

Conversation Season: Financial Safety and Preventing Financial Exploitation

Arden Hills, Minnesota—September 19th, 2023

MINNESOTA
ELDER JUSTICE
CENTER

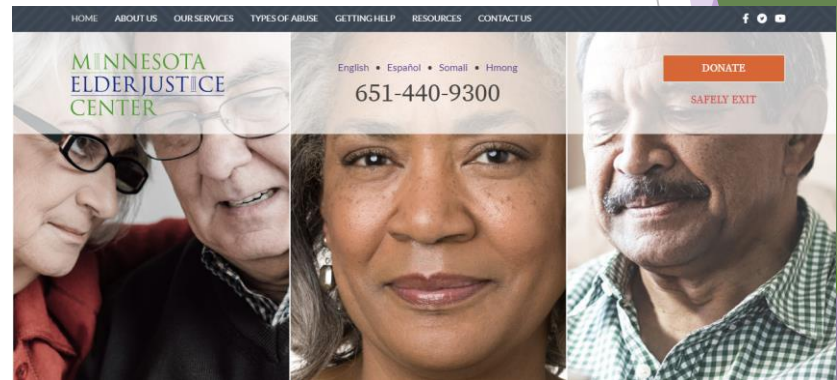
Welcome!

This evening we hope to:

- ▶ Introduce the Minnesota Elder Justice Center and discuss our resources
- ▶ Review definitions and statistics
- ▶ Understand some warning signs
- ▶ Explore intervention, reporting, and planning
- ▶ Discuss available resources

The Minnesota Elder Justice Center

- ▶ Mobilizing communities to prevent and alleviate abuse, neglect and financial exploitation of older and vulnerable adults.
- ▶ Focus on:
 - ▶ Public Awareness
 - ▶ Professional Education
 - ▶ Public Policy
 - ▶ Direct Service



MEJC Victim Services

A cornerstone of MEJC's work is direct victim services.

- Supportive Listening
- Safety Planning
- Systems Navigation
- Domestic Violence Support
- Economic Advocacy
- Community Support Groups
- Limited Legal Representation

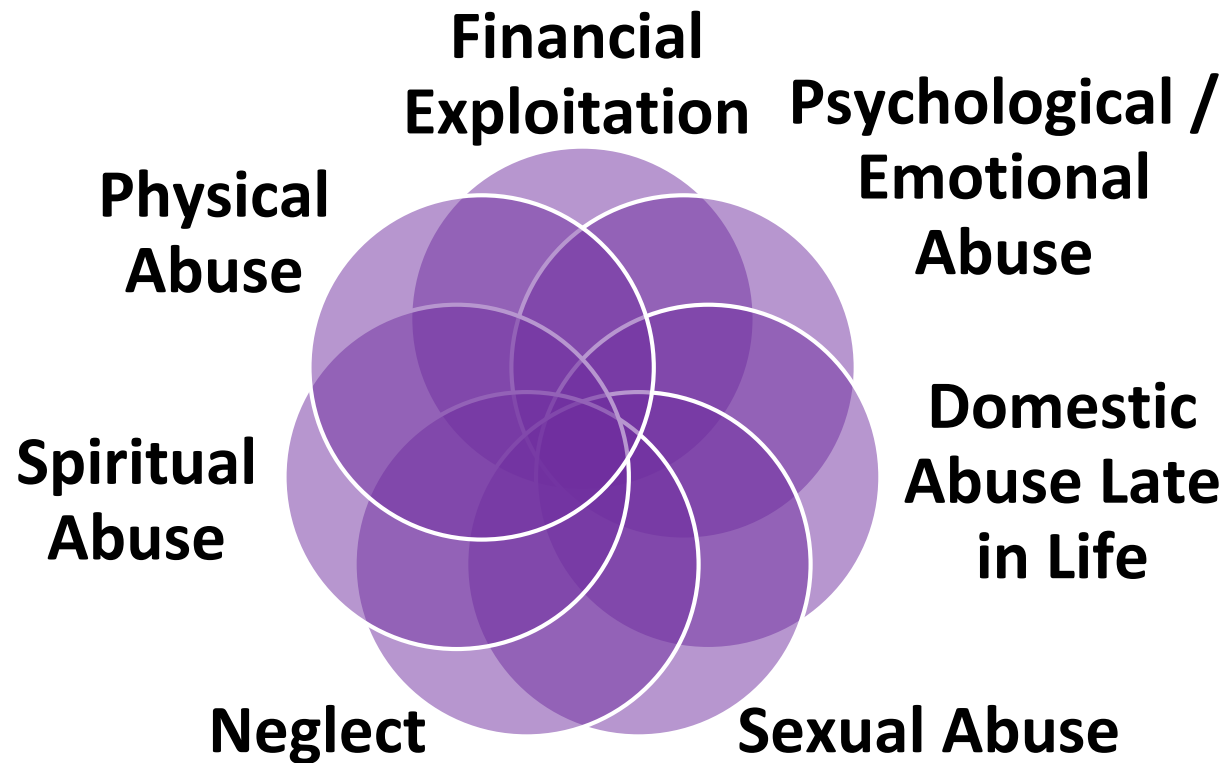
Elder Abuse: Definition

- ▶ In general, elder abuse is any knowing, intentional, or negligent act by a caregiver or any other trusted person that causes harm or a serious risk of harm to an older adult.
- ▶ 2/3 of perpetrators of elder abuse are family members, trusted individuals and/or caregivers
- ▶ Elder abuse **includes Financial Exploitation**

Why does financial exploitation matter:

- ▶ The paper trail
- ▶ Gateway abuse
- ▶ Polyvictimization

Poly-victimization



Prevalence

- ▶ 1,000,000 – 2,000,000 adults in later life in U.S. are victims of abuse¹
- ▶ 1 in 10 persons over the age 60 are victims of elder abuse²
- ▶ Victims of elder financial abuse in U.S. lose close to \$3 Billion each year³

¹National Center of Elder Abuse:2005 Elder Abuse Prevalence and Incidence

² National Institute of Justice: Elder Abuse as a Criminal Problem

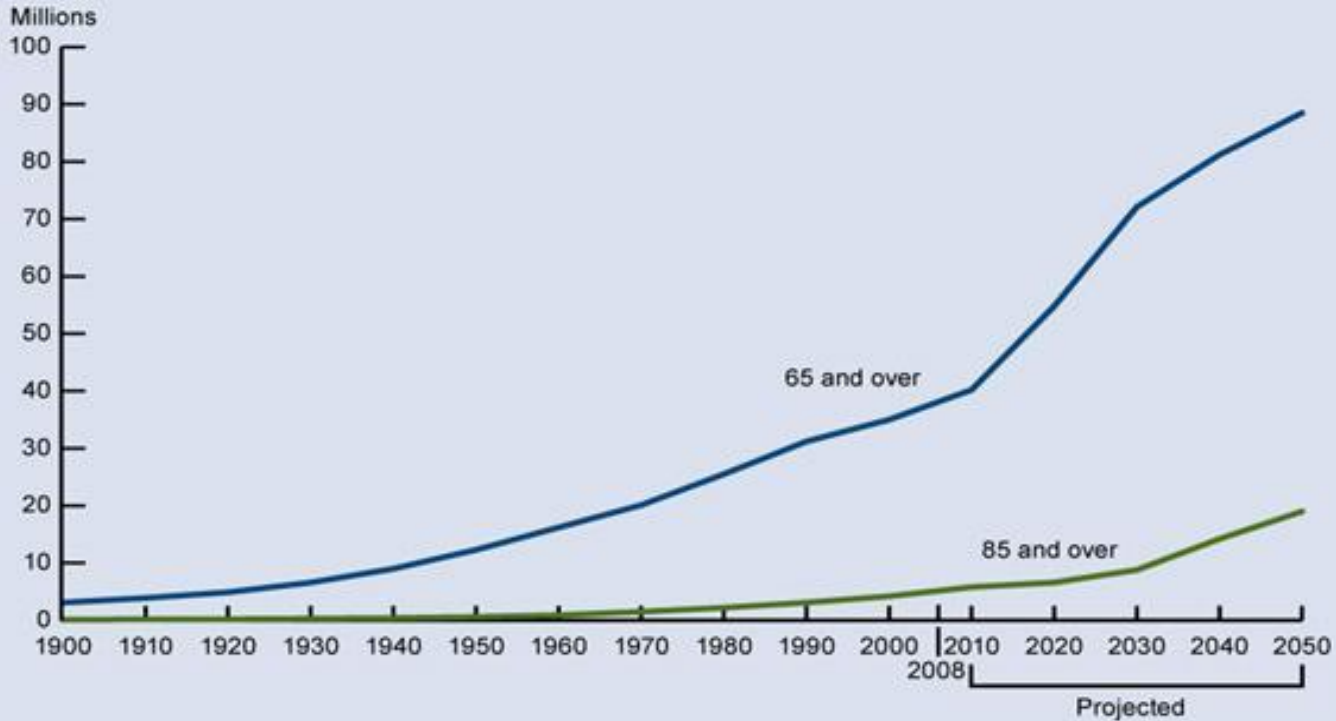
³ Blancato, Robert: Violence Against Older Women and The Elder Justice Act; 3/04/12

Growth of Older Adults

- ▶ The Administration on Aging expects that by 2030, the U.S. population over age 65 will have doubled from 2000, with older adults representing 19% of the population.

Growth of Older Adults

Population age 65 and over and age 85 and over, selected years
1900–2008 and projected 2010–2050



NOTE: Data for 2010–2050 are projections of the population.
Reference population: These data refer to the resident population.
SOURCE: U.S. Census Bureau, Decennial Census, Population Estimates and Projections.

What is Financial Exploitation?

- ▶ Scams
- ▶ Identity theft
- ▶ Theft
- ▶ Coercion and extortion
- ▶ Fraud and deception
- ▶ Abuse of legal authority (i.e. Power of Attorney)

Financial Crime and Older Adults

Financial Exploitation

- Defined in state law; applicability can be based on vulnerability
- Often involves relationships of trust, sometimes called “affinity fraud”

Stranger Scams and Fraud

- Broadly directed financial crimes
- Targeted individuals include older and vulnerable adults for many reasons
- Use of AI a growing concern

All forms facilitated by isolation, loneliness.

MetLife Study 2011

- ▶ Analysis demonstrates that financial exploitation includes crimes of
 - ▶ Occasion (Opportunity)
 - ▶ Desperation (Economic circumstances or crisis)
 - ▶ Predation (betrayal of trust)
- ▶ Women more likely to experience financial exploitation
- ▶ Spikes:
 - ▶ Holidays
 - ▶ National/Global tragedies
 - ▶ Commemorations

Prevalence

- ▶ Family members are most common perpetrators of financial exploitation of older adults (57.9%).¹
 - ▶ And yet, 51% of news articles related to elder financial exploitation concern instances of fraud perpetrated by strangers.²
- ▶ Perpetrators of elder abuse most likely to be adult children or spouses.³

3 Myths about Financial Exploitation

▶ **Myth #1:** Wealth inoculates against financial exploitation

Wealth may attract attention; and/or may create layers of privacy/secretcy about resources

▶ **Myth #2:** Poverty inoculates against financial exploitation

Theft of benefits; medication – not just cash

▶ **Myth #3:** Only those with dementia, memory loss or incapacity are financially exploited

Many victims of fraud perpetrated by professional designees (think Bernie Madoff) are highly sophisticated adults in good health

Current Data Needs and Resources in MN

There are some big holes in our data in Minnesota.

- No totals in terms of quantity of loss, dollar impacts
- No number in terms of total cases (some reported to MAARC/APS, some to law enforcement, many unreported)
 - Financial exploitation of older adults may not result in APS investigation if vulnerability definition not met.
- Data resulting out of MAARC reports through 2021 is available from [DHS APS Dashboard](#)

Important Minnesota Partners

- Adult Protective Services and the MAARC: Minnesota Adult Abuse Reporting Center 1-844-880-1574
- The Minnesota Department of Commerce: 1-800-657-3602
- Financial Service Providers

National Partners

- Consumer Financial Protection Bureau: Managing Someone Else's Money guide series
- Federal Trade Commission Bureau of Consumer Protection
- IC3 – Internet Crime Complaint Center
- Internal Revenue Service
- Social Security – Rep Payee Programs
- National Organizations such as AARP (FraudWatch program, BankSafe curriculum) and the Better Business Bureau

Risk Factors

Health circumstances

Isolation

Gender

Relationship status

Ageism

Poverty and socio-
economic challenge

*World Health Organization at <https://www.who.int/news-room/fact-sheets/detail/elder-abuse>

Warning Signs of Financial Exploitation

- ▶ An elder who is agitated before a family member or friend comes to see them or take them to an “appointment”
- ▶ An elder who lacks the basics even though he or she should have sufficient resources
- ▶ An elder pressured to sign a document
- ▶ An elder, family member, or friend with a known gambling, drug or alcohol dependency

Warning Signs of Financial Exploitation

- ▶ The creation of a new Power of Attorney document
- ▶ The erratic use of an elder's funds or personal needs allowance by family members or fiduciaries
- ▶ Frequent large withdrawals, including daily maximum currency withdrawals from ATM
- ▶ The sales of an elder's valuables to friends, facility staff or others

Warning Signs of Financial Exploitation

- ▶ Debit transactions that are inconsistent for the older adult
- ▶ Uncharacteristic attempts to wire large sums of money
- ▶ The financial service provider is unable to speak directly with the older adult despite repeated attempts to contact him or her
- ▶ Closing of CDs or other accounts without regard to penalty
- ▶ Sudden NSF activity

What can we do when we suspect abuse or exploitation is happening?

- ▶ Share our suspicions – talk to someone – make a report...
- ▶ To financial institutions
- ▶ To MAARC
- ▶ To law enforcement
- ▶ To a Tribal Court
- ▶ To an advocacy organization

What can we do when we suspect abuse or exploitation is happening?

- ▶ Conversation! We know that conversation can help us identify when elder abuse is happening:
 - ▶ Ask: Is anyone hurting you?
 - ▶ Are you afraid of anyone?
 - ▶ Is anyone taking or using your money or belongings without your permission?
 - ▶ Are you being disrespected? If so, in what ways?

What can we do to prevent financial exploitation?

- ▶ Be on the lookout for common consumer scams
- ▶ Encourage friends and neighbors to S.T.O.P.:
 - ▶ Systematize Finances
 - ▶ Tell Someone
 - ▶ Obtain the Documents
 - ▶ Practice saying: “No.”

What can we do to prevent financial exploitation?

- ▶ Conversation! Conversation about planning and expectations can help bring family members “onto the same page.”
- ▶ Ideally, communication supports clarity and considers different perspectives.
- ▶ These conversations can happen in many ways and with various participants...

Goals in Conversations

- Seek to recognize capacity where it exists
- Support individual agency in decision-making and planning – itself an important protective factor.

Preventative Measures

- Advance Care Planning
 - Health Care Directive (Durable POA for Healthcare, Living Will)
 - Fiduciary appointments (POA for finance, trust planning, authorized rep., Rep. Payee, VA Fiduciary)
- Supported Decision Making
- Guardianship/Conservatorship

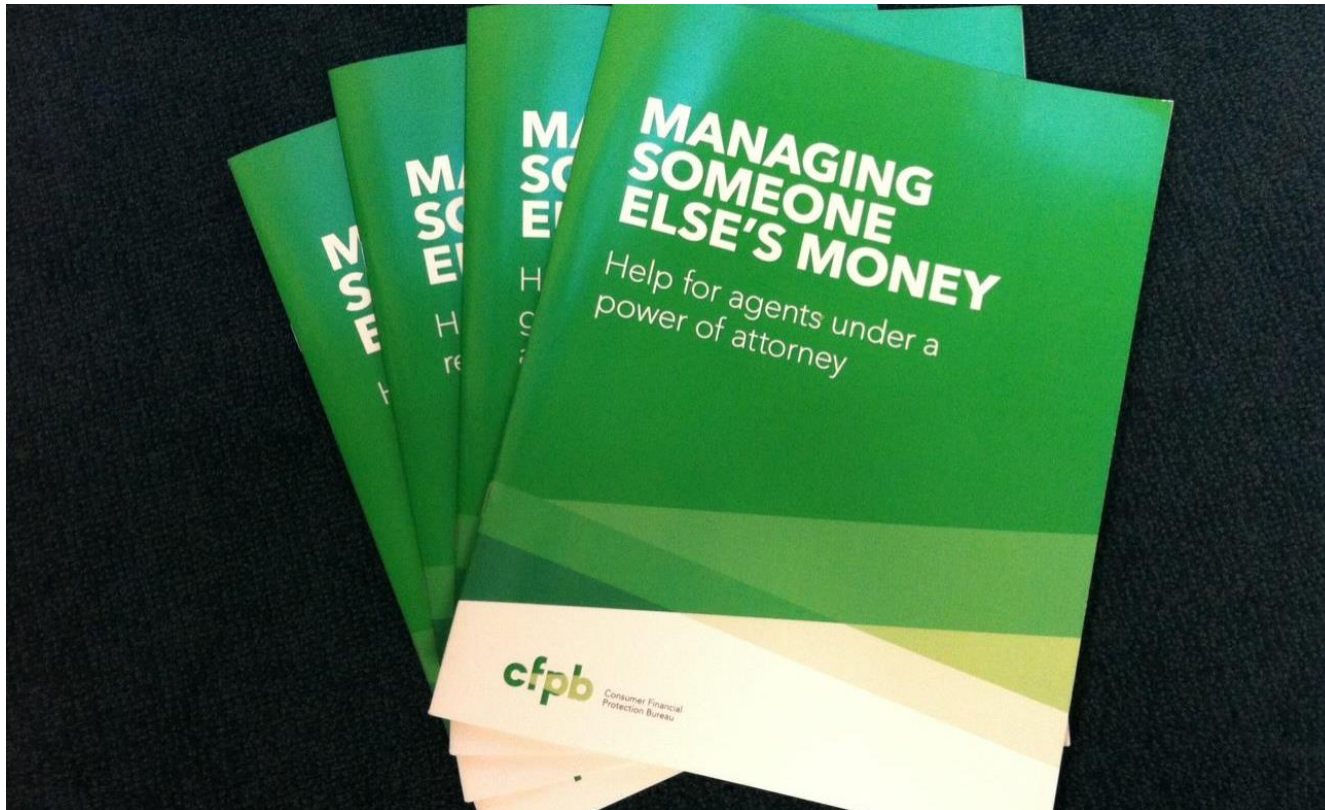
Supported Decision Making

Supported Decision Making (SDM) is a philosophy that acknowledges that most people are happier and safer when exercising the most autonomy of which they're capable.

It's an approach that maximizes individual agency and minimizes external decision-making whenever possible.

Strategies for Professionals

- Presume capacity, and be confident about capability determinations
 - How can the “yes/no” of the law begin to incorporate the continuum of capacity (or sliding scale approach of clinical capacity assessment)?
- Self-examination regarding attitudes toward age and aging
- Allow enough time to engage with clients
- Other strategies you use?



Consumer Financial Protection Guides:

Available free-of-charge from the CFPB website at
www.consumerfinance.gov/managing-someone-elses-money

Financial exploitation impacts everyone

- ▶ Quality of life
- ▶ Morbidity/Mortality
- ▶ Impacts on caregivers, concerned persons
- ▶ Costs of social supports
- ▶ Reinforcement of ageist stereotyping
- ▶ Intersectional impacts of insecurity, loss, and trauma
- ▶ Failure to protect the most vulnerable from harm has social and psychological outcomes for us all

There are
many
opportunities
for prevention
and response!

- Awareness campaigns regarding financial safety, security, and reporting
- Screening (of potential victims and abusers)
- Intergenerational financial safety
- Financial caregiving
- Caregiver support interventions (including fiduciary roles, stress management and respite care)
- Caregiver and professional training on capacity and financial decision making

Keep the conversation going!

► Questions?

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