

Elder Abuse and Financial Exploitation: Identification and Prevention



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Why Are We Here?

- To learn about the different types of elder abuse and financial exploitation and understand the emotional dynamics that make it so challenging to address
- To learn to recognize the red flags of elder abuse and financial exploitation and how to best respond to victims
- To learn what resources are available in Maine

Why This is Important

An Aging Population: Nationally and in Maine

- By 2030, 20% of the U.S. population will be 65+
 - In Maine, 25% will be 65+ (in 2012, it was 17%)
- Maine has the oldest median age in the country

Elder Abuse Rates

- Research indicates that more than **one in ten** elders may experience some type of abuse...
 - ... but only one in 23 cases are reported. (NCEA)

Impact

- Victims of mild elder abuse are three times as likely to die in the 3 years after mistreatment compared to their non-abused contemporaries.

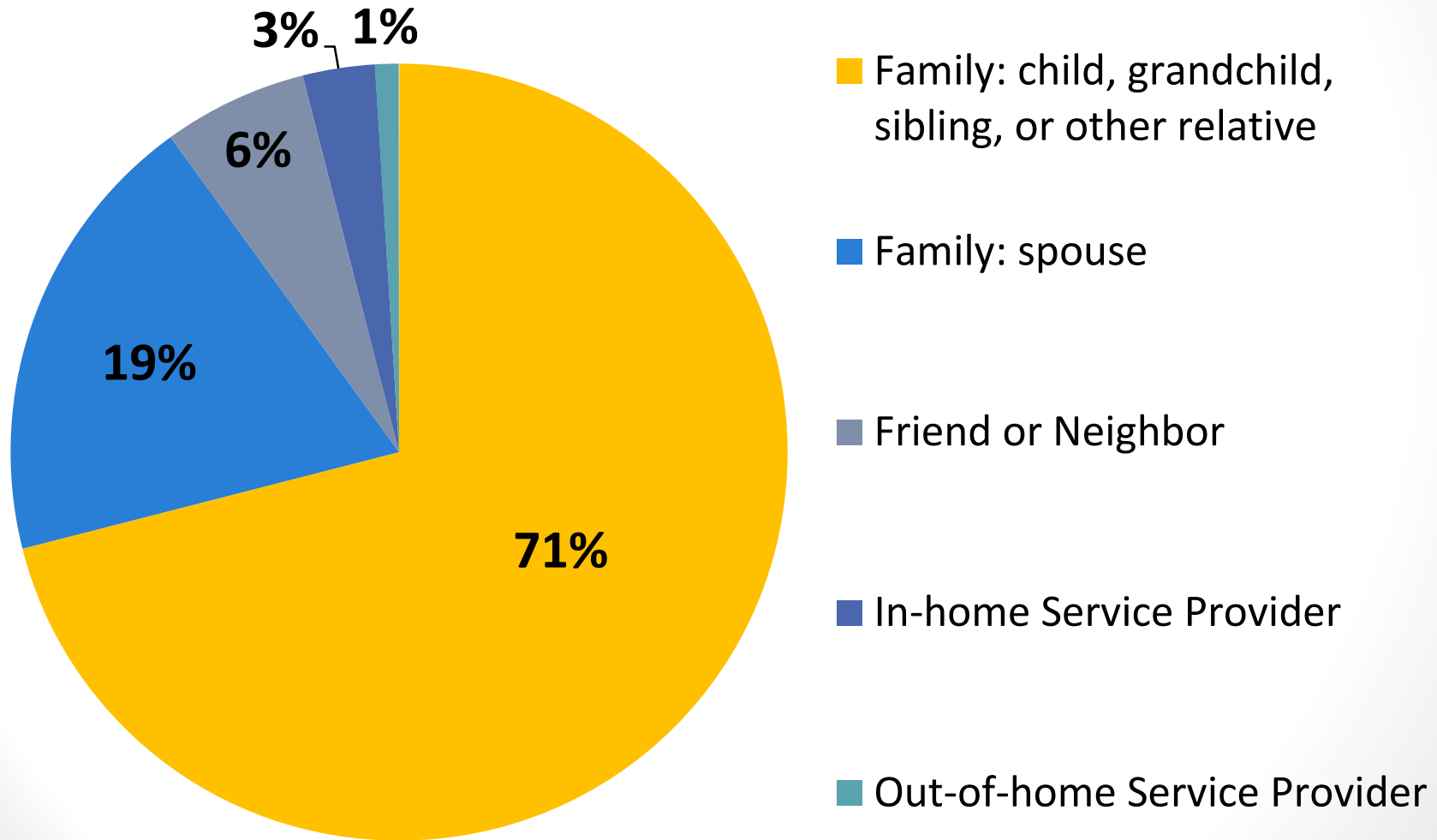
Why This is Important

- Often one spouse handles the finances, potentially leaving a surviving spouse ill-equipped to manage financial affairs and vulnerable to exploitation
- Financial loss impacts available food, medication, housing, and other services
- Social isolation is an increasing problem
 - Today 25% of the folks living in my hometown in northern Maine are 65+ and live alone
 - 31% of Mainers diagnosed with dementia live alone

Why This is Important

- One out of every five people over the age of 65 already have been victimized by a financial fraud (IPT Elder Fraud Survey, 2016)
- Even older adults with savings in the low millions can't afford to lose substantial amounts, as they don't have time to make it up
- Older adults are more willing to take financial risks and are often more trusting

What do Abusers Look Like?



What do Abusers Look Like?

Contributing Factors

- Drug and alcohol abuse
- Mental health issues
- History of abuse within the relationship
 - Husband/wife, parent/child
 - Continuing cycle of violence
 - “Turning the tables”
- Caregiver stress
 - Burdened
 - Frustrated
 - Entitled?

What do Victims Look Like?



“To those seniors and especially elderly veterans like myself, I want to tell you this: You are not alone and you have nothing to be ashamed of. If elder abuse happened to me, it can happen to anyone.”

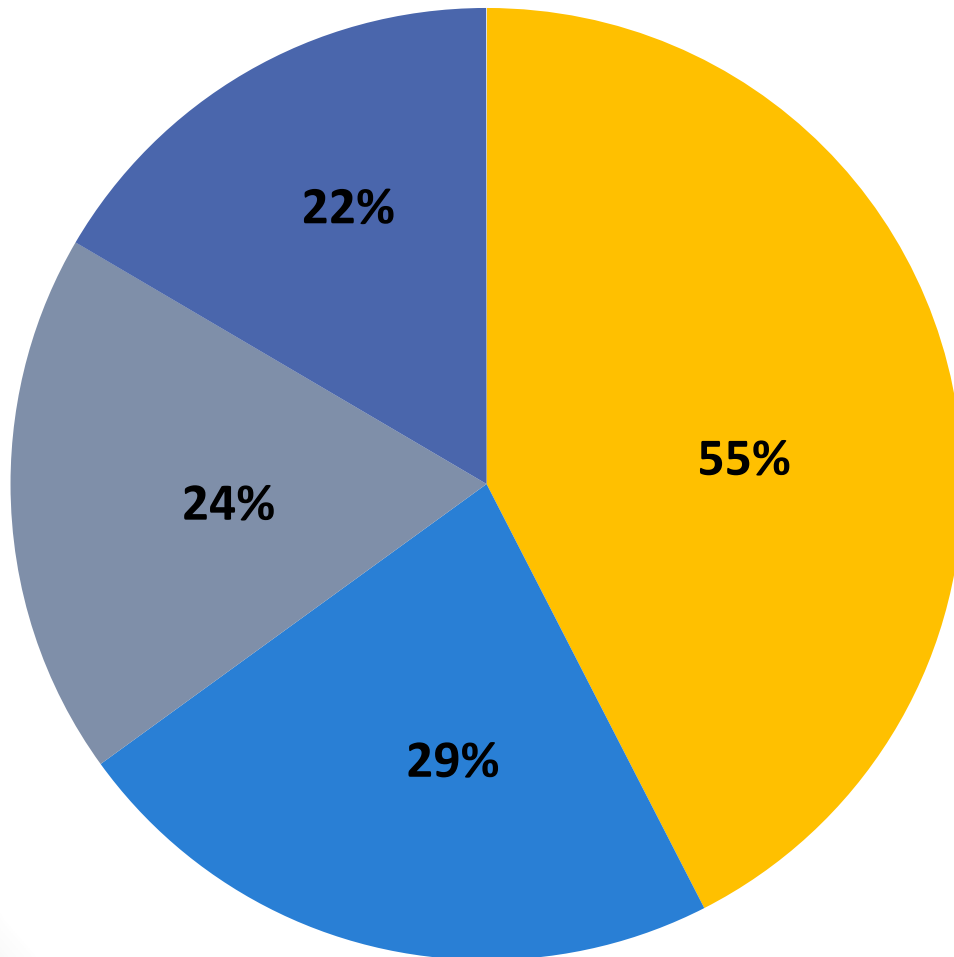
Mickey Rooney

Testimony to Senate Special Committee on Aging, March 2, 2011

Types of Abuse

- Neglect or Self-neglect
- Abandonment
- Emotional or psychological abuse
(including verbal abuse and threats)
- Physical and Sexual Abuse
- Financial abuse and exploitation

Types of Abuse



■ Financial

■ Physical and Sexual

■ Neglect

■ Emotional

How to Identify Elder Abuse

Neglect or Self-neglect

- Lack of basic hygiene, clean appropriate clothing, or adequate food
- Lack of medical aids (glasses, walker, teeth, hearing aid, medications)
- Bed bound person left without care
- Home cluttered, filthy, in disrepair, or having fire & safety hazards
- Home without adequate facilities (stove, refrigerator, heat, cooling, working plumbing, and electricity)
- Untreated pressure “bed” sores

How to Identify Elder Abuse

Abandonment

- The desertion of an elder at a hospital, a nursing facility, or other similar institution
- The desertion of an elder at a shopping center or other public location
- An elder's own report of being abandoned

How to Identify Elder Abuse

Psychological Abuse

- Caregiver isolates elder (doesn't let anyone into the home or speak to the elder)
- Caregiver is verbally aggressive or demeaning, controlling, overly concerned about spending money, or uncaring
- Unexplained or uncharacteristic changes in behavior such as withdrawal from normal activities or unexplained changes in alertness

How to Identify Elder Abuse

Physical and/or Sexual Abuse

- Inadequately explained fractures, bruises, welts, cuts, sores or burns
- Unexplained sexually transmitted diseases
- Sudden changes in personality: aggression, agitation, withdrawal, anxiety

How to Identify Elder Abuse

Financial Exploitation/Abuse

- Lack of amenities victim could afford
- Elder “voluntarily” giving inappropriate financial reimbursement for needed care and companionship
- Caregiver has control of elder’s money but is failing to provide for elder’s needs
- Caretaker “living off” elder
- Elder has signed property transfers (Power of Attorney, new will, etc.) when unable to comprehend the transaction
- Unusual financial activity or wiring money to foreign countries

Financial Fraud Spectrum

Family and
Caregivers



Financial
Professionals



Unknown
Scammers



Inappropriate use of POA
Theft
Improvident Transfers

Bernie Madoff
Jordan Belfort

Jamaican Lottery
Profitable Sunrise

Family and Caregivers

- “I’m going to get the money eventually anyway.”
- “Why should my siblings get anything when she dies? I’m doing all the work.”
- “This is really hard and he does not appreciate anything I do for him.”
- “I need the money more than she does (for a new car, for drugs, for a new house.”

Financial Professionals

- The Maine Office of Securities
 - Staff of 15 located in Gardiner, Maine
 - The Office of Securities protects Maine investors by investigating and prosecuting violations of the securities laws; licensing broker-dealers, agents, investment advisers, and investment adviser representatives; and reviewing registration statements and exemption filings for securities issuers that are seeking to sell in Maine.
- (877) 624-8551 or www.investors.maine.gov

What is a Security?

- A financial instrument entitling the owner to specified types of financial benefits: **stocks, bonds, mutual funds**, warrants, investment contracts...
- Investment in a common enterprise with the expectation of profit solely or substantially from the efforts of another.

What is not a Security?

- Insurance (life, health, long-term care, automobile)
- Annuities

Securities Fraud

- Investment fraud, also known as stock and/or securities fraud, violates securities laws when investors are induced to make purchase or sale decisions on the basis of false information, frequently resulting in losses.
- Investment fraud can take many forms including:
 - unsuitable investments
 - fraudulent offerings
 - unregistered products
 - unlicensed advisers/ brokers
 - theft or misappropriation of funds

When you think of an investment fraud victim, is it someone...

- Above the age of 65?
- Female?
- Living alone?
- Uneducated?
- Greedy?
- Foolish?
- 55-65 years old
- Male
- Married
- College-educated with above average financial literacy
- Self-reliant, but disappointed that they are not where they thought they would be financially

Scams

- **Text messages & emails**
 - “Verify your account information”
 - Work from home programs
 - Nigerian Prince correspondence
 - Foreign lotteries
- **Phony websites**
 - Profitable Sunrise, romance scams
- **Telephone calls**
 - Jamaican Lottery, “grandparent scam”, IRS demand calls

Warning Signs of a Scam



- **Promise no risk with high rewards/returns**
- **Spelling and grammatical errors**
- **Offer is for you only or a “select group”**
 - Affinity fraud
- **High pressure sales techniques**
- **Unsolicited Phone Calls**
- **Online “friend” you never meet who asks for money**
 - Romance scams
- **Offers that are too good to be true**

Warning Signs of a Scam



- ...you get a call from Montreal telling you your grandson got arrested for a minor offense and you need to wire money in order to get him out of jail
- ...you receive a check in the mail claiming you have won a “big prize” and can claim the prize if you mail back hundreds of dollars to cover “processing fees”
- ...you receive what looks like an email from your bank or credit union asking you to verify confidential account information
- ...you receive letters from various credit card companies stating that they need additional information to process your credit requests

Why Scam Artists Are So Successful

- People are generally friendly and polite
- The economy has left some desperate to rebuild their savings
- Affinity fraud
- Underreporting
- Source credibility
- Many people *want* to believe that their luck has finally turned around

Why Scam Artists Are So Successful

“It's all about the packaging and the picture that you paint for them --the image, all about the dream you're making for them.”

“I regret it every day . . . My [focus] is really on taking those energies and that creativity that was used to create that scam [and] putting it toward something more positive and trying to repay these people.”

~ Eric Stein quoted in the Wall Street Journal, 2004

How to Protect Yourself

- **Reduce Your Exposure** – Attending free lunch seminars, responding to HYIP solicitations, entering prize giveaways may place you on a mailing or phone list.
- **Be Skeptical, Especially Online** - Assume that the great-sounding deal is probably not what it seems.
- **Slow Down** - Before clicking on that link, sending money, or providing personal information, take some time to think about it.

How to Protect Yourself

- **Create a Paper Trail** - Anytime you consider investing, ask for business cards or other information that lists the name and firm of the individual who wants to sell you something.
- **Check it Out** – Contact your allies in Maine state government- especially the Office of Securities!
- **Ask Questions** - Any legitimate financial professional will be able to answer your questions and should welcome the opportunity.
- **Hang up!** - If an unknown caller is trying to sell you something, you have no obligation to talk to them.

How to Identify Elder Abuse and Financial Exploitation in Others

- **Watch for Red Flags**
 - Physical symptoms
 - Behavioral changes
 - Financial changes
- **Ask Questions**
- **Educate Yourself**

Barriers to Getting Help

- **Victim Characteristics**
 - Physical: Isolated, physical impairments, MCI
 - Emotional: shame, desire to maintain independence, denial/love, fear of retaliation
- **Abuser Tactics**
 - Fear and intimidation
 - Threats: “you will go to the home”
 - Withholding
 - Isolation

How You Can Help a Victim

1. Listen and be supportive - **on their terms**
 - Find a safe place
 - May not be able to guarantee confidentiality
 - Do not assume MCI
 - Do not try to “fix” the situation
 - Do not be discouraged if your efforts are met with resistance
2. Know what resources are available

How You Can Help a Victim

Conversation Starters

- I haven't seen you at services lately, is everything okay?
- You seem anxious, is there anything you would like to talk about?
- You seem concerned about how you are going to pay for your heat this winter, are you getting the help that you need?

State Resources

❖ **Local Law Enforcement & 911**

❖ **Office of Aging and Disability Services—**

Adult Protective Services 1-800-624-8404

- Provides services to protect incapacitated and/or dependent adults. If you have any reason to believe that someone is dependent or incapacitated, contact APS. Calls can be confidential.

❖ **Maine Office of Securities**

(877) 624-8551 (toll-free in Maine) or (207) 624-8551

www.investors.maine.gov

- The Office of Securities investigates and prosecutes violations of the securities laws.

Resources

❖ **Sexual Abuse:** Maine Coalition Against Sexual Assault

1-800-871-7741 or TTY 1-888-458-5599

www.mecasa.org

- This number will connect you with the sexual assault support center nearest you where an advocate is available to listen to you and offer support and information to help you decide what to do next

❖ **Domestic Violence:** Maine Coalition to End Domestic Violence

Available 24/7: 1-866-83-4HELP or TTY 1-800-437-1220

www.mcedv.org

- Temporary emergency shelter and transitional housing
- Referrals and information
- Court advocacy
- Support groups

Resources

Community Support

❖ **Legal Services for the Elderly 1-800-750-5353**

www.mainelse.org

- Provides free, high-quality legal services to Maine's socially and economically needy elderly age 60 and over

❖ **Local Area Agency on Aging 1-877-353-3771**

- Provides answers on aging and access to resources that help older and disabled adults live well in their homes and communities

How to Help Your Community

- **Create an Open Environment**
 - Talk about the issues
 - Be supportive to all those dealing with aging issues
 - Share resources
- **Get Involved**
 - Volunteer with local organization
 - Keep it simple: check in with elderly friends and family
 - Local Triads
- **Increase Awareness**
 - World Elder Abuse Awareness Day: June 15th

Questions

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