


DEPARTMENT OF BANKING AND SECURITIES dobs.pa.gov

## Preventing Elder Financial Exploitation – In Your Community

Investor Education and Consumer Outreach  
PA Department of Banking and Securities



October 2021

protect. regulate. inform.

---

---

---

---


---

---

---

---

1



**DISCLAIMER**

We have provided this information as a service. It is neither a legal interpretation nor an indication of a policy position by its presenters, their organizations, or the state securities regulator. If you have questions concerning the meaning or application of a particular federal or state law or rule or regulation, statement of policy or other materials, please consult with an attorney who specializes in tax and/or securities law.

protect. regulate. inform. dobs.pa.gov

---

---

---

---

---

---

---

---

2



**We Will Cover...**

- What is "elder financial exploitation?"
- What makes an older person more vulnerable?
- What can you do to help our most vulnerable population?
- Common frauds and scams being presented in our communities?

---

---

---

---

---

---

---

---

3



**According to PA's Older Adult Protective Services Act:**

**What is Elder Financial Exploitation?** The "illegal or improper use of an older adult's funds, property or assets."

- **Exploitation** usually involves someone the senior knows, such as a family member, friend or caregiver.
- **Elder Fraud** is usually perpetrated by a stranger, such as a telemarketer or investment promoter

---

---

---

---

---

---

---

---

4



**Why is elder financial exploitation a concern to all of us?**



protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

5



**Life changing decisions and moments**

---

---

---

---

---

---

---

---

6



**Take Home Point**  
 Any condition that impacts a person's ability to think rationally and clearly puts that person at a greater risk of being abused

7

---

---

---

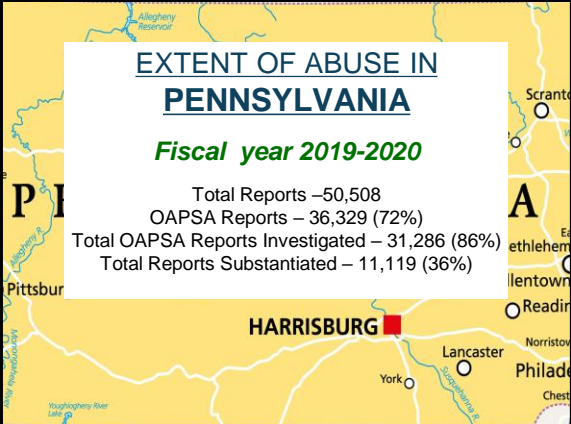
---

---

---

---

---



**EXTENT OF ABUSE IN PENNSYLVANIA**  
*Fiscal year 2019-2020*

- Total Reports – 50,508
- OAPSA Reports – 36,329 (72%)
- Total OAPSA Reports Investigated – 31,286 (86%)
- Total Reports Substantiated – 11,119 (36%)

8

---

---

---

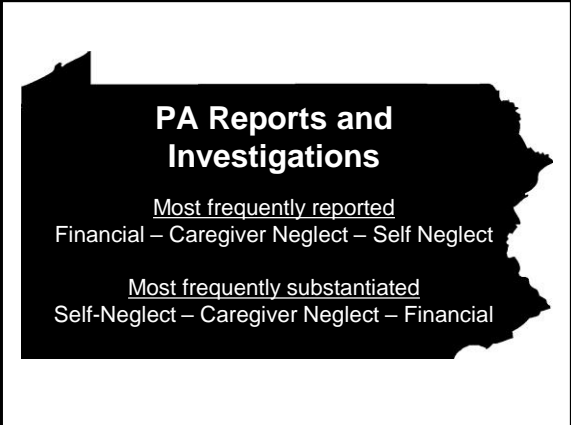
---

---

---

---

---



**PA Reports and Investigations**

Most frequently reported  
 Financial – Caregiver Neglect – Self Neglect

Most frequently substantiated  
 Self-Neglect – Caregiver Neglect – Financial

9

---

---

---

---

---

---

---

---

**Many diseases involve "diminished capacity" or "cognitive impairment"**

- Alzheimer's disease
- Frontotemporal dementia
- Vascular Dementia
- Lewy body disease
- Parkinson's dementia

*You don't have to know the difference to know someone needs help!*



10

---

---

---

---

---

---

---

---

**Bad Decisions vs Lack of Capacity**

Mr. Smith knows he has been a victim of a scam, but continues to send money by wire transfer - *maybe he will eventually "get the girl"*

The good news is that we don't have to be the ones to make the distinction between Mr. Smith's bad decision or his lack of capacity...



11

---

---

---

---

---

---

---

---

Elder Financial Abuse Awareness

**Elder financial abuse can kill**

Let's hear about Marjorie and how the financial abuse cost her everything and ultimately brought her to make the ultimate sacrifice.



protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

12

---

---

---


---

---

---


---

---

Elder Financial Abuse Awareness 

### IMPACT OF ABUSE ON VICTIMS

- Depleted her life savings
- Took out a reverse mortgage
- Cashed in a life insurance policy



protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---


---

---

---



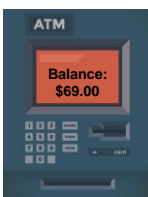
---

13

Elder Financial Abuse Awareness 

### Early Detection is Key

*This is what Marjorie's family found AFTER she died*



protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

14

Elder Financial Abuse Awareness 

### Elder financial doesn't always kill!

Sometimes it changes the course of people's lives forever.

Let's learn about Ruth and her husband, victims of affinity fraud and a Ponzi scheme...



Retirees Are Targets of Scams

protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

15



16

---

---

---


---

---

---


---

---

Elder Financial Abuse Awareness 

## Fraud in the Family

**PERCEPTION:** 34% Family, Friend, or Neighbor

**REALITY:** 75%  58% Family

**WHO RAIDED OUR SAVINGS?**  
Strangers, sure, but family and friends are the more likely culprits.

Category	Percentage
Stranger	15%
Business/Other	15%
Family/Friend/Neighbor	34%

**Reality WHO ACTUALLY COMPLETS FRAUD:**

Category	Percentage
Paid Home Care Aide	15%
Stranger/Other	15%
Family/Friend/Neighbor	75%

Family: 58%, Friends/Neighbor: 17%

AARP

**The people you know best are most likely to cheat or swindle you**  
by Gary Weiss, *AARP The Magazine*, February 1, 2018

protect. regulate. inform. dobs.pa.gov

17

---

---

---


---

---


---

---

---

Elder Financial Abuse Awareness 

## Ask General Questions to "Open the door"



- I just read a NY Times article about seniors being financially exploited
- Your tax payment is not usually late. Is everything ok at home?
- Is there anything going on at home that you need help with?

protect. regulate. inform. dobs.pa.gov

18

---

---

---


---

---

---

---

---

Elder Financial Abuse Awareness 

### Talking to a person who may be cognitively impaired

- Simplify questions - *don't ask a two-part question*
- Exercise patience when waiting for a response
- Be prepared for repetition

protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---


---

---

---

---

19

Elder Financial Abuse Awareness 

### How can you help?

- Take notes. This will help spur memories, for the older adult, and help law enforcement
- Provide information on what may happen next
- Allow a trusted third party to be present, if your customer is uncomfortable

protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

20

Elder Financial Abuse Awareness  

### What Can You Do?

- Identify Common **RED FLAGS** That Could Indicate Fraud, Exploitation or Abuse
  - Impaired decision-making
  - Suspicious Behavior
    - Isolation
    - Repeated missed appts
    - Medication issues
    - Neglect (self or caregiver)
  - Changes in behavior(s)
  - Physical deterioration
  - Undue Influence



protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

21

### DO YOU KNOW HOW TO REPORT?

**Adult Protective Services**  
**1.800.490.8505**

#### MANDATORY REPORTERS

Any person employed by or the administrator of a facility, who suspects abuse *must* report such information to the local Area Agency on Aging (AAA) (35 P.S. § 10225.302(a))

#### VOLUNTARY REPORTERS – Everyone Else!

Any person having reasonable cause to believe that an older adult needs protective services may report such information to the local Area Agency on Aging (AAA)



---

---

---

---


---

---

---

---

22

Elder Financial Abuse Awareness 

### The APS Process and Timetables

1. A concerned citizen contacts his/her local APS office to report concerns about the welfare of a senior or adult with disabilities.
2. The details provided in the report will be screened by a trained professional to evaluate if it meets the statutory requirements for APS services in the state and/or municipality receiving the report.
3. If the situation meets criteria for abuse, neglect or exploitation, an APS worker will initiate face-to-face contact with the adult needing assistance.

protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

23

Elderly Financial Abuse Awareness 



Patient Education



Elder Financial Abuse  
PREVENTION GUIDE



SeniorSafe

Protect your money and financial accounts from scams, exploitation, and identity theft.

Know who to contact if you need help.

### Prevention Program Materials

protect. regulate. inform. [dobs.pa.gov](http://dobs.pa.gov)

---

---

---

---

---

---

---

---

24



Elder Financial Abuse Awareness 

## Common Scams and Schemes

- **Ponzi Schemes**
- Promissory Notes
- Internet Investment Scams
- Nigerian Letters
- Lack of Suitability
- **Affinity Fraud**

protect. regulate. inform. dobs.pa.gov

---

---

---

---


---

---

---

---

28

Elder Financial Abuse Awareness 

## Ponzi Scheme

- Charles Ponzi – 1920's
- No actual business
- Money is paid to original investors, from funds that come in from new investments
- Promise great returns that are higher than other opportunities

protect. regulate. inform. dobs.pa.gov

---

---

---

---


---

---

---

---

29

Elder Financial Abuse Awareness 

## Bernie Madoff

- Arrested 12/08 – \$multi-BILLION Ponzi scheme
  - Originally operated a legitimate investment business
- Pled guilty to 11 felony charges:
  - Money laundering
  - Perjury
  - False filings with SEC
  - Fraud
- Sentenced 6/09 – 150 years in prison
  - Got no leniency
  - No plea bargains

protect. regulate. inform. dobs.pa.gov

---

---

---

---


---

---

---

---

30

Elder Financial Abuse Awareness 

Jan Lewan stole about \$5 MILLION from his fans and investors in Pennsylvania, Delaware, and New Jersey...

He was sentenced as follows:

- PA – 5 years & 11 months
- DE – 5 years
- NJ – 7 years

*He served a total of 5 years – the sentences ran concurrently...*

protect. regulate. inform. dobs.pa.gov

---

---

---

---

---

---

---

---

31

Elder Financial Abuse Awareness 

**Free Lunch – Red Flags**

- Glossy bright, expensive invitations
- Advertised in local papers (no expense spared)
- "Free" advice by experts who will "guarantee" much higher returns than anywhere else




- Strictly educational, no sales – *until the follow up calls*
- Expensive meal at a high class restaurant
- "No market risk" to you, "you cannot lose money"

protect. regulate. inform. dobs.pa.gov

---

---

---

---

---

---

---

---

32



**Affinity Fraud**

*Relies on trust and friendship within groups of people who have something in common.*

- Church organizations
- Civic clubs
- Community groups
- Athletic organizations

---

---

---

---

---

---

---

---

33

Elder Financial Abuse Awareness 



### Questions every investor should ask before investing...

1. Is the salesperson **licensed** to sell securities in your state?
2. Is the investment opportunity **registered** with a securities regulator?
3. Is there a **history** of complaints or violations against the salesperson or company?
4. Do you fully **understand** the investment and the risks?




---

---

---

---

---

---

---

---

34

Elder Financial Abuse Awareness 



### Investigate Your Professional

- ✓ Find out if they are registered, and what they can or can't do
- ✓ Gives you information about previous work history
- ✓ See if complaints have been filed or if actions have been taken against them

[www.finra.org/brokercheck](http://www.finra.org/brokercheck)

protect. regulate. inform. dobs.pa.gov

---

---

---

---

---

---

---

---

35

Elder Financial Abuse Awareness 



### Red Flags of Fraud:

- Special guarantees or “no risk” promises
- “Limited time offer”
- Offer is only open to you or “special groups”
- Pressure for an immediate decision

dobs.pa.gov

---

---

---

---

---

---

---

---

36

**PROTECT YOURSELF**

**More Red Flags of Fraud:**

- Only accepts gift cards, cash or checks made out to a person
- Won't give you information in writing
- You must keep the offer a secret
- An offer sounds "too good to be true"

protect. regulate. inform. dobs.pa.gov

37

---

---

---

---

---


---

---


---

Elder Financial Abuse Awareness pennsylvania  
DEPARTMENT OF BANKING AND SECURITIES

**Pennsylvania Resources**



www.dobs.pa.gov  
or 800.PA.BANKS



www.aging.pa.gov  
or 800.490.8505

protect. regulate. inform. dobs.pa.gov

38

---

---

---

---

---

---

---

---

Elder Financial Abuse Awareness pennsylvania  
DEPARTMENT OF BANKING AND SECURITIES

Questions? Questions?



Questions? Questions?

protect. regulate. inform. dobs.pa.gov

39

---

---

---


---

---

---

---

---

Elder Financial Abuse Awareness 

Investor Education and Consumer Outreach Office  
Pennsylvania Department of Banking and Securities  
informed@pa.gov  
17 N 2<sup>nd</sup> St, Suite 1300  
Harrisburg, PA 17101

*Thank You!*

---

---

---

---

---

---

---

---