

## Elder Financial Fraud — Webinar

StateTrack, CQ Roll Call,  
Eric Hammesfahr, Moderator  
Recorded, February 26, 2016

Participants:

- Judith Shaw, President, NASAA (including ServeOurSeniors) and Securities Administrator, Office of Securities, Maine
- Kathleen Quinn, Executive Director, NAPSA
- Philip C. Marshall

My prepared remarks which were in advance of our shared conversation.

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A decade ago, I was filled with angst, frustration, and a sense of impotence as I watched my grandmother's world, which had spanned the globe and a century, become so diminished and compromised by her own son, my father.

Today, we are talking about elder financial exploitation but, sadly, such exploitation usually goes hand in hand with other forms of abuse: neglect, isolation, and physical and psychological maltreatment...with elders poly-victimized or subject to "hybrid elder financial exploitation"—as my grandmother was.

While my grandmother was abused and isolated, her case is far from isolated, for there are millions of elder victims today suffering similar injury.

One in five elders, 65 and over, will be financially abused. And over half of us know someone who has been a victim of elder financial exploitation.

Even so, much abuse is invisible—and highly underreported. A 2011 New York study, *Under the Radar*, concluded that the incidence of all abuse was 24 times greater than reported, and the incidence of elder

financial exploitation was 44 times greater. The study also underscored the prevalence of poly-victimization.

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Early on, when I was still not sure what to do to help my grandmother, I sought advice from a sage high-school friend whose own family had been through a similar experience. He advised, “Philip, follow your heart, first; then...follow the money.”

In helping my grandmother, I first felt that financials were our fallback—for our greatest concern was my grandmother’s psychological and physical wellbeing.

As I now know, financials are at the forefront of our campaign for elder justice.

This is where state legislation and regulation (informed by national leadership and models) are so important.

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Proactive prevention, detection, and rapid response involve everyone. For, to be complacent about elder justice is to be complicit in elder abuse.

Financial institutions play a key, leadership role...given their fiduciary responsibility and the trust they share with customers—strengthened by their ability to report suspected exploitation.

To combat exploitation of customers, working with elders is achieved face to face—as over half our seniors rely on bank tellers.

Teller and other staff training programs are so helpful here.

A proven model is Senior\$afe in Maine, spearheaded by Judith Shaw.

Last year, Senators Collins and McCaskill—chair and ranking member, respectively, of the U.S. Senate Special Committee on Aging —

introduced the SeniorSafe Act of 2015.

AARP has launched BankSafe, a comprehensive approach to better serving and protecting consumers. This initiative will include a national online training program to help financial institutions understand how to prevent and report financial exploitation.

Here, we can “greenline” the elder justice movement under the Community Reinvestment Act where credits can be provided to the banking industry when it invests in detection and response through staff training.

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While elder engagement is achieved face to face, it is also realized in our digital space.

Elder justice is in its infancy compared to other realms that define our social, legal, and moral obligations.

Big-data analytics is in its infancy, too.

Both must be cradled in a legally and ethically constituted “trust framework.”

Here, coupled with mandated reporting, financial institutions can harness streaming analytics for detection and rapid response...and then sandbox warehoused analytics for proactive prevention of exploitation.

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Elder financial abuse by family and friends is “the ultimate betrayal,” as described by Superior Court Judge White in California.

Yet, it happened to my grandmother—betrayed by her only child.

In my grandmother’s case there was both opportunity and motive.

The opportunity was provided when my grandmother, at 100 years old,

was frail, in the throes of Alzheimer's, and susceptible to coercion and psychological manipulation.

And there was motive. Transgressions were fuelled by my father's mistaken belief that—irrespective of her needs and wishes—he deserved, and could take, whatever his mother had. This included tens of millions of dollars...and her wellbeing.

Here he used his power of attorney as a weapon...and a shield...to steal—as chronicled by large, irregular financial transactions that were being made.

So emboldened by successful gain of such sums, my father escalated his insidious, serial exploitation, in secrecy, by having his mother sign three codicils that transferred almost one hundred million dollars to his control—three years after he claimed she was “delusional.”

With mandated reporting, such egregious acts could have been “arrested” early on, protecting my grandmother from this added loss and injury.

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Elder abuse is a pervasive, profound, and systemic problem best addressed through a systems-based approach.

This is so helped by legislation that mandates reporting, while protecting reporters who act in good faith and with reasonable care where they delay a disbursement and disclose information—while being immune from civil and administrative liability.

The sharing of financial information with Adult Protective Services, law enforcement, and other agencies is critical to achieve a coordinated multi-disciplinary rapid response.

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This work is challenging, but much less so than devastation and damage control after-the-fact.

I know, from hard-learned experience.

Thank you for allowing me to share lessons learned from my grandmother's sad circumstances...and to address needs and opportunities to advance elder justice.

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