

A Panel Discussion

Financial Elder Exploitation

October 22, 2014

Tideswell
at UCSF

 **Institute
on Aging**

ConsumersUnion®
POLICY & ACTION FROM CONSUMER REPORTS

 **On Lok**
SeniorHealth



 **True
Link**



Suzanne Kawahara, MBA

Deputy Director Tideswell at UCSF

Welcome and Introduction

Why Financial Elder Exploitation?



Nearly a \$3 Billion Problem

The Federal Trade Commission estimates that 13.5% of US consumers are defrauded each year, losing a total of close to **\$3 billion**.



Tideswell at UCSF

*Advancing community-centered care for the
aging*

What We Do



Why We Do It





Shawna Reeves, MSW

Director, Elder Abuse Prevention, Institute on Aging

Definitions, Scope, and Trends

Definitions

ELDER: A person 65 years of age or older.

DEPENDENT ADULT: A person between the ages of 18 and 64 years who has physical or mental limitations that restrict his ability to carry out normal activities or to protect his or her rights.



Definitions

FINANCIAL ELDER ABUSE: The wrongful taking of property of an elder or dependent adult. In general, a taking of property is wrongful if it is clearly harmful to the elder or was obtained through fraud or undue influence.

DOMESTIC FINANCIAL ELDER ABUSE: The economic exploitation of elders by family members, caregivers, acquaintances, and neighbors that often involves the transfer of an elder's property or an inappropriate bequest obtained through undue influence.

COMMERCIAL ELDER FINANCIAL ABUSE: The economic exploitation of elders by sellers of products and services, which often involves issues of capacity to contract, undue influence, and misrepresentation. Tools used to commit commercial elder financial abuse may include advertising, promotions, free-lunch seminars, sales presentations, or phone calls.

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Why Are Elders TARGETS?

PHYSICAL VULNERABILITY

ISOLATION OR SOCIAL BUTTERFLY

NEUROLOGICAL VULNERABILITY

FINANCIAL VULNERABILITY

Why Are Elders TARGETS?

PHYSICAL VULNERABILITY

ISOLATION OR SOCIAL BUTTERFLY

NEUROLOGICAL VULNERABILITY



FINANCIAL VULNERABILITY Elders control 70% of the wealth, which translates to roughly \$15 trillion in assets. Abusers know this and will target both liquid and illiquid assets.

How bad is this problem?

Hard to know.

1 out of 10 elders is abused every year.

1 out of 5 elders is swindled every year. Swindlers can include telemarketers, insurance agents, mortgage brokers, attorneys, etc.

How can these both be the case??

It is estimated that only 1 out of 26 elder abuse cases gets reported to Adult Protective Services or law enforcement.

Elder Exploitation Trends

Gaining trust of – and access to - elders through caregivers

Bogus senior designations

The Madoff Phenomenon (i.e. high profile predators)

Senior Center Swindlers



Charlotte Carlson MD, MPH

Associate Medical Director

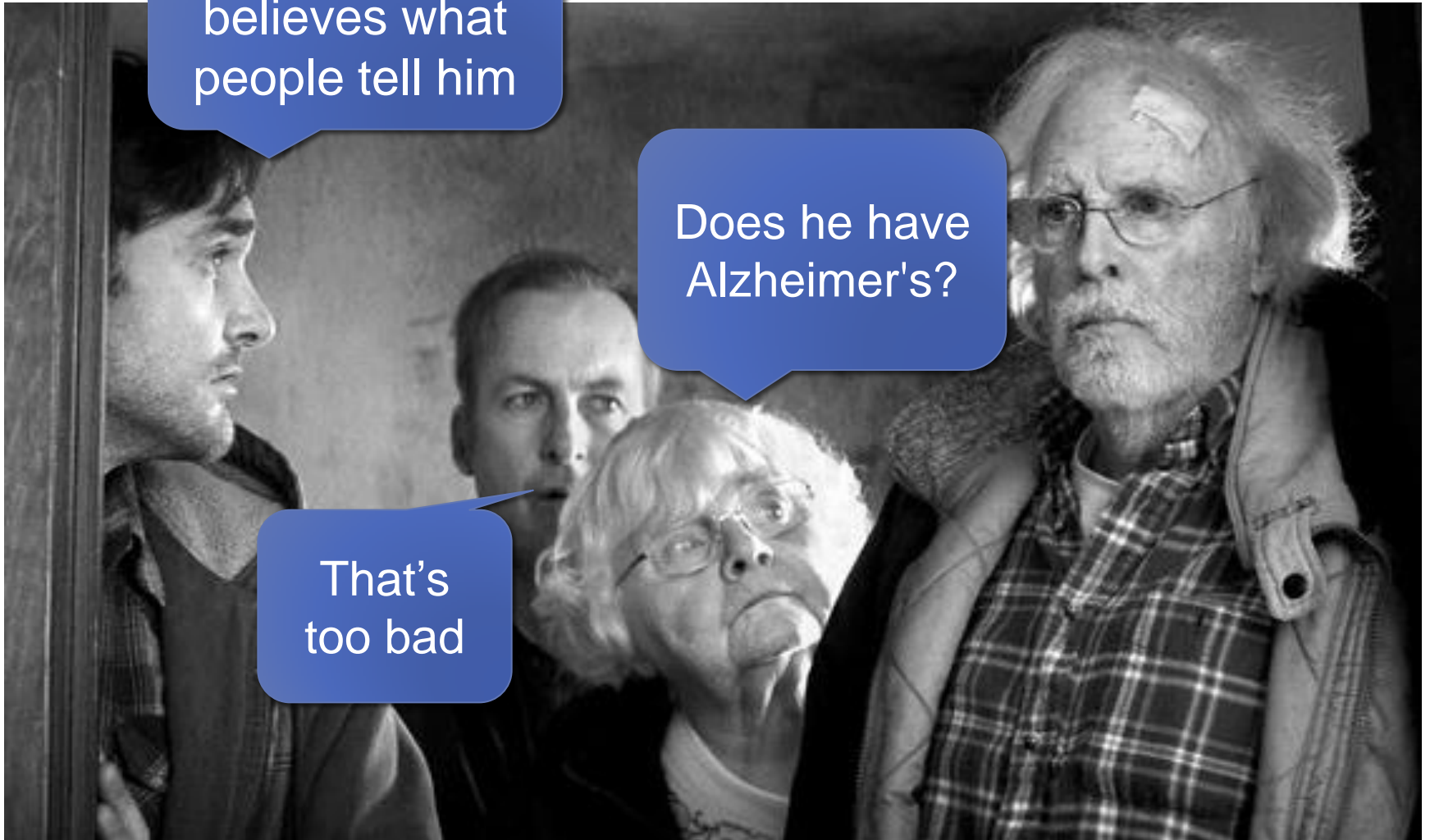
On Lok Senior Health by Institute of Aging

Sweepstakes & Supplements
Financial Issues in the Elderly

No, he just
believes what
people tell him

Does he have
Alzheimer's?

That's
too bad



Case from Clinic

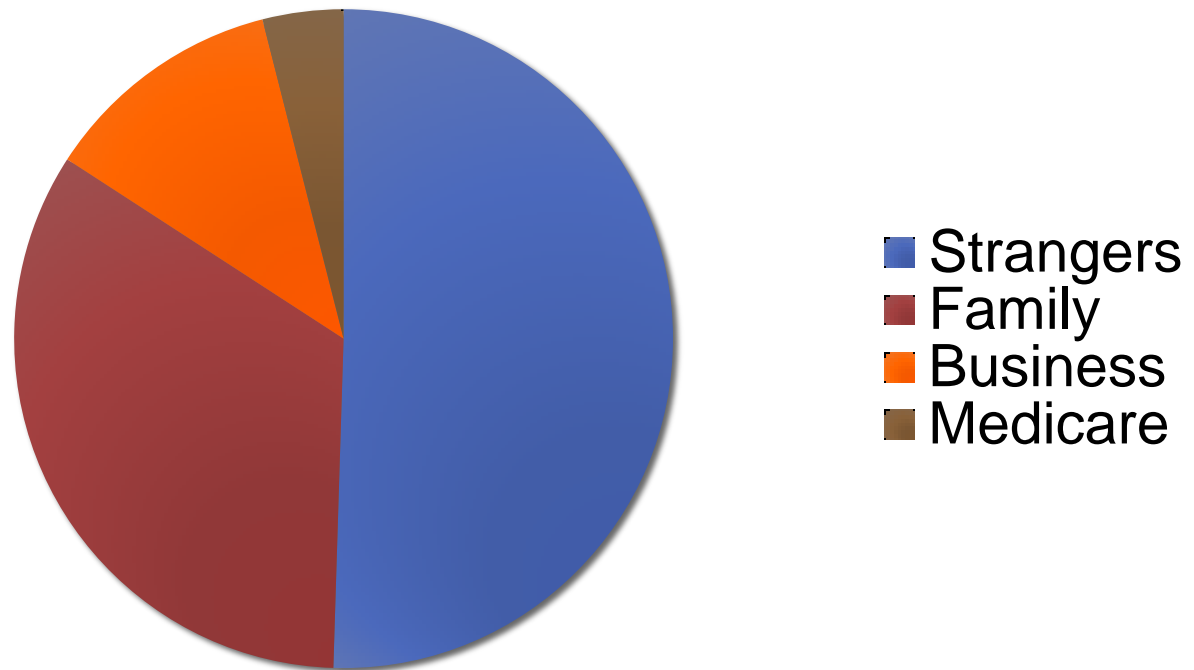


Financial abuse is common

- Relatives, acquaintances, and thieves
- 20%-50% of elder abuse cases
- Misappropriation of assets by dishonest means
- Types:
 - outright theft (often by using Power of Attorney)
 - credit card fraud
 - real estate scams
 - telemarketing scams

Financial abuse is expensive

- Annual financial loss by victims of elder financial abuse is estimated between \$3-30 billion dollars



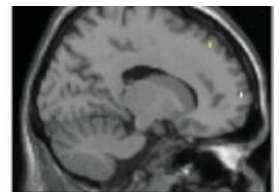
MetLife Study of Elder Abuse, 2011

Unique issues for elderly consumer



Cognitive vulnerabilities in aging

- Cognitive changes occur in most older adults, and impair reasoning and decision-making
 - Studies find 35-40% of community-dwelling adults are at risk
- Fraud awareness and detection of risk declines with age
- Early forms of Alzheimer's disease can present with impaired calculation before other problems with memory are pronounced



Back to our case...where's the problem?



Claims v reality



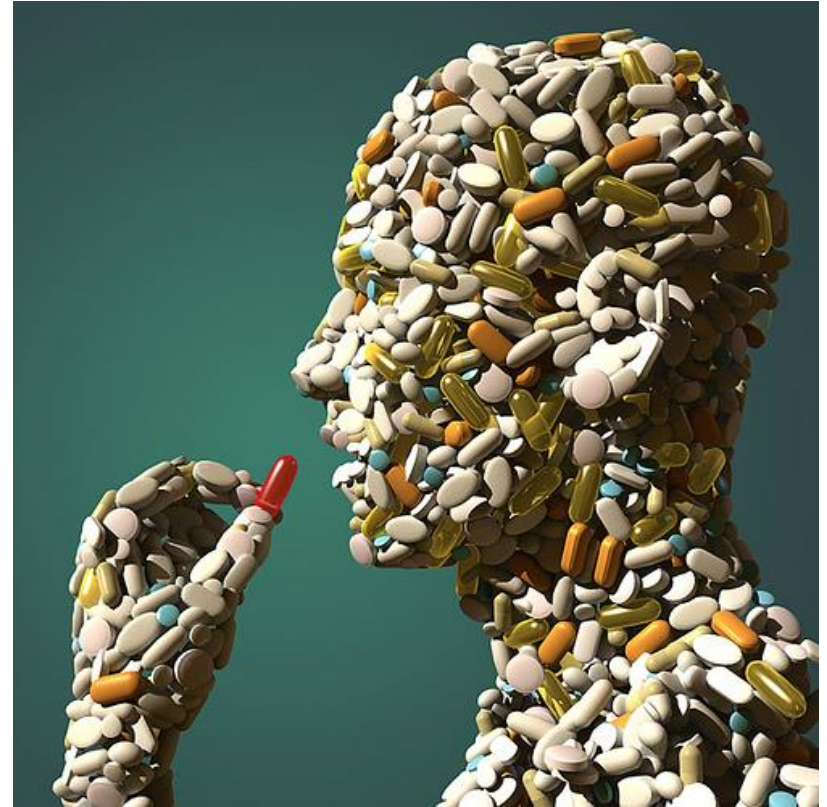
Supplement scams

- “Anti-aging” providers market directly to older adults
- Prey on impaired decision-making ability
- Target specific disease groups
- Older adults may not think of supplements as “medication” thus may not report to medical providers



Polyherbacy

- **Polyherbacy** is defined as the **excessive** and **inappropriate** use of dietary supplements
 - Can lead to drug-drug interactions
 - Side effects
 - Drug fatigue
 - Choking hazard
- **Needs to be reported to medical providers**



Take home #1: Scams prey on areas of value



Take home #2: Many people are at risk

Investment fraud

Married man (60-75)

Wealthy

Risk-taking personality

Better educated than
general public



Lottery scam victim

Older single women

Socially isolated

Low education level

“Life for today” attitude

Low financial literacy



Take home #3:

Start with asking questions



If you suspect an older adult is at risk, ask open-ended questions:

- “Many older adults receive calls or mailings asking them for money, or lotteries. Does this happen to you?”
- “Many older adults are asked to give donations or gifts that sometimes are more than they can afford. Does this happen to you?”
- “Many older adults use vitamins or minerals that they buy on the internet or at the drug store. Do you use any of these medications? Do you have trouble paying for medication?”

Take home #4:

You are not alone, look for a team



- Community resources can provide education
 - About risk factors and ways to prevent further exploitation
 - Share data about evidence for benefits/harms of supplements
- Further medical evaluation with doctor
 - Perform further cognitive, neurologic, psychiatric assessment
 - Assess for depression, loneliness, pain, or other abuse
- Seek legal advice or protection from attorney
 - Can assist with documentation / financial planning
- Report fraud and exploitation
 - To legal counsel, APS, or state securities regulator

Thank you





Preventing Elder Exploitation Through Advance Planning



Sarah Hooper, JD
Assistant Director & Adjunct Professor of Law
UC Hastings College of Law



What is Advance Planning?

A PROCESS for thinking about goals for now and the future.



Important Issues in Advance Planning

- Where do I want to live?
- Do I want to receive medical care in my home, in a hospital, or in a nursing home?
- What things matter most to me in my life?
- What do I want to spend my money on?
- Do I have enough money for the things I want or need?
- Who do I trust to help me with important decisions if I need help?

Possible Outcomes in Advance Planning

- A plan for managing finances:
 - Durable Power of Attorney for Finances
 - Will and/or Trust
 - Assistance with Social Security, VA benefits, or other pensions
 - Assistance with consumer concerns (reverse mortgages, long term care insurance)
- A plan for managing health care and personal care:
 - Advance Directives
 - Assistance with Medicare or Medi-Cal concerns, VA benefits, or IHSS
 - Assistance with housing concerns

Why Do Advance Planning?

- Keep control of decisions that matter to you
- Empower yourself with information and resources
- Make sure people know what you want
- Protect yourself
- Protect your loved ones
- Some decisions can't be avoided

What Happens If I Don't Plan Ahead?

- Those you don't know or trust may try to make decisions for you
- Those you do trust won't have automatic authority to help
- Those you do trust won't know how to help or what you want
- Others have to get involved (e.g. courts, Social Security Administration, Veterans Administration)
- There may be conflict over what is best for you
- You may not have your wishes met

Common Attitudes & Myths

- I am perfectly capable of making decisions for myself
- I don't want anyone to take decisions away from me
- Advance planning can wait
- If it comes to that, my family can just make those decisions
- I have someone already helping me manage money and other decisions- we don't need official documents
- It's too expensive
- I don't trust lawyers

Next Steps

- Don't panic!
- Get connected to the right attorney
- Before you meet, do some thinking on your own
- Ask questions

Legal Resources in the Community

Legal Assistance to the Elderly (LAE)

Asian Pacific Islander Legal Outreach (APILO)

California Advocates for Nursing Home Reform (CANHR)

National Senior Citizens Law Center (NSCLC)

Health Insurance Information & Counseling Program
(HICAP)

San Francisco Bar Association Legal Information &
Referral Service (LRIS)



POLICY & ACTION FROM CONSUMER REPORTS

Christina Tetreault, Esq.

Consumers Union, Policy and Action from *Consumer Reports*®

Gimmicks & Gotchas

Gimmicks and Gotchas

- Consumer education
- Driven by consumer stories
- Goal: build awareness of fraud, exploitation and rip-offs
- Caveat: Consumers Union does not represent individuals in lawsuits, and cannot provide legal advice


Focus today: Rip-offs

- These are (mostly) legal products that may harm your financial health

Examples


- Payday loans
- Credit repair and debt consolidation
- Reverse mortgages

Pay Day Loans



[Returning Customer Login | Restore Your Account](#)
[Select an account to log in](#) [Log In](#)

[Payday Loans](#) [Installment Loans](#) [Title Loans](#) [Prepaid Debit Cards](#) [Auto Insurance](#) [More](#) [Store locator](#) [ZIP CODE](#) [Find](#)



Apply Now for a Payday Loan

* All fields are required

First Name

Last Name

Phone Number State


Email Address

[Apply Now!](#)

[Terms, Conditions and Privacy Policy](#)

Please select the state above for license and rates.

What are our online customers saying?



"Great job." Daniel D. May 2014



"You helped big time thank you." Corrado L. May 2014




"Great service and service"

Payday Loans

Loans when you need it most.

- 1 Fill Out Online Application** No faxing is required.
- 2 Get Fast, Online Decision** If approved, a helpful ACE Cash Express representative may call you.
- 3 Get Your Cash** If approved, pick up your cash at your local ACE Cash Express or have it electronically deposited into your account.

[Apply Now!](#)

**Fast:** 5 minute application and instant decision

**Convenient:** Apply and manage your account from anywhere, anytime

**Secure:** Safe and secure website application

Getting an Online Payday Loan

Through our simple online application process, consumers can obtain a **payday loan online** ranging from \$100 to \$1000. ACE Cash Express does not require past bank statements, tax forms or lengthy paperwork. You will have your cash in as little as one to **two** business days since loan information is electronically validated. By applying online from the privacy of your home, you can cover unexpected home emergencies or overdraft fees.

Who Needs a Payday Loan?

A short-term payday loan is ideal for busy people. Even if you plan ahead, there isn't always enough money to take care of necessities like car repairs and utility payments.

When you apply online at ACE Cash Express, the money is used at your discretion. We will not ask you to justify your loan, and your personal information will be treated safely and confidentially.

A Few Myths about Online Payday Loans



[Call us 24/7 at 800-583-9719](#)

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Email

Zip Code

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CERTIFIED



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INSTANT APPROVAL

Why have over a million people turned to MoneyMutual? First of all, you might be able to get approved for up to \$1,000 directly deposited as soon as tomorrow* in just a few minutes instead of your traditional 10-14 day wait. You could have up to \$1,000.

Reverse mortgage.jpg [Show all downloads](#)

Ronnie from Salinas

- A payday service.. gave me a loan for \$500.00 ..and has stuck me paying back \$271.00 per month for 19 months. I believed that the payments were for two months payback at \$271.00. **The grand total of my payments will be \$5,149.00 to repay the \$500.00 loan** for which I have already made six payments.

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View Actual Results >>

Refund Policy * Cancel Anytime Unlimited Support No Hidden Fees

Simple Process:

- 1 Sign Up for our services
- 2 Forward Your Credit Reports
- 3 Our Attorney led team goes to work
- 4 Sit back and enjoy the results

See Actual Client Results

*...you guys have truly exceeded my expectations. A 143 point increase in my credit score has made me a proud new home owner!"
Matt, Oregon

Results you can count on:

Our advanced proven process for repairing your credit is one of the most effective in the industry, which is why clients of the eCreditAttorney program begin receiving results of investigations in as little as 45 days from their start of service.

Lowest Fees in the Industry, Guaranteed:

eCreditAttorney is one of the only attorney-led credit repair programs that does not charge clients an initial fee to begin, fees charged by our competitors as high as \$99.95 just to enroll. Our clients get the entire credit repair process fully underway absolutely FREE with their first \$29 retainer payment not due for a full 30 days after enrolling. We are Registered and Bonded, our services are backed by a performance based *REFUND POLICY and clients can always cancel at anytime. Superior service at an affordable price, WHY PAY MORE?

Items Addressed Include:

- Collections
- Late Payments
- Charge Offs
- Incorrect Balances
- Foreclosures
- Repossessions
- Garnishments
- Unauthorized Inquiries
- Identity Theft/Fraud
- Bankruptcies
- Liens
- Incorrect Personal Data

Client Login

Username

Password

Start today for FREE
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Click to Compare now!

William from San Francisco

- My sister signed up with.. a credit repair company. She paid between 10-20% of her credit cards debts to [the company] to get them to remove her collection accounts from her credit report without having to pay her debts [in full]. They in turn [were] going to send a bunch of dispute documents... A year or so went by, and she stopped receiving collection calls and letters, she applied for a car loan and was denied. They cited four charge off credit cards. [When she complained to the credit repair company the company] told her they can't make them remove it. This was not clear, **I have no idea what the point of the program was, I think they are completely misleading**, if she would have known would just would have started paying or settled with the collection agencies.

A photograph of actor Robert Wagner. He is wearing a brown cowboy hat, a light-colored button-down shirt, a tan vest, and a blue patterned bandana around his neck. He is standing in a grassy field with a wooden fence and a body of water in the foreground. In the background, there are tall evergreen trees and mountains under a blue sky with white clouds.

Robert Wagner
Actor & Paid Spokesperson

Call Now for Your **FREE Reverse Mortgage** Educational DVD



www.UrbanFinancialGroupTV.com

Reverse Mortgage Reality

- High interest loan
- Not suitable for everyone

Debra from Santa Cruz

“On the surface this seemed like a good solution for her.. until 2007 when she had a serious stroke. Then, with Mom unable to return home, I faced figuring out what came next. According to the terms of the loan she could reside elsewhere for up to a year, but the house could not be rented, so finding assisted living for her on her tiny income was a big problem. Eventually we got her back home for another few years.. [until] further illness made staying there any longer impossible.

During these years Mom was responsible for maintaining the house and garden, paying taxes and insurance even though the bank was destined to get the house...

Had my Mother died in the house as she had planned to do I would have fewer regrets about her choice to get a reverse mortgage... Mom is on MediCal in a nursing home that she could be paying for herself if the proceeds from the house had not gone to the bank.”

Obligations Continue

- Must stay in the house
- Must pay property taxes
- Must keep homeowners insurance
- Must maintain the property

Failure May Mean Default

- Default may lead to foreclosure



Consumers Union Recommendation

- Reverse mortgages should be a loan of last resort

Self Defense Against Rip-offs

- Be skeptical
- Take your time
- Do your homework
- Get everything in writing and review with disinterested experts *before you sign*
- When in doubt, don't

If You've Been Ripped-off

1. Complain to the company in writing and in detail
2. Complain to the appropriate government authorities
3. Get legal help
4. Take steps to prevent being re-victimized

Additional Resources

- Federal government

Complaint letter template:

<http://www.usa.gov/topics/consumer/complaint/complaint-letter.shtml>

FTC: <http://www.consumer.ftc.gov/>

Consumer Financial Protection Bureau

<http://www.consumerfinance.gov/older-americans/>

Additional Resources

- Non-profits

AARP: anti-fraud resources

<http://www.aarp.org/money/scams-fraud/fraud-watch-network/>

Consumers Union

<http://consumersunion.org/topic/gimmicks-and-gotchas/>

Additional Resources

- California

California consumer services

<http://www.consumerservices.ca.gov/>

Office of the California Attorney General

<http://oag.ca.gov/consumers>

Thank You!

CTetreault@Consumer.org

(415) 431-6747 x 138

ConsumersUnion.Org

@CU_Money



Claire McDonnell

True Link Financial Founder

*Elder Financial Entrapment:
Awareness & Prevention*

We've defined 3 types of financial entrapment

Outright Fraud

- Lottery and sweepstakes scams
- Wiring money abroad
- Forged checks or forced checks

Predatory Marketing

- “According to the terms of our offer, today is the final deadline to make a required payment”
- “Free” trials

Out-of-plan Spending

- \$50 a month to charities → \$50 a day to charities
- Ordering Christmas gifts every week

Common Scams targeting older adults

Health Care Fraud

Medicare Fraud

Health Insurance Fraud

Counterfeit Prescription
Drugs

Funeral & Cemetery Scams

Fraudulent Anti-Aging
Products

Telemarketing Scams

Internet Fraud

Investment Schemes

Homeowner Scam

Reverse Mortgage Scam

Sweepstakes Scam

Lottery Scam

Grandparent Scam

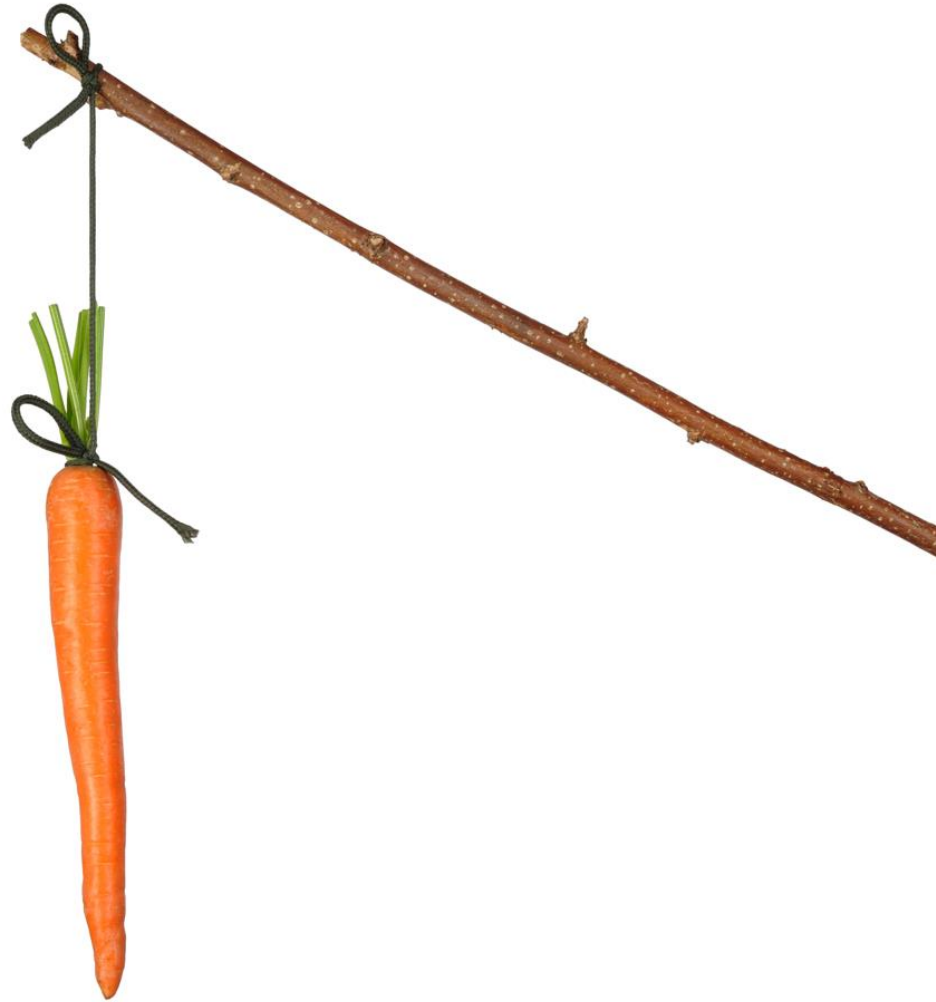
and more...

**There's a scam out there designed for each
and every one of us.**

How did one California
company steal
\$200 million from
10,000 Americans?

Predatory marketing tactics

- Emotional Arousal
- Legitimacy/authority
- Scapegoating
- Landscaping
- Liking (rapport building)
- Persistence
- Scarcity (act now)
- Moral appeal
- Distraction
- The Truth Effect



Key messages

- Just wait.
- Wait 24 hours before making any decisions – and consult someone else about it before any decision.

Key messages

- Never give your credit card, banking, Social Security, Medicare, or other personal information over the phone unless you initiated the call
 - Medicare/Medicaid employees, and indeed all legitimate business, will never ask for your full social security or Medicare number
- Beware of pushy marketers – never hesitate to take down the information and consult someone you trust
- Check the fine print when ordering from TV or online
- If it sounds too good to be true it is - never send money now for the promise of a return of more money later

Prevention: Opt out to reduce risk

- Use the National Do Not Call Registry at www.donotcall.gov or 1-888-382-1222.
- Register with DMA Choice to remove names and addresses from their marketing lists. <http://www.DMAchoice.org>
- “Opt out” from Credit Reporting Agencies lists to name and address from the lists they sell for pre-screened solicitations for credit cards etc. by calling (888) 5OPTOUT or (888) 567-8688, or at www.optoutprescreen.com.
- Stop unwanted catalogs with Catalog Choice at catalogchoice.org.
- Unsubscribe from mailing lists by downloading the PaperKarma app.
- Call True Link at 1-800-299-7646 for help blocking new credit inquiries with all three credit bureaus.

Standard operating procedures when a paid caregiver is in the home

- Remove stored valuables from the home
- Monitor all financial accounts closely
- Monitor purchases the caregiver is making

Consider True Link's service

