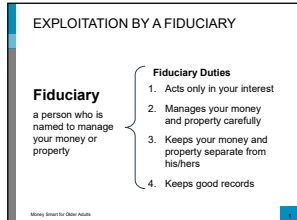




COMMON TYPES OF ELDER FINANCIAL EXPLOITATION

90 minutes

While we can't cover all types of elder financial exploitation in depth in this module, we will discuss the key points and give you some general guidelines to help you identify fraud, scams and other types of financial exploitation and give tips to help you prevent it from happening. We also provide a list of resources that you can consult as the need arises.



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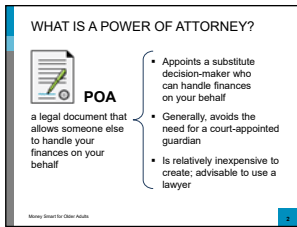
Exploitation by a Fiduciary

A person who is named to manage your money or property is a fiduciary. He or she must manage your money and property for your benefit. Financial exploitation can occur when a fiduciary abuses that power.

The person you appoint as your fiduciary should be trustworthy and honest. Your fiduciary has four basic duties:

1. Act only in your interest
2. Manage your money and property carefully
3. Keep your money and property separate from theirs
4. Keep good records

Your fiduciary can be removed if he or she does not fulfill their obligations or duties. Fiduciaries can be sued and may be ordered to repay money. If elder financial exploitation is reported to the police or Adult Protective Services, the fiduciary could be investigated. If the fiduciary is convicted of stealing your assets, they can go to jail.



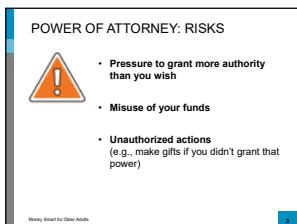
Slide 2

Power of Attorney

One way some older adults prepare for the possibility of diminished financial decision-making capacity is by making a power of attorney (POA) for finances. A power of attorney gives someone else legal authority to make decisions about money or property. That person – called the agent – can make decisions if the older adult is sick or injured.

Creating a POA is a private way to appoint a substitute decision maker and is relatively inexpensive. If you don't appoint an agent under a POA before your decision-making ability declines, a family member or friend might have to go to court to have a guardian appointed – and that process can be lengthy, expensive, and public.

If you're considering creating a power of attorney, there are a few things to remember.



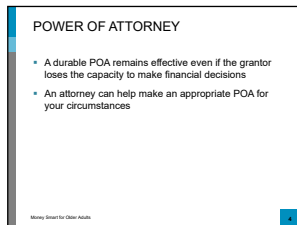
Slide 3

A POA does involve some risk. It gives someone else – your agent – a great deal of authority over your finances without regular oversight. POA abuse can take many forms:

- Your agent might pressure you for authority that you do not want to grant.
- Your agent may spend your money on him or herself rather than for your benefit.
- Your agent might do things you didn't authorize him or her to do – for example, make gifts or change beneficiaries on insurance policies or retirement plans.

POAs differ

POAs vary, depending on what state law allows and the wording in the document. Generally, a POA goes into effect as soon as it is signed unless the document specifies a different arrangement. That means that even if you are capable of making decisions, your representative can immediately act on your behalf.



Slide 4

A durable power of attorney remains effective even if the grantor loses the capacity to make financial decisions. If you want your POA to remain effective if you become unable to manage your money or property, make sure it is “durable.”

There are different ways to customize a power of attorney to fit your needs and preferences. An attorney can help you make an appropriate POA for your circumstances.

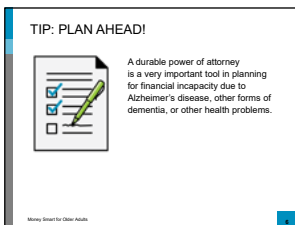


Slide 5

What are some ways to minimize the risk of POA abuse?

- Trust, but verify. Only appoint someone you really trust and make sure they know your wishes and preferences. You can require in your POA that your agent regularly report to another person on the financial transactions he or she makes on your behalf.
- Avoid appointing a person who mismanages their own money or has problems with substance abuse or gambling.
- Tell friends, family members, and financial advisers about your POA so they can look out for you.

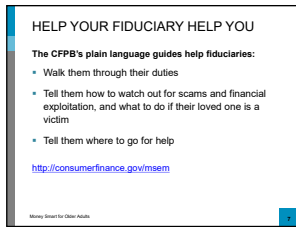
- Ask your financial institution about its POA procedures. The financial institution may have its own form that it wants you to complete. But a POA that is valid under your state’s law should be accepted by financial service providers.
- Remember that POA designations are not written in stone – you can change them. If you decide that your agent isn’t or is no longer the best person to handle your finances, you can revoke (cancel) your POA. Notify your financial institution if you do this.
- Avoid appointing hired caregivers or other paid helpers as your agent under a power of attorney.
- Beware of someone who wants to help you out by handling your finances and be your new “best friend.” If an offer of help seems too good to be true, it probably is.



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Plan ahead!

A durable power of attorney is a very important tool in planning for financial incapacity due to Alzheimer’s disease, other forms of dementia, or other health problems. It is advisable to consult with an attorney when preparing a power of attorney, a trust or any legal document giving someone else authority over your finances.



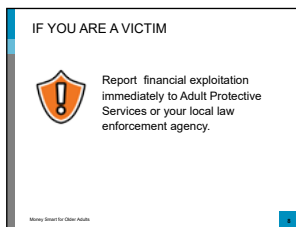
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Help your fiduciary under a power of attorney or other fiduciary help you.

The CFPB has plain language guides to help people acting as fiduciaries in three ways:

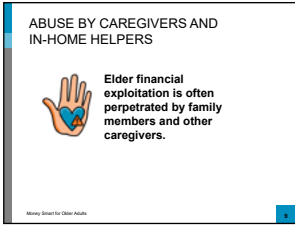
- The guides walk fiduciaries through their duties.
- The guides tell fiduciaries how to watch out for scams and financial exploitation, and what to do if their loved one is a victim.
- The guides tell fiduciaries where to go for help.

The guides are available to download and you can order free copies on the CFPB website at **consumerfinance.gov/managing-someone-elses-money**.



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If you or a loved one is a victim of financial exploitation by a fiduciary, take action immediately and make a report to Adult Protective Services or your local law enforcement agency.



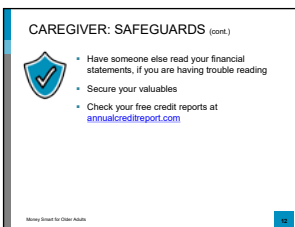
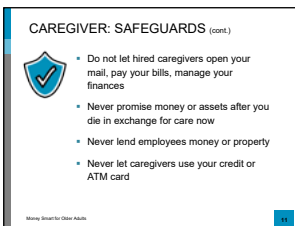
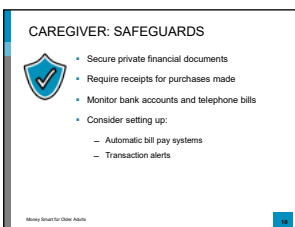
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Exploitation by Caregivers and In-Home Helpers – Tips to Defend You at Home

Elder financial exploitation is often perpetrated by family members and other caregivers.

Instructor: Stress this point.

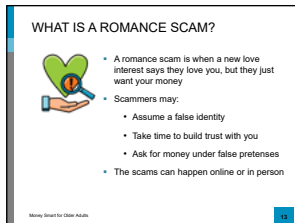
You can take steps to guard against financial exploitation by someone acting as a caregiver or in-home helper.



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- Secure your private financial documents including checks, financial statements and credit cards and statements. Consider using a locked file cabinet.
- Require receipts for purchases made by helpers.
- Monitor bank accounts and telephone bills. Ask for help from a third party, if needed, and consider an automatic bill pay system. Consider setting up transaction alerts that are monitored by a family member or other third party.
- Do not let hired caregivers or helpers open your mail, pay your bills, or manage your finances.
- Never promise money or assets to someone when you die in exchange for care provided now.
- Never lend employees money or personal property.
- Never let caregivers use your credit/debit card to run errands or make purchases for you.
- If you have trouble reading your statement, ask your financial institution if a second copy of your statement can go to someone who can read it for you. This person does not need to have authority to act on your behalf. Also, your financial institution may be able to send you your statement in large print.

- Secure your valuables such as jewelry and other property.
- Check your free credit reports at **annualcreditreport.com**



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Romance Scam

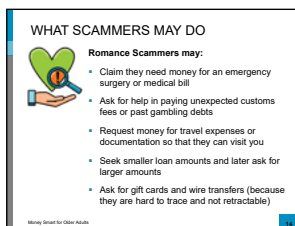
What is a Romance Scam?

A romance scam is when a new love interest says they love you, but they just want your money. The person may not be who they say they are. Romance scams can happen online or in person, and these scams are on the rise, according to new Federal Trade Commission data.

Scammers may:

- Assume a false identity
- Take time to build trust with you
- Ask for money under false pretenses

The scam can happen online or in person.



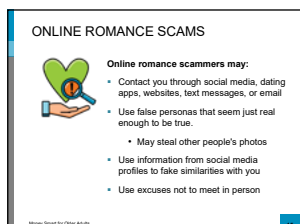
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What Scammers May Do

Romance Scammers may:

- Claim they need money for an emergency surgery or medical bill
- Ask for help in paying unexpected customs fees or past gambling debts
- Request money for travel expenses or documentation so that they can visit you
- Seek smaller loan amounts and later ask for larger amounts

- Ask for gift cards and wire transfers (because they are hard to trace and not retractable)



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Online Romance Scams

Online romance scammers can connect with people through social media, dating apps, websites, text messages, or email.

They may draw people into a relationship by building false personas that seem just real enough to be true.

- They may use their own photos or steal other people's photos from the Internet.
- Romance scammers often get information from social media profiles so they can fake similar interests, hobbies, and values.

Eventually, the supposed suitor will ask for money in a variety of ways. They may start small by asking for:

- A small monetary loan for a car repair or
- Help paying a medical bill to gauge the willingness to lend money.

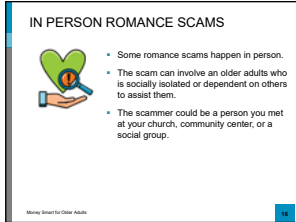
After the first few successful asks, the loan amounts may become higher. They also may ask for gift cards or wire transfers, which are hard to trace.

Some scams may involve identity theft, misuse of government benefits, or even money laundering.

The scammer will use excuses not to meet in person. For example, they may claim that they can't visit you in person because they are:

- living or traveling outside of the country
- working on an oil rig

- in the military
- a doctor with an international organization



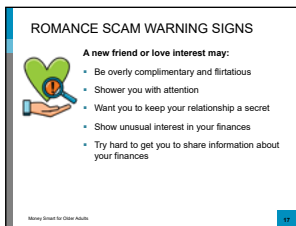
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In-Person Romance Scams

Some romance scams happen in person. This financial exploitation could involve older adults who are socially isolated or dependent on others to assist them.

The scammer could be a person you meet at places such as your church, community center, or social group.

Romance scammers may take time to build trust with you. They may ask for a small monetary loan at first, and increase the amount based on willingness to lend money.



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Romance Scam Warning Signs

Online and in-person romance scammers are financial predators. They play to your affection to gain your trust and access to your money.

Let's review some warning signs.

A new friend or love interest may:

- Be overly complimentary and flirtatious
- Shower you with attention
- Want you to keep your relationship a secret
- Show unusual interest in your finances
- Try hard to get you to share information about your finances



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Getting Help

If you think you are being scammed or have given, or sent, money to a scammer:

- Stop communicating with the scammer
- Notify your financial institution immediately if you sent money or gave someone your banking information
- Talk to someone you trust (a family member, friends or clergy). If they say they are concerned about your new love interest, pay attention!
- Report local in-person romance scams to local law enforcement and Adult Protective Services (APS)
- Report online romance scams to FBI's Internet Crime Complaint Center
- Report all scams to the Federal Trade Commission at **reportfraud.ftc.gov**
- The sooner you act and report scams, the better the chance you'll have of intercepting any stolen funds.