Geriatric Series: Preventing Elder Abuse & Financial Exploitation

Judith A. Metcalf, APRN, BC, MS, Clinical Assistant Professor of Nursing, Director UNE Maine Geriatric Education Center, Department of Nursing, University of New England

Judith M. Shaw, JD, Administrator Department of Financial and Professional Regulation, Office of Securities, State of Maine
Preventing Elder Investment Fraud: Assessing for Vulnerability to Financial Exploitation

Judith A. Metcalf, APRN, BC, MS, Clinical Assistant Professor of Nursing, Director UNE Maine Geriatric Education Center, Department of Nursing, University of New England

Judith M. Shaw, JD, Administrator Department of Financial and Professional Regulation, Office of Securities, State of Maine

Financial Exploitation of Older Adults: Red Flags in Direct Care Settings
Elder Investment Fraud and Financial Exploitation (EIFFE) Prevention Program

- The EIFFE Prevention Program utilizes CME courses to educate medical professionals who routinely see older Americans as part of their practice about elder investment fraud, vulnerability to investment fraud due to MCI, recognizing EIFFE in their patients, referral routes for further medical screening and the reporting of suspected fraud.

- The program is currently running in 33 U.S. states and jurisdictions.
Learning Objectives

Participants should be able to…

- Define types of and signs and symptoms of Elder Abuse
- List key factors that increase an older person’s vulnerability to elder investment fraud and financial exploitation
- Describe common financial exploitation schemes and practices
- Describe when to and where to refer patients deemed high risk to appropriate sources of assistance
An Aging Nation

Projected number of U.S. residents 65 years and older

U.S. residents 65 years and older projected population increases between 2015 and 2060:

- Total—105.2 percent
- Native-born—75.9 percent
- Foreign-born—294.8 percent

Source: 2014 National Population Projections
www.census.gov/population/projections/data/national/2014.html
Selected Aging Demographics

• In the year 2050, the population aged 65 and older in the U.S. is projected to be 83.7 million

• The large increase is due mostly to the fact that the U.S. Baby Boomers began turning 65 in 2011

• 10,000 persons qualify for Medicare every day

---

Goals…

• Raise awareness of elder abuse as a critical public health issue

  – White House Conference on Aging

  – A definition of “elder abuse” was proposed in the Elder Justice Roadmap Report (Connolly, Brandl, & Breckman, 2014, p. 3)

Elder abuse “includes physical, sexual or psychological abuse, as well as neglect, abandonment, and financial exploitation of an older person by another person or entity, that occurs in any setting (e.g., home, community, or facility), either in a relationship where there is an expectation of trust and/or when an older person is targeted based on age or disability”
Goals…

• Raise clinical awareness of elder investment fraud and financial exploitation (EIFFE)
  – it’s a serious, growing problem
  – what you can do about it

• Provide information and resources that can help you
  – based on your personal knowledge of a patient or client
  – but unclear how to ask about it or types of referral sources
Elder Abuse

- Physical Abuse
  - Hitting, beating, pushing, shoving, kicking, pinching, burning, biting, inappropriate use of medications, physical restraint, physical punishment of any kind

- Verbal, emotional or psychological abuse
  - Inflicting mental pain, anguish, or distress on an older adult through verbal or nonverbal acts, yelling, swearing, threatening, isolating behaviors

Elder Abuse & Neglect in Search of Solutions, American Psychological Association
Elder Abuse

- Sexual abuse
- Non-consensual sexual contact of any kind, or coercing an older adult to witness sexual behaviors
- Neglect
- Refusal or failure by those responsible to provide food, shelter, health care or protection for a vulnerable older adult

Elder Abuse

- Abandonment/Isolation
  - The desertion of a vulnerable older adult by anyone who has assumed the responsibility for care or custody of that older adult.

- Financial Exploitation
  - Illegal taking, misuse, or concealment of funds, property, or assets of a vulnerable older adult.

---

Challenges

• Aging demographic

• Baby boomers retiring

• Increasing lifespan

• Increasing need for informal family caregivers

• Shift from institution to home and community based care

• Elder abuse generally is a hidden phenomenon

• Screening and detection
EIFFE Can Happen to Anyone…

“To those seniors and especially elderly veterans like myself, I want to tell you this: You are not alone and you have nothing to be ashamed of. If elder abuse happened to me, it can happen to anyone.”

Mickey Rooney
Testimony to Senate Special Committee on Aging, March 2, 2011
Raising Awareness

• Why addressing this issue is so important…

  – vulnerable population is large and growing
  
  – financial health affects overall health
  
  ▪ financial loss impacts available food, medication, and other health services
Raising Awareness

- Almost a third of elders live within 150% of the poverty level
- Average savings of 50 year old boomers is about $50,000
Raising Awareness

- Even older adults with savings in the low millions can’t afford to lose substantial amounts, as they don’t have the time to make it up
- Current resources exist for patients only after harm occurs to them; little is available to prevent EIFFE
- Many aspects of normal aging and disease can contribute to older adults’ vulnerability to EIFFE
Raising Awareness

• Of all elder abuse cases reported, 30% were for financial exploitation (National Elder Abuse Study, 1998)

• Two nationally representative studies found 4-5% of older adults in the US have been victims of financial abuse (Acierno et al., 2010; Laumann et al., 2008)

  – similar prevalence to heart attacks and higher than that of CHF (1-2%)

http://www.nanocorthx.com/Articles/HeartDiseaseStrokeStatistics.pdf
What can you do to help prevent EIFFE?

• Simple office-based assessments of potential vulnerability to EIFFE
  – checklist of situations associated with high risk
  – assessment questions
  – referral sources for those deemed potentially at high risk
  – recent paper on office-based assessments by E. Widera et al. JAMA, Feb. 16, 2011
    http://jama.ama-assn.org/content/305/7/698.full
Adding Financial Exploitation to the Geriatric Checklist
Important Areas for EIFFE

- Vulnerability [risk] factors
- Financial capacity issues
- Investment and financial knowledge
- Undue influence of others
Responsible Party Characteristics

- Traits
  - caregiver
  - male, usually relative
  - living with the patient
  - economically dependent on the patient
  - history of mental illness, including substance abuse and antisocial behavior or other health problems

Tueth, M (Am J Geriatr Psychiatry 8:2, Spring 2000)
Clinical Assessment of Vulnerable Older Adults

• Simple office-based assessment of potential vulnerability to EIFFE
  – recommended questions you can add to patient’s waiting room paperwork
  – assessment questions clinician asks during visit using Clinician’s Pocket Guide
A Clinician’s Pocket Guide

Pocket Guide on Elder Investment Fraud and Financial Exploitation

Should I be concerned?

**Red Flags in patient/client history:**
- Social Isolation
- Bereavement
- Dependence on another to provide care
- Financially responsible for adult child or spouse
- Alcohol or drug abuse
- Depression or mental illness

**Red Flags from clinical observations:**
- Cognitive problems
- Fearful, emotionally labile, or distressed
- Suspicious, delusional
- Change in appearance, poor hygiene
- Accompanied by caregiver who is overly protective; dominates patient/client
- Change in ability to perform activities of daily living, including self-care, daily finances, medication management

Oregon

[Logos of related organizations]
Pocket Guide on Elder Investment Fraud and Financial Exploitation

• The Clinician’s Pocket Guide was created by Baylor College of Medicine’s Texas Consortium Geriatric Education Center as part of the Elder Investment Fraud and Financial Exploitation program through a grant from the Investor Protection Trust (http://www.investorprotection.org) with the support and involvement of the Texas State Securities Board.

Prevalence of Depression

- Many older adults have Major Depressive Disorder (MDD) or some symptoms of depression.
- Depression as a risk factor: older adults who are abused tend to be more depressed compared to those who aren’t.
- Depression as a consequence: older adults can develop depression as a result of being abused or exploited.
  - leaves them open to even more exploitation

NIH Senior Health: http://nihseniorhealth.gov/depression/aboutdepression/04.html
Introducing the Issue to Your Patient

• “We find that some older adults worry about money; may I ask you a few questions about this?” or

• “I just read a NY Times article about elders being financially exploited and thought I ought to talk to my mother and my patients, too.”

• What other opening questions do you think would be good ones?
Questions You Can Ask

• Who manages your money day to day? How is that going?

• Do you run out of money at the end of the month?
Questions You Can Ask

- Do you regret or worry about financial decisions you’ve recently made?
- Have you given power of attorney to another person?
- Do you have a will? Has anyone asked you to change it?
Financial Concerns Checklist

• Are you having any of the following common concerns?
  – I have trouble paying bills because the bills are confusing to me
  – I don’t feel confident making big financial decisions alone
Financial Concerns Checklist

• I don’t understand financial decisions that someone else is making for me

• I give loans or gifts more than I can afford

• My children or others are pressuring me to give them money or change my will
Financial Concerns Checklist

- People are calling me or mailing me asking for money, lotteries
- Someone is accessing my accounts or money seems to be disappearing
What types of referral may be needed?

• Help with managing money or other care tasks
  – poor resource management or limited resources available; needs assistance with finances, meals, transportation, ADLs

• Legal advice or protection
  – needs assistance with financial planning or legal documentation
What types of referral may be needed?

• Fraud and exploitation may have occurred
  – needs legal counsel

• Further medical evaluation
  – needs assessment for cognitive, neurological, or other conditions
Referral Sources in Your State

- Appropriate specialists such as a geriatrician, neurologist, psychiatrist, or psychologist may be warranted
- Maine Office of Securities
  1-877-624-8551 • www.investors.maine.gov
- Adult Protective Services (APS)
  1-800-624-8404
- Attorney General’s Office
- Bureau of Insurance
- Local District Attorney’s Office
What You Can Say to Your Patients …

• Be aware of our own vulnerability
• Be aware of who wants your money
• Be aware of how you can protect yourself
• Be aware of who can help you
EIFFE Prevention Program
Materials

Clinician’s Pocket Guide

Pocket Guide on Elder Investment Fraud and Financial Exploitation

Should I be concerned?

Red Flags in patient/client history:
- Social isolation
- Bereavement
- Dependence on another to provide care
- Financially responsible for adult child or spouse
- Alcohol or drug abuse
- Depression or mental illness

Red Flags from clinical observations:
- Cognitive problems
- Fearful, emotionally labile, or distressed
- Suspicious, delusional
- Change in appearance, poor hygiene
- Accompanied by caregiver who is overly protective; dominates patient/client
- Change in ability to perform activities of daily living, including self-care, daily finances, medication management

Patient Education Brochure

Learn how to protect yourself and your family from senior financial exploitation

Oregon Department of Human Services
BCM
NAOUSA
Consumer Protection
ORECON
NAOUSA
Investor Education and Protection
Investment Fraud Affects Everyone

In the United States, BILLIONS of dollars are lost each year to investment fraud and scams.

These scams affect both the rich and poor; the sophisticated and the unsophisticated; the timid, the greedy, and the elderly.
Role of the State Securities Regulator

• Your State Securities Regulator:
  – Licenses investment professionals
  – Investigates investor complaints and potential cases of investment fraud
  – Enforces state securities laws
  – Examines brokerage and investment adviser firms
  – Provides information to investors about an investment adviser’s license, prior disciplinary or enforcement actions, serious complaints lodged against them and their background
What is Investment Fraud?

- Investment fraud, also known as stock and/or securities fraud, violates securities laws when investors are induced to make purchase or sale decisions on the basis of false information, frequently resulting in losses.

- Investment fraud can take many forms including unsuitable investments, fraudulent offerings, unregistered products, unlicensed advisers/brokers or theft or misappropriation of funds.
Common Advisor Scams and Schemes

• Unsuitable investments and “know your customer”
• Unauthorized transactions (power of attorney abuse)
• Margin trading
• Churning
• Unreasonable expectations
• Complex investments
• High fees and expenses
Common Types of Fraud

- Investment Fraud
  - Affinity fraud
  - Theft in brokerage accounts
  - Internet and email investment scams
  - Ponzi and pyramid schemes
  - Oil & gas schemes
  - Coins & precious metals
- Caregivers/Family/Friends
  - Power of Attorney
  - Change of last will and testament
  - Property conversion
How To Spot a Con Artist

- Promise no risk with high rewards/returns
- High pressure sales techniques
- Spelling and grammatical errors
- Offer is for you only or a “select group”
- Pressure for an immediate response
- Requires an advance payment
- “Cash only” or checks made out personally
- Promises to provide paperwork “later”
- Often ask for personal information
- Ask you to sign blank forms or documents
- Inability to contact an independent company representative
- Offers that are too good to be true
Self-Defense Tips

• Before you buy, check the background of anyone trying to sell you securities with your State Securities Regulator
• Don’t accept statements from your manager alone – verify with the brokerage firm
• Don’t send money directly to the manager – make out checks to the third-party independent brokerage account
• Never invest based on reputation or word of mouth
• Monitor your investments and ask tough questions
• Look for trouble retrieving your principal or profits
• Don't let embarrassment keep you from reporting fraud
• Read & understand your monthly statement – report problems to your broker or his/her manager
• Unknown caller offering investment product: “HANG IT UP”
Investigate Before You Invest!

- Check out your broker/advisor and any securities before committing any money or signing any paperwork
- Deal only with registered individuals and reputable firms; ask questions; obtain, keep and read documentation
- Contact the Maine Office of Securities at: 1-877-624-8551 • www.investors.maine.gov
- Check on licensing or registration status, disciplinary history or pending arbitration and employment history for the past 10 years through the Central Registration Depository (CRD) at: www.finra.org/Investors/ToolsCalculators/BrokerCheck/
How Your Patient Can File a Complaint Form

• Facts generate outcomes
  – How did the victim learn about the opportunity
  – Who was there during the meeting
  – When and where did the meeting take place
  – Why did the victim decide to purchase the investment
  – Names, addresses, and telephone numbers

• You can download/complete a complaint form online at: www.investors.maine.gov
Complaint Form – What Should Be Attached

• Always keep a paper trail
  – Business card or other information that lists the name and company of the individual who may have sold investments to the client
  – Any monthly statements
  – Documentation (e.g. prospectus)
  – Website address
Additional Investor Education Resources

Video on the IPT Website

IPT Investor Education Booklets

- The Basics for Investing in Stocks
- Mutual Funds and ETFs: Maybe All You'll Ever Need
- Where to Invest Your College Money
- A Primer for Investing in Bonds
- Maximize Your Retirement Investments
- 5 Keys to Investing Success
- Getting Help With Your Investments

www.investorprotection.org
Last Point: Don’t Be Nice

One day a nice man called Edna and Bob and offered them a low-risk investment with a guaranteed high rate of return:

THEY TOLD HIM TO STICK IT IN HIS EAR!
World Elder Abuse Awareness Day

June 15th
Thank You!

- Judith A. Metcalf, APRN, BC, MS, Clinical Assistant Professor of Nursing, Director UNE Maine Geriatric Education Center, Department of Nursing, University of New England
  - jmetcalf@une.edu
  - 207-221-4459

- Judith M. Shaw, JD, Administrator
  - Department of Financial and Professional Regulation, Office of Securities, State of Maine
  - judith.m.shaw@maine.gov
  - 207-624-8555