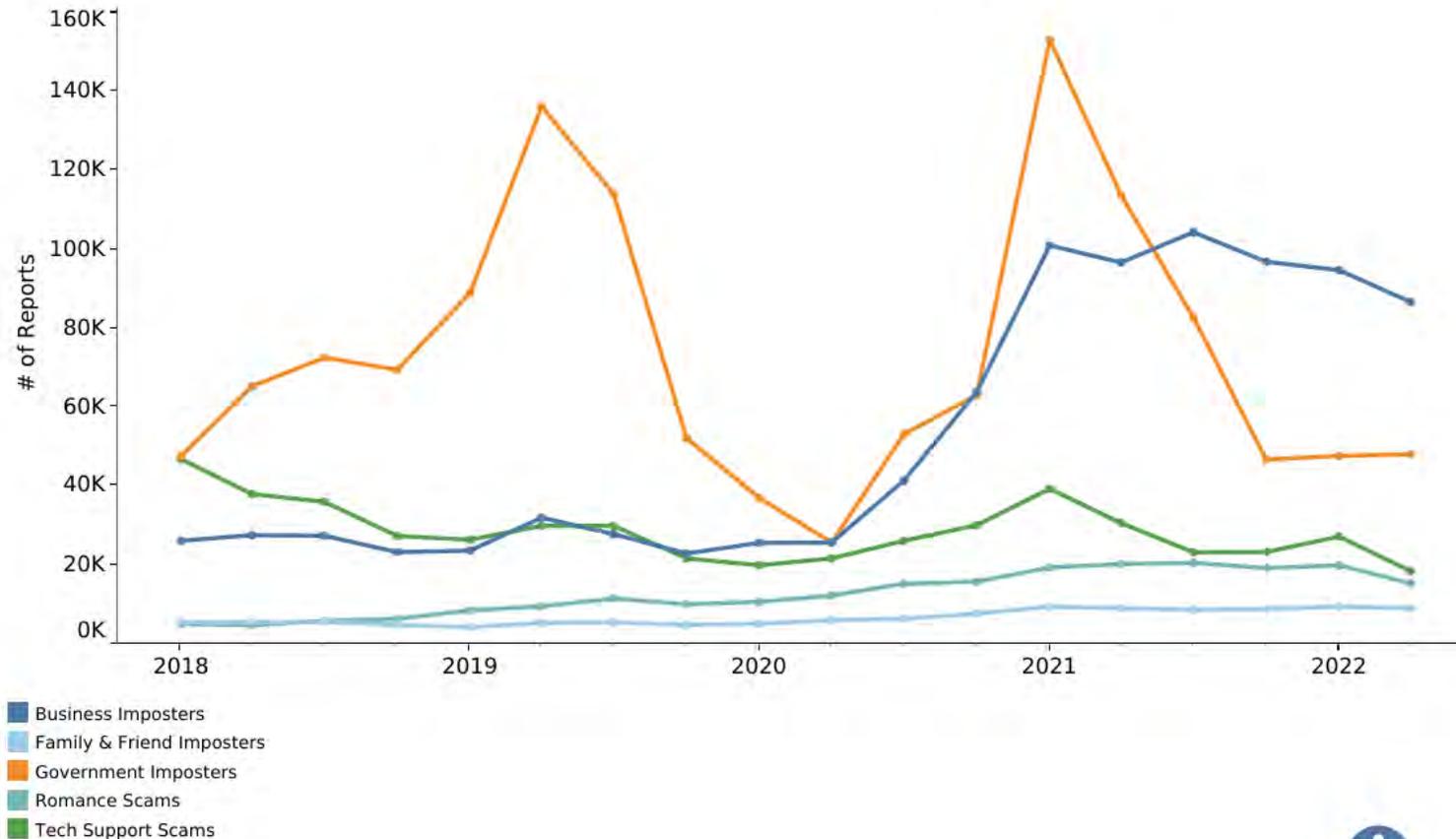
Published July 20, 2022
(data as of June 30, 2022)

Report Subcategories
Category: Imposter Scams

View
Line Graph

Category
Imposter Scams

Subcategory
All



Unspecified reports not included.



Federal Elder Fraud Efforts

ELDER FRAUD INFRASTRUCTURE

- Elder Justice Coordinator in every U.S. Attorney's Office
 - Local working groups or task forces
- Strong Interagency Partnerships
 - Money Mule Initiative
- Transnational Elder Fraud Strike Force
- Developing Foreign Law Enforcement Relationships

OVERALL STRATEGY

- Disrupt, Investigate, Prosecute
- Facilitators and Perpetrators
- Prevention Efforts

SARs and Typologies

BSA FILINGS ARE KEY

- Enables proactive lead generation
- Ability to focus on perpetrator and facilitators
- Trends and typology insights
- Assists with allocation of resources
- Monitoring

HOW DO WE LOOK

- I know what I want
 - Create a fairly direct query on entity or typology
 - Set an alert

- I'll know it when I see it
 - Use broad parameters

WHAT DOES THIS MEAN FOR ME?

- Know your value
- SAR review is wheat and chaff
 - Reduce false positive
 - Reduce user fatigue
 - Don't bury the lede
 - Know what you have (when you can)
- Narrative v. back-up documents



FinCEN Issues Advisory on Elder Financial Exploitation

Immediate Release: June 15, 2022

Urges Financial Institutions to Aid in Combatting Growing Threat

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) is issuing an [advisory](#) to alert financial institutions to the rising trend of elder financial exploitation (EFE). EFE involves the illegal or improper use of an older adult's funds, property, or assets, and is often perpetrated either through theft or scams. The advisory highlights new EFE typologies and red flags since FinCEN issued its first advisory on the issue in 2011.

"FinCEN is proud to support [World Elder Abuse Awareness Day](#) and call attention to a concerning and tragic rise in elder financial exploitation. Older adults should not have to endure abuse by criminals who seek to defraud them of their lifelong savings, or who wish to lure them into scams or schemes under false pretenses," said FinCEN Acting Director Himamauli Das.

"Financial institutions serve on the frontlines in protecting their older customers' finances, and can play a critical role in helping to identify, prevent, and report suspected elder financial exploitation. Financial institutions' vigilance matters. Their reporting matters."

In 2021, financial institutions filed 72,000 Suspicious Activity Reports (SARs) related to EFE. As referenced in the advisory, this represents an increase of 10,000 SARs over the previous year's filings. The Consumer Financial Protection Bureau (CFPB)'s estimate of the dollar value of suspicious transactions linked to EFE has similarly increased—from \$2.6 billion in 2019 to \$3.4 billion in 2020. This is the largest year-to-year increase since 2013.

FINCEN's 2022 EFE ADVISORY

- Check the box and reference the Advisory
- Heightened awareness of both behavior and financial red flags
- Consistent terms

FINCEN's 2022 EFE ADVISORY – SAR FILING INSTRUCTIONS

- [T]he narrative section of the report is critical... Filers must provide a clear, complete, and concise description of the activity, including what was unusual or irregular that caused suspicion.
- Filers are also encouraged to determine their obligations to report suspected EFE under state law and report suspected EFE to law enforcement and their state-based Adult Protective Services.

FINCEN's 2022 EFE ADVISORY – BEST PRACTICES

- Provide details about the reporting entity's response, e.g., whether accounts were closed, whether the person was warned that transactions appear to involve fraud, if the person was not permitted to conduct new transactions, etc.
- Take advantage of the law enforcement contact field to indicate if the suspicious activity was also reported to law enforcement or Adult Protective Services, as well as the name and phone number of the contact person.
- Provide direct liaisons or points of contact at the reporting entity related to the SAR so investigators can ask questions and request additional documentation in a timely manner.

TYPOLOGIES

- Elder Theft: Trust Person
- Elder Scam: Stranger or Imposter
 - Government imposter scams
 - Romance scams
 - Emergency/person-in-need scams
 - Lottery and sweepstakes scams
 - Tech and customer support scams

Elder Scam: Stranger or Imposter

- Common characteristics
 - Heightened emotion
 - Urgency
 - Isolation

Elder Scam: Stranger or Imposter

- An older customer is agitated or frenzied about the need to send money immediately in the face of a purported emergency of a loved one, but the money would be sent to the account of a seemingly unconnected third-party business or individual.
- During a transaction, an older customer appears to be taking direction from someone with whom they are speaking on a cell phone, and the older customer seems nervous, leery, or unwilling to hang up.
- An older customer mentions how an online friend or romantic partner is asking them to receive and forward money to one or more individuals on their behalf or open a bank account for a “business opportunity.”

Elder Scam: Stranger or Imposter

- An older customer receives and transfers money interstate or abroad to recipients with whom they have no in-person relationship, and the explanation seems suspicious or indicative of a scam or money mule scheme.
- Frequent large withdrawals, including daily maximum currency withdrawals from an ATM.
- Dormant accounts with large balances begin to show constant withdrawals.

Elder Scam: Stranger or Imposter

- Spectrum of options
 - Warning letters
 - Knock and talks
 - Civil Injunctions
 - Criminal Prosecutions

But what else?

- Seek out, build, and nurture your relationships
- Consider interventions



NATIONAL ELDER FRAUD HOTLINE

1-833-FRAUD-11

1-833-372-8311

Providing Help, Restoring Hope

What to expect when you call.



We will respond quickly. Your call will be answered within three rings.



You will be assigned a case manager, who will remain your point of contact.



You will always be treated with understanding and respect.

State

Minnesota

Neighborhood | List



ELDER ABUSE SHELTERS

Alexandra House, Inc. 
Phone: 763-780-2330

Cornerstone Advocacy Services 
Phone: 866-223-1111



DEPARTMENT OF JUSTICE

ElderJustice INITIATIVE





Train Bankers



Educate Communities



Cultivate Partnerships

Banker Training



Menu

1 Course Introduction



2 Victims of Elder Financial Exploitation



3 Identifying Elder Exploitation



4 The Law and Elder Financial Abuse



5 Recognizing Signs of Elder Financial Exploitation



6 Course Conclusion



www.aba.com/Frontline

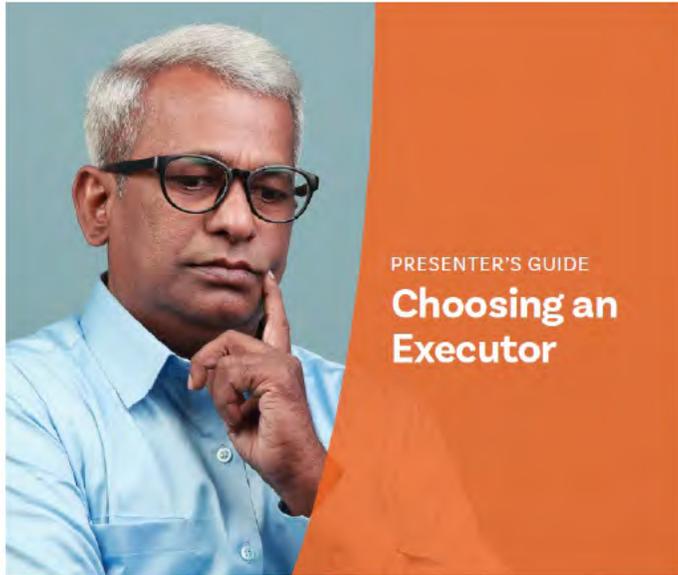


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Educating Communities



SAFE BANKING
FOR SENIORS®



PRESENTER'S GUIDE
**Choosing an
Executor**



PRESENTER'S GUIDE
**Choosing
a Financial
Caregiver**



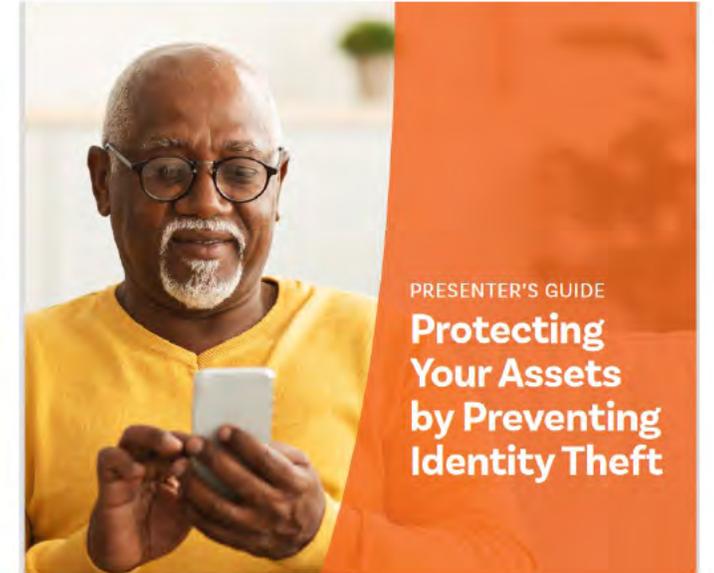
PRESENTER'S GUIDE
**Understanding
Powers of
Attorney**



PRESENTER'S GUIDE
**Identifying
and Avoiding
Scams**



PRESENTER'S GUIDE
**Acting as a
Responsible
Financial
Caregiver**



PRESENTER'S GUIDE
**Protecting
Your Assets
by Preventing
Identity Theft**



PRESENTER'S GUIDE

Identifying and Avoiding Scams



ABA FOUNDATION



Overview, Objectives and Concepts

OVERVIEW
Scammers target older customers because of the size of their assets, their tendency to be more trusting, the likelihood of their being stressed by family, medical and financial problems, their concern about having enough money and their embarrassment about admitting they've been duped. Seniors are also more likely to be suffering from declining cognitive skills, making them even more vulnerable to fraud and manipulation.

For many seniors, their bank is a familiar, well known, trusted financial resource that has great credibility in educating them about scams and ways to protect themselves from fraud and other forms of financial exploitation, and what to do if they become victims. Banks also play an important role in alerting the elderly to unfolding scams and taking preventive measures to protect their customers' assets.

OBJECTIVES
The participants will be able to:

- Understand the nature of scams and recognize the warning signs
- Take appropriate action if they become the victim of fraud
- Build protective barriers against scams
- Appreciate the role that banks can play in helping them to avoid and deal with financial fraud and exploitation

Time Needed: 60 to 75 minutes

CONCEPTS TAUGHT

- The purpose of a scam is to separate you from your money.
- There are several basic types of scams with constantly changing variations.
- Scams succeed because the proposition seems plausible, they appeal to the emotions and the scammers are highly believable.
- Seniors may be especially vulnerable to certain kinds of fraud and exploitation.
- Recognizing the key warning signs of a scam can help you avoid them.
- You can protect yourself against scams by taking certain precautions.
- It's not embarrassing to become the victim of fraud, but it's important to tell someone you trust and take immediate action to avoid further losses.
- Banks can help you detect financial scams and protect your assets.



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1. IDENTIFYING AND AVOIDING SCAMS

With the title page of the presentation showing, introduce yourself and your bank.

Explain that today's workshop is part of a series focused on financial topics that are important to seniors, and how it fits in with the other sessions in the series:

- Protecting Your Assets by Preventing Identity Theft
- Choosing a Financial Caregiver

If your bank has already held these sessions, or if they're part of a day-long program, ask if any of the people present attended other sessions. If so, you might want to ask them if there was something they learned they hadn't known before, or one thing that they would do differently now as the result of the presentation.

Explain that today's topic is scams, a topic that seniors are deeply concerned about, in many cases because they know someone who has been victimized and may feel vulnerable themselves.

Point out that it is a huge topic, in part because there are new scammers and new scams—or new twists on old scams—all the time. Scams come in all varieties—there's a list of 30 different types on the Federal Trade Commission's website, www.consumer.ftc.gov/scam-alerts. The ones we'll focus on today are those that are often directed at seniors.



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1

What We'll Discuss

- What a scam is
- Why scams work
- Types of scams
- Warning signs of scams
- Building scam defenses

2

What is a Scam?

- A scam is a trick a con artist plays on an unsuspecting victim
- The goal is to extort money
- If the scam succeeds, the victim's money is gone and so is the scammer

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Profile of a Scammer

A master of persuasion with a plausible story, or the ultimate salesperson with a tempting offer.

- Easily pinpoints a victim's vulnerabilities
- Quickly gains trust
- Shows no mercy

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How Scammers Find You

- Buy contact information
- Prowl online and on social media sites
- Infiltrate groups to which you belong
- Go door to door

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Scammers and Victims

- Scammers are highly skilled at their trade
 - Appeal to emotions: sympathy, fear, loneliness
 - Don't take "no" for an answer
 - Insist on secrecy
- Victims are vulnerable

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Solving the Scam Problem

- The scam problem has one solution: knowing how to protect yourself
- To do that, you must recognize a scam when you see it!

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The Variety of Scams

- Giveaways: winning prize, lottery, free trip
- Sweetheart
- Family Imposter
- Government Imposter
- Tech Support
- Phony charities
- Investment tips or deals "too good to pass up"
- Contractor

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Giveaway Scams

- Letter, email or call that's "thrilled" to announce you're a winner
- Requires an immediate response
- Requests up front payment to
 - Release winnings
 - Secure the reservation
 - Prepay taxes

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Sweetheart Scams

- Scammers create fake profiles on dating sites, apps, or social media sites
- They work to build trust and profess love quickly
- Often state they're outside the USA
- Ask for money

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Family Imposter Scams

- Urgent call from scammer posing as family member or dear friend
- Family member or caller in serious trouble
- Money required immediately to resolve problem
- Secrecy is paramount

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Government Imposter Scams

- Scammers say:
 - you did not appear for jury duty
 - your Social Security or Medicare benefits have been suspended
 - you owe back taxes or there's a problem with your return and ask you to verify your information
- You can avoid prosecution, arrest, or deportation if you pay what's due within 24 hours
- Payment must be made by wire transfer, gift card, banker's check, or cryptocurrency.

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Tech Support Scams

- Pop up warning with a fake error message and a number to call
- You may receive a phone call from scammer impersonating representatives from a technology company, like Apple, Google, or Microsoft
- Criminals try to convince victims to provide remote access to their computers to "troubleshoot" an issue
- The goal is to get your money and access your personal information.

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Charity Scams

- Urgent plea for humanitarian help
- Pressure to make immediate donation
- Sometimes quasi legitimate
- Sometimes little more than a sad story and a carefully chosen name

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Investment Scams

- Investment described as risk free
- Above average return guaranteed
- Immediate purchase often required
- Fees and commissions ignored or obscured

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Contractor Scams

- Solicits a job by pointing out an "urgent" problem
- Asks for up front payment in cash
- Begins the job, but claims it's much more serious than initially thought
- Demands more money
- Disappears with the work unfinished

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Spotting Scams

All scams have warning signs

- Immediate action required
- Insistence on secrecy
- Money needed up front
- Hard to track payment methods

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Why Seniors are Targeted by Scammers

- Regular income, lifetime of assets
- May be more trusting or willing to listen
- May be grateful for attention
- May be eager to help when they can

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Contributing Factors

- Fear of outliving assets
- Less mentally alert
- Less financially astute
- Less internet savvy

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Block Those Scammers

- Register with National Do Not Call Registry at www.donotcall.gov to limit phone calls
- Register with www.DMAchoix.org to limit junk mail
- Use anti virus software
- Be very cautious about clicking on email links
- Limit personal information on social media

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Build Your Scam Defenses

- Be suspicious of any situation that requires you to send money up front
- Assume that insistence on secrecy is a ploy to deceive
- Confirm all stories, offers or charities independently
- Choose the privacy settings on social media accounts

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If you're a Scam Victim

- Don't be embarrassed or afraid
- Tell someone you trust
- Report the scam to your bank
- Contact the police and federal agencies

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Red Flags for Elder Financial Abuse

The key to spotting financial abuse is to look for change in a person's established financial patterns. Watch out for these red flags:

1. Unusual activity in an older person's bank accounts, including large, frequent or unexplained withdrawals
2. Changing from a basic account to one that offers more complicated services the customer does not fully understand or need
3. Withdrawals from bank accounts or transfers between accounts the customer cannot explain
4. A new "best friend" accompanying an older person to the bank
5. Sudden non-sufficient fund activity or unpaid bills
6. Closing CDs or accounts without regard to penalties
7. Uncharacteristic attempts to wire large sums of money
8. Suspicious signatures on checks, or outright forgery
9. Confusion, fear or lack of awareness on the part of an older customer
10. Checks written as "loans" or "gifts"

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Tips to Help Older Adults Choose the Right Financial Caregiver

According to the National Center on Elder Abuse, almost 90 percent of the financial abuse committed against older Americans are at the hands of someone they know. Here are seven tips to help older Americans choose the right financial caregiver and prevent elder financial abuse:

1. **Delegate someone you trust to make financial decisions.** If you are unable to facilitate financial transactions, carefully choose a trustworthy person to act as your agent in all financial matters.
2. **Consider someone who is comfortable handling a lot of details** and is efficient in meeting deadlines.

IRS Imposter Scams

Scammers claiming to work for the Internal Revenue Service (IRS) may reach out via phone, email, or text to say you owe money to the government. Look out for any of these scenarios:

- **Taxes** – The fraudsters will say you owe taxes and demand that you pay right away. They usually require payment through a wire transfer, a prepaid debit or gift card, or funds via a mobile payment app. Often, the criminals will threaten arrest or deportation if you don't pay.
- **Information Verification** – The scammer will send you an email or text message that asks you to confirm or authenticate your personal information. The messages often include a link to click or another feature that requests sensitive financial information.

FAKE CHECK SCAMS

Did someone send you a check and ask you to send some money back?
THAT'S A SCAM!




Fake Check Scams

Fake checks continue to be one of the most common instruments used to commit fraud against consumers. Check out the joint infographic with tips on how to avoid fake check scams made by the @ABABankers Foundation and the @FTC: <https://bit.ly/2WJhZjn> #SafeBankingForSeniors

 Tweet

Avoid the Hook

Check it out.




- Look up the website or phone number for the company or person who's contacting you.
- Call that company or person directly. Use a number you know to be correct, not the number in the email or text.
- Tell them about the message you got.



Phishing Scams

Do you suspect you're being targeted by a phishing scam? Use the @ABABankers Foundation and @FTC's joint infographic to educate yourself: <https://bit.ly/39rg9GA> #SafeBankingForSeniors

 Tweet

Signs of an online dating scam

-  Professes love quickly
Claims to be from the U.S., but is overseas for business or military service.
-  Asks for money, and lures you off the dating site.
-  Claims to need money — for emergencies, hospital bills, or travel.
Plans to visit, but can't because of an emergency.



Romance Scams

Do you know the signs of an online dating scam? Red flags of romance scams include people who:

- Profess love quickly
- Lure you off the dating site
- Need money for emergencies

Learn more tips from the '@American Bankers Association' Foundation and the '@Federal Trade Commission' on romance scams: <https://bit.ly/2vs3Bkp>

SPECIFIC TIME / DURATION
Evergreen

 Post to timeline




Free banker resources to help protect older consumers from financial exploitation

Financial Abuse

Older adults lose billions of dollars each year to fraud. Financial abuse against older Americans can take many forms, from illegal debits, to third-party scams and even unauthorized withdrawals by an approved caregiver. Learn how to prevent elder financial abuse through these free resources from the '@American Bankers Association' Foundation: <https://bit.ly/2PLVA5r>

SPECIFIC TIME / DURATION
Evergreen

 Post to timeline



HOW SCAMMERS TARGET SENIORS



FAMILY IMPOSTOR SCAMS



LOTTERY SCAMS



MONEY MULE SCAMS



TECH SUPPORT SCAMS

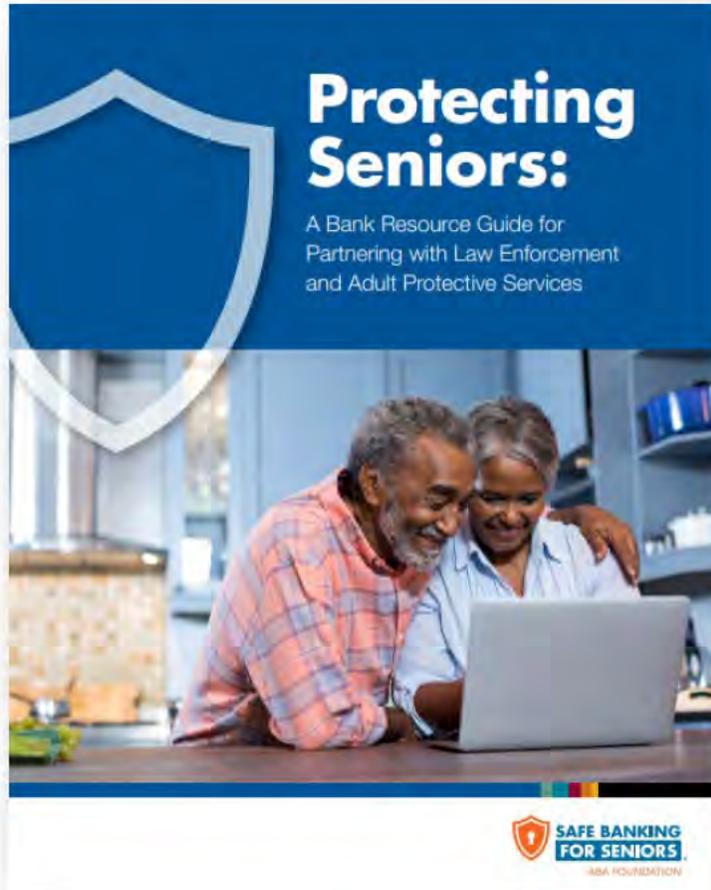


SWEETHEART SCAMS



GOVERNMENT IMPOSTOR SCAMS

Cultivating Partnerships



- Topics
 - State of Elder Financial Exploitation
 - Top Scams in Play
 - Roles of APS & Law Enforcement
 - Reporting
 - Partnering with APS & Law Enforcement

Safe Banking for Seniors

Safe Banking for Seniors

[SAFE BANKING FOR SENIORS FAQS](#)

[SAFE BANKING FOR SENIORS FINEDLINK](#)

[SBFS PARTICIPANT LISTING PAGE](#)

Safe Banking for Seniors (SBFS) is a free national program, sponsored by the ABA Foundation, that provides bankers with the tools and resources to help older adults, their families and caregivers prevent elder financial exploitation.

The program consist of six turn-key modules with presentations, resource sheets, guides and more to help bankers connect with their local communities to share about: identifying and avoiding scams; preventing identity theft; choosing a financial caregiver; acting as a responsible financial caregiver; understanding powers of attorney; and choosing executors.

[FREE REGISTRATION/UPDATE PARTICIPATION](#)

[CONSUMERS: REQUEST A "SAFE BANKING FOR SENIORS" PRESENTATION](#) >

About the Program

Banks of all sizes can access Safe Banking for Seniors materials for free simply by registering for the program. Within 24 hours of registration, bankers will receive a link to all Safe Banking for Seniors resources, including presentation lessons, participant activities, communications tools and promotional materials. The list of program participants is shared with State Bank Associations, policymakers and consumers.

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PLEASE DON'T HESITATE TO REACH OUT!



