



## Elder Financial Exploitation



## 15 Things Your Credit Union Can Do

Credit unions can and should get involved!



## #1 Understand Elder Financial Exploitation

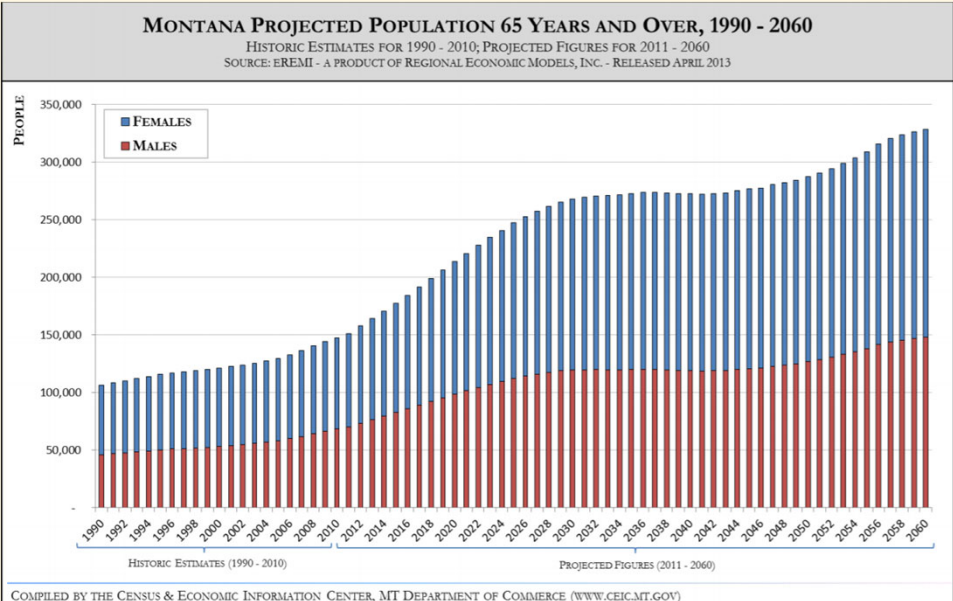
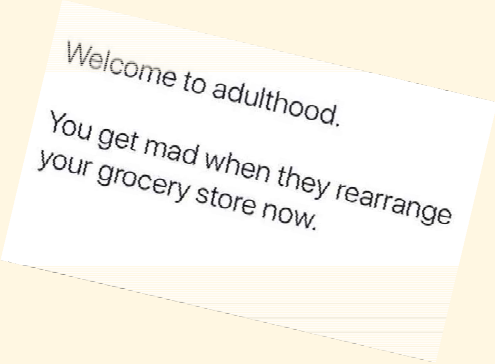
- The illegal or improper use of an older person's funds, property, or assets
  - *Often by persons they know and trust, including family members or trusted advisors*
- Annual losses range from \$2.9B to \$36.48B but underreported
- S 2155 Reg Relief provision on Aiding Senior Protection “*extends protections to certain individuals who, in good faith and with reasonable care, disclose the suspected exploitation of a senior citizen to a regulatory or law-enforcement agency*”





# #2 Know Affected Population

- Over age 60 is “older” in Montana
- 276,000 Montanans (26.5%)
- Almost 51 million Americans
  - 15.6% population 65 & over
  - Fastest growing population



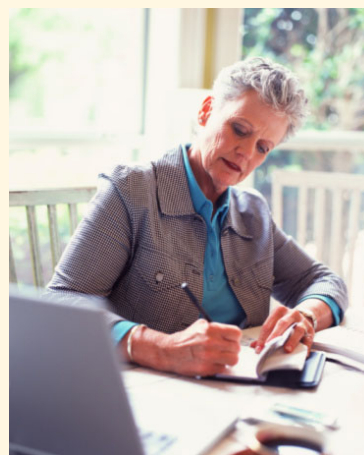


## Vulnerability Traits

- Isolated
- Cognitive decline
- Physical disability
- Health problems
- Loss of partner
- Lonely
- Trusting
- Dependent
- Confused
- Wealthy
- Polite
- Fearful of losing home
- Risk of losing independence
- Threat of lifestyle change



- Working longer
- Living longer
- Higher net worth
  - 1988 10x wealth of age 35
  - Today, 37x
- 75% fully banked
- 84% in-person transactions
- Value relationships





## #3 Ask Questions

- Avoid confrontation
- Be friendly, rather than nosy
- Probing
- Examples
  - “Why are you withdrawing this money?”
  - “Mrs. Jones, are you going on another cruise? This is a lot of cash and I am worried about your safety. We might have some better options for you.”



## #4 Watch for Warning Signs

- Confusion
- Cannot explain transactions
- Appears neglected
- Refuses to make eye contact or displays shame
- Accompanied by stranger or third party
- Doesn't speak on own behalf
- Seems fearful



## #5 Recognize Red Flags

- Unusual volume of activity
- Large or frequent withdrawals
- Change in usual habits
- Request by 3<sup>rd</sup> party for access
- Unfamiliar signatures
- Suspicious signatures (checks/forms)
- Debit card or ACH transactions beyond their capability (music or iTunes)
- ATM use at casino
- Requesting loan to help out a family member



## #5 (Cont.) More Red Flags

- New POA when member confused
- Mail not going to member address
- Sudden increase in debt
- Request for loan for lottery proceeds, back taxes, other scams
- Money withdrawn that doesn't appear to benefit member
- Wire internationally or to MSB
- Closing certificates w/ penalty
- Transfer to accounts accessible by other parties
- Long standing beneficiary revoked
- Checks written as "loans" or "gifts"



## #6 Understand Privacy Provisions

**NCUA Guidance 13-CU-08:** 2013 guidance by NCUA and other federal regulators clarifies that reporting suspected financial abuse of older adults to appropriate local, state, or federal agencies does not, in general, violate the privacy provisions of the GLBA

- Ask Questions!!!
- What about contacting a family member?



## #7 Understand New MT Law

- SB 311 effective Oct 1, 2019 M.C.A. 32-1-15
- **Notice allowed:** to “third party reasonably associated with person” if CU believes financial exploitation is occurring, has or may have occurred, or is being attempted... unless you believe that party is involved.
- **Delaying transactions:** may, but not required, if you believe
  1. May result in financial exploitation; or
  2. Covered agency provides information demonstrating to CU exploitation may be occurring



## Delaying Transactions

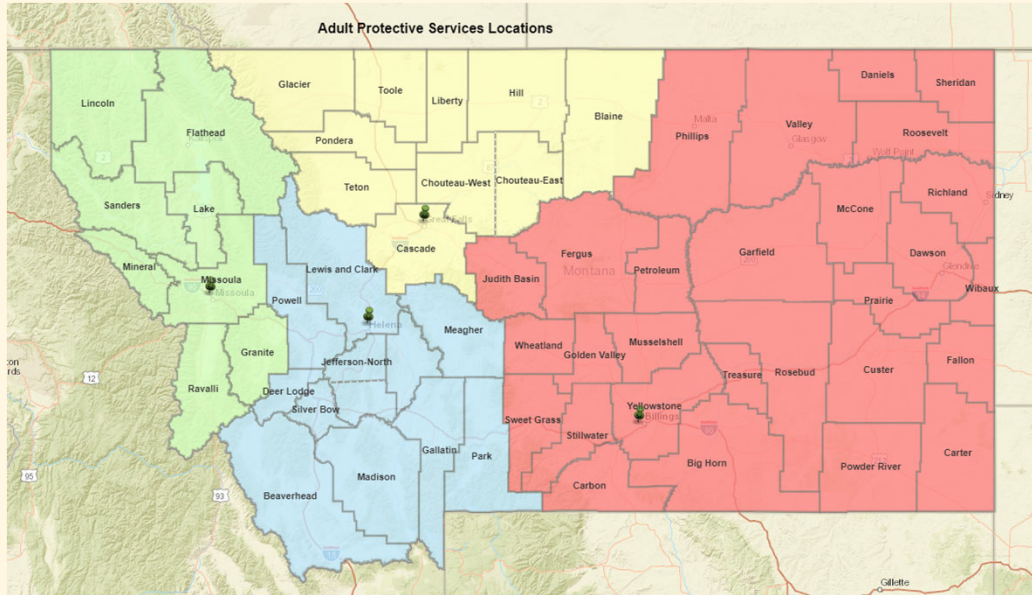
- Includes transfer; withdrawal; wire request; ACH; purchase money order or cashier's check; negotiate check; change account ownership, access to account, or POD/beneficiaries; loan request; draw on a line; extension of credit
- May delay until either a) reasonably determines transaction will not result in exploitation or b) 15 business days pass
- Possible request for extension to 25 days by agency investigating
- Written notice (including email) no later than 2 business days to all account parties, except possible victim



## #8 Report Elder Financial Exploitation

- “Prompt reporting ... can trigger appropriate intervention, prevention of financial losses, and other remedies.”
- Not mandatory in Montana for financial institution employees
- Are they in danger? Contact **law enforcement**
- If you suspect abuse or neglect- contact **Adult Protective Services (APS)**
  - Phone: 844-277-9300      Online: [montanaaps.com/Intake/PublicIntakeReport.aspx](http://montanaaps.com/Intake/PublicIntakeReport.aspx)
- Montana **Office of Consumer Protection**
  - Phone: 800-481-6896      E-mail: [contactocp@mt.gov](mailto:contactocp@mt.gov)





## #9 Follow CFPB Recommendations

- Develop, implement, and maintain internal protocols and procedures for protecting account holders
- Train management and staff to prevent, detect, and respond
- Detect by harnessing technology
- Report all cases to relevant authorities
- Protect older account holders
- Collaborate with other stakeholders





## #10 Assist Law Enforcement

- Expedite requested docs
- No cost if possible
- Have a central person to manage
- File a SAR under "Elder Financial Exploitation" category
- Once a SAR is filed, supporting documentation can be provided to appropriate agencies. A subpoena is not needed in these cases!



## #11 Have Protocol in Place

CU PolicyPro #2445

- Verify authority of anyone acting on member's behalf
- Use probing questions to determine the member's intent regarding a transaction
- Separate member from third party to ask more about relationship & transaction
- Create an "Awareness Document" on recent scams and fraud
- Delay the suspicious transaction if possible
- Contact supervisor/compliance for assistance and guidance
- Report to appropriate departments and channels



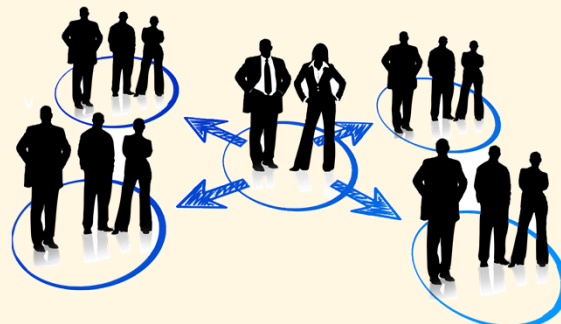
## #12 Use Available Technology

- Software can detect patterns humans cannot
- Card controls or dollar limits
- Account alerts or notes (for staff)
- Notification or fraud alerts (to members)



## #13 Collaborate with Others

- Local fraud networks
- Community fraud workshops
- Meet & greet with law enforcement
- Get to know APS





## #14 Keep Up on Current Scams

- Grandparent Scam
- Romance Scam
- Social Security Scam
- Lottery/Sweepstakes Scam
- Home Improvement
- IT Support
- **MT Office Consumer Protection:** <https://dojmt.gov/consumer/>
- **FTC:** <https://www.consumer.ftc.gov/features/scam-alerts>
- **AARP:** <https://www.aarp.org/money/scams-fraud/>



## #15 Educate Members

- **Adult Protective Services**  
<https://dphhs.mt.gov/Portals/85/sltc/documents/aps/Brochure.pdf>
- **AARP**
- **FTC** <https://www.bulkorder.ftc.gov/>
- **Office of Consumer Protection**
- **CFPB Older Americans Resources**  
<https://www.consumerfinance.gov/practitioner-resources/resources-for-older-adults/protecting-against-fraud/>



## Montana's Credit Unions

Donya Parrish, VP Risk Management

donya@mcun.coop | 406.324.7374 | [www.montanacreditunions.coop](http://www.montanacreditunions.coop)