

Preventing Financial Abuse and Exploitation of Older Adults

How Your Financial Institution Can Assist You

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Setting the Scene

Today's 65-and-over age group characteristics

Trust still part of the modern-day financial transaction

Why so much fraud, especially among seniors?

Account Ownership

How you title your bank account determines who has access to the money.

Single individual ownership: only you own the money and can initiate transactions.

Joint ownership with right of survivorship: More than one owner. Each has independent rights and access. Any joint owner can withdraw and close, so be careful with this. Only at death of all account owners is payable on death order honored.

Others: Power of Attorney, trust accounts, authorized signor.

Preventing Bank Account Fraud

Ensure your bank accounts are titled properly.

Account monitoring: statements, online/mobile

Prevent identity theft.

Use direct deposit and direct debit.

Reporting Bank Fraud

Main message: you are protected and almost always get your money back.

Reporting unauthorized transactions:

- 60 days after statement date on unauthorized transactions. You get your money back.

Forms:

On any disputed transaction, you as account holder will be required to fill out some type of form.

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Examples of past unauthorized transactions we have seen:

- Family members (as joint owners or not) steal checks and debit cards of seniors, spend money.
- Lottery/prize scams: you are notified you won, but to claim winnings you must pay an advance fee, and never get the winnings and lose the fee amount.
- Fake accident: convinces you a family member has been seriously injured or jailed and needs money for treatment or bail.
- Unauthorized ACH debits. Nothing prevents someone from originating an EFT on your account if the account number and routing number are known.
- Bank “phishing” or “spoofing”: this is hard to differentiate legitimate ones.
 - *Mail*
 - *Email*

Criminal charges:

The bank also presses charges against perpetrator to recover their own losses. Bank does not file charges on behalf of an account holder.

Summary

1. Your generation is very trusting, making you vulnerable to perpetrators. Be aware of the people involved in your life at this stage: family, caregivers, friends, strangers.
2. Know how your bank accounts are structured and ensure only the right people have access. It's your money, and the bank can only take action as you have directed in writing.
3. Monitor your bank account information and minimize exposure to identity theft. Be smart, be aware, be cautious.
4. Report unauthorized bank transactions at once (within 60 days). In most situations, you will get your money back. Bankers will work with you to assist.

**Questions, problems? Ask Matt at Denison State Bank
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Training for Seniors, Caregivers, and Community Supports on Financial Exploitation

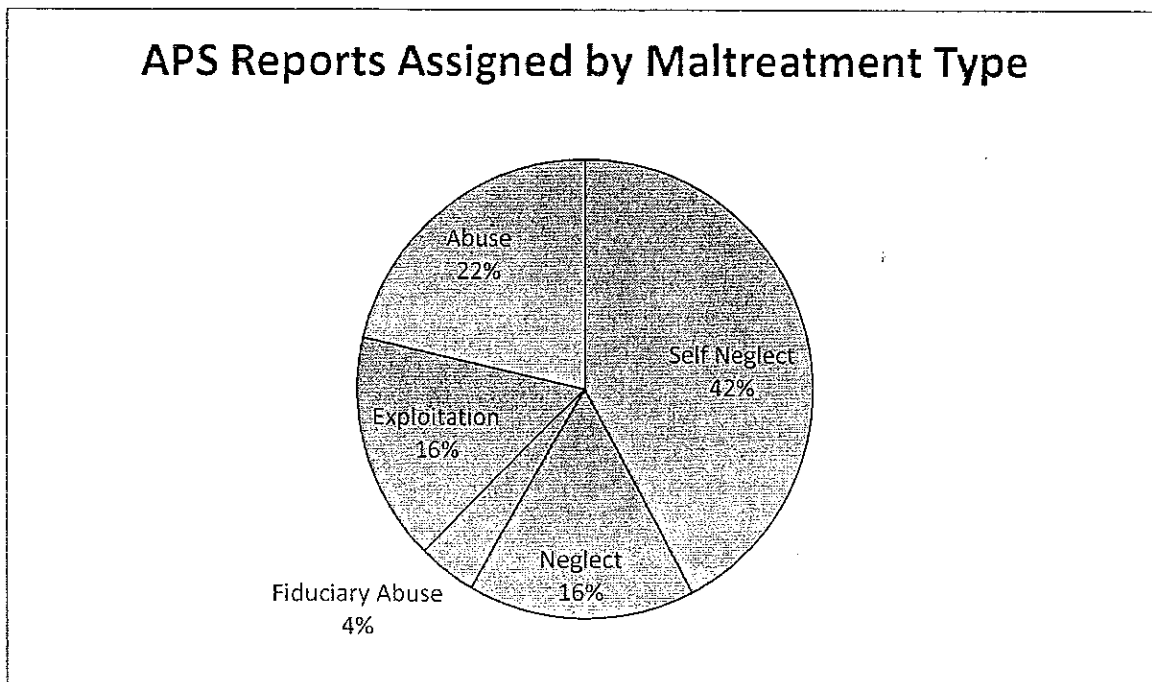
Protecting the Economic Well-being of Senior Citizens

- I. What is Elder Abuse?
- II. Common Elder Financial Abuse Scenarios
- III. Warning Signs of Elder Financial Abuse
- IV. Tips for Preventing Elder Abuse
- V. How to Get Help - Reporting Suspected Cases of Financial Abuse
- VI. Preparing End of Life Paperwork

What is Elder Abuse?

State law defines exploitation as “misappropriation of an adult’s property or intentionally taking unfair advantage of an adult’s physical or financial resources for another individual’s personal or financial advantage by the use of undue influence, coercion, harassment, duress, deception, false representation of false pretense by a caretaker or another person.” K.S.A. 39-1430(d).

The annual financial loss by victims of elder abuse is estimated to be at least \$2.9 billion dollars, a 12% increase from \$2.6 billion estimated in 2008. The MetLife Mature Market Institute examined news stories and found that women are nearly twice as likely to be victims of elder abuse as men with most victims between the ages of 80 and 89, live alone, and require some level of help.



Source: Department for Children and Families Adult Protective Services Intake Reports July and August 2012.

Common Elder Abuse Financial Scenarios

Misappropriation of income or assets - Perpetrator obtains access to an elder's Social Security checks, pension payments, checking or savings account, credit card or ATM, or withholds portions of checks cashed for an elder.

Charging excessive rent or fees for service - Perpetrator charges an elder an excessive rent or unreasonable fees for basic care services such as transportation, food, or medicine.

Obtaining money or property by undue influence, misrepresentation, or fraud - Perpetrator coerces an elder into signing over investments, real estate or other assets through the use of manipulation, intimidation or threats.

Improper or fraudulent use of the power of attorney or fiduciary authority - Perpetrator improperly or fraudulently uses the power of attorney or fiduciary authority to alter an elder's will, to borrow money using an elder's name or to dispose of an elder's assets or income.

Pigeon drop - Perpetrator claims to have found a sum of money and offers to split it with an elder provided the elder first withdraws an amount equal to his or her share as a sign of good faith.

Fake accident ploy - Perpetrator convinces an elder that the elder's child has been seriously injured or is in jail and needs money for medical treatment or bail.

Telemarketing and mail fraud - Perpetrator persuades an elder to buy a valueless or nonexistent product, donate to a bogus charity or invest in a fictitious enterprise.

Fake prizes - Perpetrator tells an elder that he or she has won a nonexistent prize and either asks the elder to send a check to pay the taxes on this nonexistent prize or obtains the elder's credit card or checking account number to pay for shipping and handling charges for the prize.

Unsolicited work - Perpetrator arrives unexpectedly at an elder's residence and offers to perform work for a reasonable fee; after starting the work, the perpetrator insists that the elder pay more than originally agreed before the work will be completed.

Warning Signs of Elder Financial Abuse

- Engages in activity that is erratic, unusual or uncharacteristic, such as withdraws large sums of money in a secretive manner.
- Engages in bank activity that is inconsistent with the older person's ability (such as use of an ATM card despite the fact that the customer is house-bound).
- Suddenly acquires new acquaintances, particularly those who take up residence with the customer.
- Makes changes to property titles, will or other documents and is confused about the consequences of those changes.
- Executes a power of attorney and is confused by the consequences of this action.
- Worries about paying common bills. Doesn't have amenities for which he or she can pay (complains about having no heat despite the fact that he or she can afford to have it).
- Indicates that some of his or her property is suddenly missing.
- Indicates that he or she is being evicted.
- Has obvious health or mental problems that are not being treated.
- Indicates that his or her mail is no longer being delivered to the elder's home.
- A normally friendly person begins to withdraw socially or is afraid to engage in conversation or noticeable changes in his or her appearance and grooming.
- Consistently accompanied by someone who encourages him or her to withdraw large amounts of cash or is not allowed to speak for him or herself while conducting business.
- Afraid of the person who accompanies him or her to the bank or is worried that he or she will be harmed for not giving money to a caregiver or companion.

Tips for Preventing Elder Abuse

- Use **direct deposit** for all checks.
- **Do not leave valuables in plain view.**
- Sign your own checks and **do not sign “blank checks,”** even for family members.
- If someone is helping you to manage your finances, **get a trusted third person to review your bank statement.**
- **Don’t sign anything without reading it carefully.**
- **Do not lend any money** in return for a general promissory note.
- **Do not sign over money or property** to anyone in return for care, even a family member or friend, without having the agreement reviewed by an attorney.
- **Establish a relationship with the personnel at your bank.**
- Cultivate friends of all ages so you **maintain a strong support network.**
- **Become familiar with resources in your community** designed to help older people and their families.
- **Execute a Power of Attorney** that will grant financial decision-making power to a trusted friend, relative or attorney. Make sure you know and **that you trust** this person. A Power of Attorney can be as limited or as broadly defined as you wish and can be revoked at any time. Give your bank a copy of this.
- **Put all financial instructions in writing** and be specific.
- **Keep accurate and complete financial records of all transactions.**
- **Gather all important documents together** (wills, insurance policies and bank account information) and tell someone you trust where these documents are kept.
- **Never give out credit card numbers** over the phone unless you placed the call.
- **Never give out your Social Security number** or bank account number over the phone.
- **Don’t make donations to charities you don’t know.**
- **Get several estimates** before you have any work done to your home, do not pay for work in advance and do not pay cash to someone you hire.
- **If something seems “too good to be true”** (such as being told that you won a prize for a drawing you did not enter, or that someone can get you a 100% return on your investment), **it is probably a scam.**

Preparing End of Life Paperwork

Living Will

A living will is a document that expresses how a physically or mentally incapacitated person wishes to be treated in certain medical situations.

Power of Attorney for Health Care

A power of attorney for health care allows a person to name a health care agent to make health care decisions on his or her behalf when he or she is incapable of doing so. These decisions include choosing:

- Doctors and other health care providers
- Types of treatments
- Care facilities

The health care agent may also make end-of-life decisions, such as providing nutrition through a feeding tube, or giving "do not resuscitate" (DNR) instructions to health care providers.

Living Trust

A living trust is a way for the person to give instructions for managing property. A trustee is usually a person or an institution such as a bank. The trustee is responsible for carefully managing the property (assets) of the trust.

Durable Power of Attorney

A power of attorney, or general power of attorney, allows a person to name an agent to make financial transactions in the case of incapacitating medical condition. The durable power of attorney allows an individual to make bank transactions, sign Social Security checks, apply for disability, or simply write checks to pay the utility bill while an individual is medically incapacitated.

Will

The will is a document identifying whom a person has chosen as:

1. Executor, the person who will manage the estate.
2. Beneficiaries, who will receive the assets in the estate.

The executor named in the will has no legal authority while the person is living.

Resources

Kansas Attorney General - www.ag.ks.gov/consumer-protection or 785-296-2215

The website provides information about individuals protecting themselves such as tips for consumers and how to file a complaint. Financial exploitation addressed includes information on scams, telemarketing fraud, and other deceptive practices.

Northeast Kansas Area Agency on Aging - www.nekaaa.org or 785-742-7152

The website contains information on questions, volunteers, caregiver help, calendar, newsletter, health services and information, food and nutrition, help in your home, legal services, housing options, community services and more.

Jayhawk Area Agency on Aging - www.jhawkaaa.org or 800-798-1366

The website contains information on programs and services, forms and publications, resource phone numbers, resource websites, and glossary of terms.

Adult Protective Services - Kansas Protection Report Center, 800-922-5330

Telephones are staffed 24 hours a day, 7 days a week, including holidays. For more information consult the Kansas Adult Protective Services Brochure, including mandatory reporting rules.

Better Business Bureau (BBB) - kansasplains.bbb.org or 800-856-2417

The website allows a search for business names and type of business. BBB rates businesses and charities based on length of time in business, complaints, history, etc. and gives a report card score.

Kansas Charity Check - www.kscharitycheck.org or 800-432-2310

Website has a charity search database that allows you to check which charitable organizations have registered to solicit with the Secretary of State Office. The site also contains tips for avoiding scams and how to make consumer complaints.

Kansas Legal Services - Elder Hotline, 888-353-5337

Hotline attorneys answer questions in civil cases for Kansas age 60 or older. Cases may be referred to a local Senior Citizens Law Project or a private attorney though the Elder Law Panel organized cooperatively with the Kansas Bar Association.

Kansas Legal Services - Law Library, www.kansaslegalservices.org

The website public library has information about and templates for Living Wills, Power of Attorney, Do Not Resuscitate Requests, and Advance Directives.

Kansas Office of the Securities Commission - www.securities.state.ks.us or 785-296-3307

The website offers investors a way to check the registration status of companies and persons offering investments or investment advice in Kansas. The office is charged with investigating potential violations of state securities laws and regulations.

Say No
KDADS Informational Session for Older Adults

The initial contact from people who may attempt to exploit older adults may be a telephone call, an e-mail, or a knock on the front door.

Examples of potential exploitation may include but are not limited to any of the following:

- Seeking credit card numbers or cash to claim an inheritance or a prize.
- Seeking social security numbers and/or birthdates regarding health information.
- Seeking money to help a relative out of a dire situation. In this instance, information about the relative such as a grandson may be detailed.
- Pretending to be someone from a government agency or IRS and asking for social security numbers.

If you have caller ID then you do not have to answer the telephone unless you can identify the caller.

If you receive a telephone call out of the blue, **always ask for the name of the person you are speaking to and who they represent. Do not give your personal and financial information over the phone unless you made the call and the phone number came from a trusted source. Request the callers telephone number and offer to call them back with any information you are willing to provide.**

It's always okay to say no, I'm not interested, and hang up.

If you have a 'peep' hole you do not have to open the door unless you can recognize the person at the door.

If someone you do not recognize comes to your door, **ask to see their identification.** You do not have to let them in and they must leave if you ask them to. **Try to confirm their identity and/or the company** they claim to represent. Call the Attorney General's office and check the company's credibility.

It's always okay to say no, I'm not interested, and close the door.