

# ***DEALING WITH THE FINANCIAL EXPLOITATION OF ELDERS***

## **MANAGEMENT TRAINING**

A collaboration of

- **Cooperative Credit Union Association, Inc.**
- **The Executive Office of Elder Affairs**
- **The Office of the Attorney General**

Modeled after

### ***THE MASSACHUSETTS BANK REPORTING PROJECT***

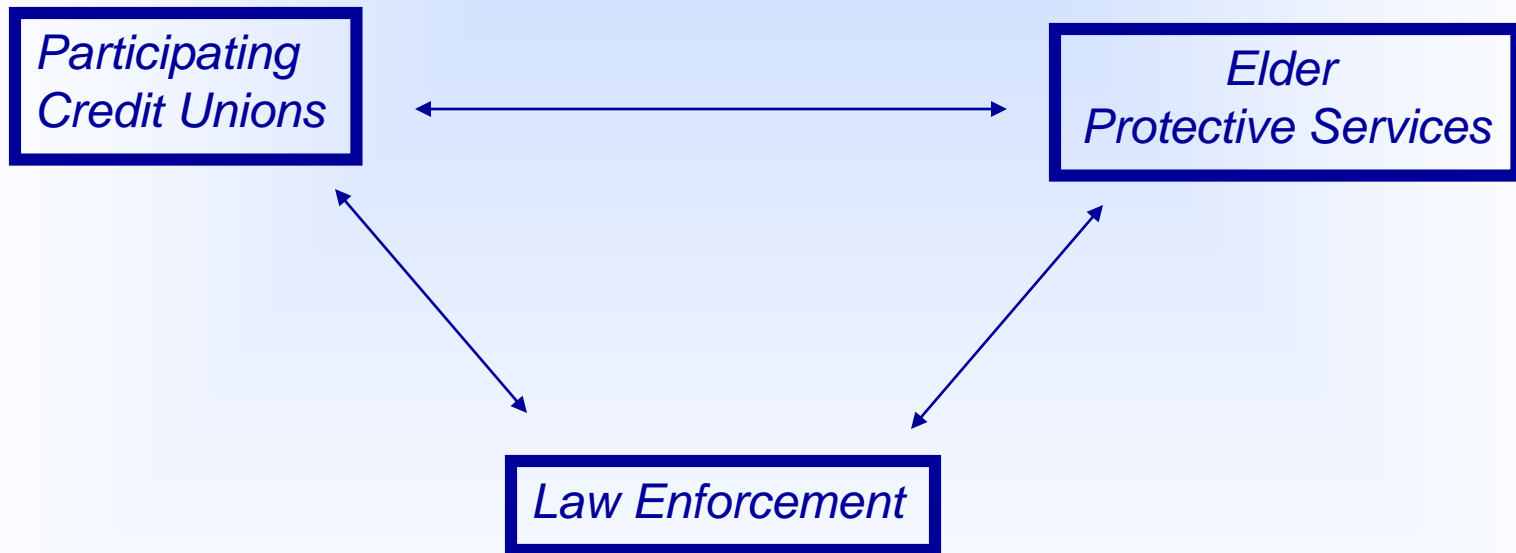
A public/private venture between

- **The Executive Office of Elder Affairs**
- **The Office of the Attorney General**
- **The Massachusetts Bankers Association**
- **The Office of Consumer Affairs and Business Regulation**
- **The Division of Banks**

# OVERVIEW

- A public/private/government partnership
- Modeled after *The Massachusetts Bank Reporting Project*, a nationally recognized project since 1996
- Goals:
  - Commitment to **prevention**
  - Rapid and coordinated **response**
  - Simple **protocol** for reporting that maintains customer confidentiality
  - Greater **cooperation**

# The Collaboration



# Why are elders vulnerable to exploitation?

Elders (age 60 or older) may be:

- Socially isolated
- Dependent on others for assistance
- Afraid to report or speak out
- Embarrassed
- Trusting
- Cognitively or physically declining
- Experiencing changes in financial or economic status

# Types of Financial Exploitation

## Suspect is known to elder:

- Family
- Acquaintance
- Fiduciary (e.g., guardian or POA)

## Suspect is a stranger/unknown to elder

# Exploitation occurs when...

- Elder does not provide consent
- Elder is tricked, intimidated or forced into providing consent
- Elder is not competent to give valid consent\*

\* competency is a legal issue determined by the court

# It is NOT Exploitation when...

- A competent older person willingly consents to a transaction – even if the elder is making a poor choice

***Competent adults of all ages have the right to make their own decisions.***

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Misappropriation of income or assets
- Mismanagement of income or assets
- Obtaining money or property by undue influence, misrepresentation or fraud
- Improper or fraudulent use of the power of attorney or fiduciary authority
- Signing documents without elder's consent
- Charging excessive rent or fees for services



# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Misappropriation of income or assets.
  - basically theft

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Mismanagement of income or assets
  - Elder not having basic needs met - neglect
    - possibly for future benefit of caregiver
  - Caregiver incapable of management

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Obtaining money or property by undue influence, misrepresentation or fraud
  - Undue influence - basically coercion
    - threats of physical violence, withholding food or medication, isolating/confining the elder

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Obtaining money or property by undue influence, misrepresentation or fraud
  - Misrepresentation or Fraud
    - persuasion for elder to take action believing outcome is to their benefit, especially visually impaired

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Improper or fraudulent use of the power of attorney or fiduciary authority
  - includes altering the will, disposing of assets, borrowing in the elder's name

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples:

- Signing documents without elder's consent
  - basically forgery

# Exploitation by Family, Acquaintance, or Fiduciary

## Examples

- Charging excessive rent or fees for services
  - including transportation, meals, laundry, personal care, caregiver services provided by family or friends

# Exploitation by Strangers

## Examples of scams and confidence schemes:

- Bogus charities
- Fraudulent accident ploys (bail)
- Internet, telemarketing and mail fraud
- Phishing scams
- Sweepstakes and prizes
- Phony checks
- Unsolicited work
- Unscrupulous contractors



# Exploitation by Strangers

**Other examples of scams and schemes:**

- **Mystery Shopper**
- **Work-at-Home Scheme**
- **Bank Examiner Scam**
- **Lottery**

**Similar to all other commonly known scams**

# Exploitation by Strangers

Once an elder has been “scammed”

- Often subjected to continued attempts by scammer
- Often identified as easy targets for other scams
- Often targeted for future “recover your money from a scam” scams

# Warning Signs

- Financial activity inconsistent with customer's usual patterns
- Customer's implausible explanation of unusual financial activity
- Customer's apparent lack of knowledge of financial transactions
- Observed questionable interaction or inappropriate influence by a third party with the customer
- Unusual interest by a third party in customer's financial affairs

# Executive Office of Elder Affairs

- **Required by law to administer statewide system for receiving and investigating reports of elder abuse and providing needed protective services to abused elders when warranted**
- **22 designated Protective Services Agencies (PSA) and a 24/7 telephone hotline**
- **Additional components**
  - **Guardianship Services**
  - **Money Management Program**

# Protective Services

- **Some responsibilities**
  - **Reports**
    - Reports, assess, investigate, develop service plan
  - **Report Schedule**
    - Emergency – 5 hours
    - Urgent – within 24 hours
    - Other – within 5 days
    - Complete Investigation within 30 days
  - **Inform mandated reporters within 45 days; non-mandated by request**

# Protective Services

Services that may be included in casework:

- **Counseling**
- **Safety planning**
- **Substance abuse treatment**
- **Mental health services**
- **Family intervention**
- **Homemaker/health aide assistance**
- **Emergency fuel or food**
- **Transportation**
- **Housing**
- **Legal assistance**
- **Financial assistance**
- **Medical services and therapies**
- **Advocacy**

# Protective Services

## Guardianship Program

- Elder Affairs contracts with five private agencies
- Used in selective situations
- Court-appointed

## Money Management Program

- Fee service to eligible, low-income elders who are unable to handle certain financial matters
- Assistance includes check writing, balancing checkbooks, and ensuring bills are timely paid
- Sometimes leads to “Representative Payee”

# Reporting Elder Abuse (M.G.L. Chapter 19A, Section 15)

## Mandated Reporters

- *Must* report all suspicions of abuse, neglect, or exploitation of elders to Protective Services

## Non-Mandated Reporters (including credit unions)

- *May* report any suspicions of abuse, neglect, or exploitation
- Reporter identity remains confidential
- No liability if report is made in good faith (M.G.L. Chapter 19A, Section 15(d))



# Where to Report

## Protective Services

- Reports should *always* be made to the local designated protective services agency or to the Massachusetts Elder Abuse Hotline (800-922-2275)

## Local Police

- Should be called first if a customer appears to be in immediate physical or financial danger

# Where to Report

**Elder Home Care Services of the Worcester Area, Inc.**  
**EHCSW**  
**508-756-1545**

**Jurisdiction:**

**Auburn, Barre, Boylston, Grafton, Hardwick, Holden, Leicester,  
Millbury, New Braintree, Oakham, Paxton, Rutland, Shrewsbury,  
West Boylston and Worcester**

**\*Agency based on ELDER'S address\***

# Federal Privacy Laws

- Credit Unions reporting suspected exploitation or abuse of elders to Massachusetts authorities are not violating the Right to Financial Privacy or Gramm-Leach-Bliley Acts, provided they do not disclose account numbers, member numbers, balances.

# Federal Privacy Laws

- Credit Union can report:
  - Name, age, address and telephone of elder
  - Name, relationship, address and telephone of suspected perpetrator

# Reporting Other Concerns

Other types of abuse that may be reported:

- Physical abuse
- Emotional abuse
- Sexual abuse
- Caregiver neglect - someone not meeting an elder's basic needs
- Self-neglect - elder is not meeting his/her own basic needs.

Contact Protective Services with questions.

# Role of the Point Person

The designated point person (e.g., security officer, branch administration officer, compliance officer or CRA officer) will:

- Review, document, and report suspected exploitation
- Facilitate development of internal credit union protocols
- Raise awareness among and serve as a resource for line staff
- Serve as the liaison between the credit union and protective services and law enforcement
- Serve as a liaison between your branch and other branches of your credit union
- Participate in more comprehensive training on this issue

# Suggestions for Customer Outreach

- Display materials such as brochures in branch lobbies
- Display signs in branch lobbies to inform customers of credit union's participation in the project and to whom inquiries may be made
- Include informational materials as statement stuffers
- Include topic in community outreach efforts outside credit union setting

# Management Training Manual

- Available by contacting Jonathan Fielding at the Executive Office of Elder Affairs at (617) 727-7750
- Additional training materials for front-line staff are also available



# Benefits for Financial Institutions

- Promotes community banking
- Strengthens customer relationships
- Prevents and deters financial abuse

**For More Information About *Dealing with  
the Financial Exploitation of Elders***

**Cooperative Credit Union Association**

**1-800-842-1242**

**ccua.org**

**Executive Office of Elder Affairs**

**Jonathan Fielding, 617-727-7750 or**

**jonathan.fielding@state.ma.us**