

**ATTORNEY GENERAL'S  
OFFICE OF  
CONSUMER PROTECTION  
PRESENTED BY LORI FARRIS**

# **Checks and Imbalances: Financial Exploitation of Granny**

- How to recognize it
- How to avoid it
- How to assist your victims

# THE SAD REALITY OF FINANCIAL FRAUD

- Often your victim willingly participates in the fraud.
- It is a crime of opportunity, much like a violent crime.
- Victims are not to blame. They are a target because they have assets to steal or are generally vulnerable.

# FRAUD TACTICS

- **Frauds vary, but similar tactics are used:**
  - **Gaining victims trust and confidence.**
  - **Using false information to induce victims to invest or purchase products that don't exist or send money for bogus gimmicks.**
  - **Stealing identifying information.**

# HOW BIG IS THE PROBLEM?

- **FTC estimates 48.7 million incidents of fraud every year.**
- **Attorney General's Office receives 6-10 calls per day from either victims, or persons reporting frauds.**
- **Victims may lose life savings: one lost \$200,000 in one fraud.**
- **Many victims are repeat victims.**

# EMOTIONAL REACTION TO FINANCIAL FRAUD

- Emotional reaction could resemble those of victims of violent crimes:

denial                      loss of trust                      hopelessness

anger                      guilt                      shame                      depression

fear                      loss of self-confidence

- Victims often feel they should have known better

# FRAUDS ARE UNDER REPORTED – WHY?

- Feelings of shame, embarrassment and guilt.
- Fear of family reaction.
- Not knowing where to turn.
- Feeling that reporting wouldn't make a difference.
- Fear that reporting would lead to loss of legal or financial control.
- Threats of intimidation from perpetrator.
- Loss of esteem/social status in social group.
- Lack of confidence in the ability of authorities to respond and assist.

# HOW FRAUD HAPPENS

**If it sounds too good to be true.....**

- Fraudsters make their living by making sure deals they tout **appear both good and true.**

We have to be able to determine when  
“good” becomes “too good.”

# MASTERS OF PERSUASION – THE PSYCHOLOGY BEHIND THE PITCH

- Successful cons are clever, disciplined and highly skilled at what they do.
- Masters of persuasion either by phone, mail ,in person or online.
- They match the psychological profiles of their targets.
- Ask seemingly benign questions – target health, family, religion, political views, hobbies, etc. (affinity)



# MASTERS OF PERSUASION – THE PSYCHOLOGY BEHIND THE PITCH

- Once they know what buttons to push, they bombard the victim with influence tactics that leaves the victim in a haze.
- These tactics can also be used by both strangers and family members/loved ones.
- **The Ultimate Goal of the Fraudster: ensnare the victim into making an **EMOTIONAL, NOT RATIONAL**, decision!**

# PERSUASION TACTICS

- **Phantom Riches**: dangling the prospect of wealth
  - *“Opportunity is knocking. An investment today will earn 300% in 90 days”*
  - *“You have won the major prize. Don’t you want to leave your family something? You only need to pay the fee.”*

# PERSUASION TACTICS

- **Source Credibility**: the idea that it is better to deal with credible people or individuals in positions of authority.
  - *“I am senior vice president here with a law degree and am certified to deal with seniors and I believe this is the right product for you.”*
  - *“I am Agent Long with the IRS, you owe back taxes, and if not paid, you will be arrested “*

# PERSUASION TACTICS

- **Social Consensus**: if everybody wants it, it must be good.
  - *“Everyone wants to get in on the ground level with this investment.”*
- **Reciprocity**: doing a small favor in return for a big favor.
  - *“We’ve spent a lot of time with you on the phone , the least you could do is....”*

# PERSUASION TACTICS

- **Scarcity**: if something is rare or scarce, it must be more valuable.
  - *“This offer is good to today and today only. We’ve got to move now if you want in on this deal (sweepstakes , lottery prize, etc.)”*
  - *“This is the last one we have left.”*

# VICTIMS OF FINANCIAL FRAUD

- **Some high target victims:**
  - **Senior adult living alone or lonely.**
  - **Those with mental impairments, cognitive issues.**
  - **Those grieving loss of loved one.**
  - **Near retirees.**
  - **Previous victims of financial fraud.**

# PERPETRATORS

## ■ Persons unknown to victim:

- Senders of mail
- Phone calls
- Text messages/Emails

## ■ Persons known to victim:

- Family member, friend, social acquaintance, caregiver, faith based organization
- Advisors (accountant, attorney, banker, etc.)

**The**

**Better Business Bureau will  
cover financial exploitation  
that involves **scams**, which  
generally include**

**perpetrators unknown to  
the victim**



# PHONE SCAMS AND OTHER TYPES...



# FINANCIAL EXPLOITATION

**PERPETRATORS  
KNOWN  
TO THE VICTIM**

# FINANCIAL EXPLOITATION

## “The Last Will And Embezzlement”

Reference from Terra Nova films [www.terranoval.org](http://www.terranoval.org)

# FINANCIAL EXPLOITATION

## ■ May include:

- Illegal or improper use of a vulnerable adult's funds, property or assets.
- Cashing checks without authorization or permission/"Gift Giving"
- Forging an older person's signature.
- Misusing or stealing an older person's money or possessions – even identity.
- Coercing ,deceiving or threatening an older person into signing any document (contract, will, etc.)
- Improper use of conservatorship, guardianship, or POA

# THE SAD REALITY OF FINANCIAL EXPLOITATION

- Victim generally trusts the perpetrator.
- Victim is afraid to seek help – fear of retaliation.
- Victim is dependent on family and friends for care.
- Victim is afraid of family member or friend being arrested if reported.

# THE SAD REALITY OF FINANCIAL EXPLOITATION

Elder victim's ability to make good decisions or the way s/he would have made a decision has changed – impaired judgment.

# THE PSYCHOLOGY OF THE PERPETRATOR – FAMILY

- Often have substance abuse, gambling or financial problems.
- Stand to inherit and feel justified in taking what they believe is “rightfully” theirs.
- Fear that their older family member will get sick and use up resources – depriving abuser of inheritance.

# THE PSYCHOLOGY OF THE PERPETRATOR-FAMILY

- Have had a negative relationship with older person and feel sense of “entitlement”.
- Have negative feelings toward siblings or other family members whom they want to prevent acquiring or inheriting older person’s assets.



# THE PSYCHOLOGY OF THE PERPETRATOR-OTHER (NON-FAMILY)

- Seek employment with older person to gain access. (housekeeper/gardener)
- Profess to love the older person (sweetheart swindler).
- Determine vulnerability by driving by homes, reading obituaries, observing lonely nursing home residents, etc. for possible targets.

# THE PSYCHOLOGY OF THE PERPETRATOR-OTHER (NON-FAMILY)

- Move from community to community to avoid detection.
- Overcharge for services or products.
- Use their position of trust.

# A VICTIM OF FINANCIAL EXPLOITATION



MICKEY  
ROONEY  

---

1920-2014



# MICKEY ROONEY

- Exploited by his step son and his wife.
- Suffered shame and humiliation.
- Food and medicine was withheld from him.
- His personal affairs were meddled in.
- When he died at 93 years old, it was reported that he had only \$18,000 in his account – far from what he use to have.
- No one is immune!

# **RISK FACTORS INCREASE WHEN ELDER:**

- **Is Isolated**
- **Is Lonely**
- **Experienced recent loss**
- **Has physical or mental disabilities**
- **Is not familiar with financial matters**
- **Has family members who are unemployed and/or have substance abuse issues.**

# WHAT ARE THE INDICATORS?

- **No single indicator can be taken as conclusive proof. Look for patterns/clusters of indicators:**
  - Unpaid bills, eviction notices or utility cut-off notices.
  - Bank withdrawals or transfers that can't be explained and excessive bank activity.
  - Bank statements no longer coming to elder's home.

# WHAT ARE THE INDICATORS?

- New “acquaintances” or sudden appearance of previously uninvolved relative claiming their rights to elder’s possessions.
- Legal documents which elder didn’t understand at the time signed.
- ATM withdrawals that are uncharacteristic.
- The care of the elder is not consistent with the money available to elder.

# WHAT ARE THE INDICATORS?

- **Belongings/property missing.**
- **Suspicious signatures on checks.**
- **Missing money.**
- **Absence of documentation about financial arrangements.**
- **Implausible explanations given about elder's finances by the elder or caregiver.**
- **"Protecting" elder from interaction with others.**



# WHAT ARE THE INDICATORS?

- Senior is unaware or doesn't understand financial arrangements that have been made for him/her.
- The provision of services or purchase of goods that are not necessary.
- An elder's report of financial exploitation.

# **SOME BEHAVIORS COMMON TO VICTIMS OF FINANCIAL FRAUD AND EXPLOITATION:**

- **Secretive or referencing “something big” is going to happen soon.**
- **Unexplained missing money or charges to accounts uncharacteristic of elder.**
- **Excessive junk mail, collection of worthless trinkets ordered, items unable to be used by elder.**
- **New friendships by phone or other persons unknown to elder.**

# MORE BEHAVIORS COMMON TO VICTIMS

- Irritability when asked about items purchased or money spent.
- Isolation from family and friends.
- Afraid to speak for him/herself in presence of caregiver, family member or friend.
- Seems confused or unfamiliar with changes in financial situation.
- Borrowing money from neighbors or friends which is uncharacteristic of senior.

# MORE BEHAVIORS COMMON TO VICTIMS

- Elder suddenly can't afford normal purchases.
- Wire service receipts in the home or purchase of “money cards” such as Green Dot.
- Secretive phone conversations.
- Hiding papers or documents.
- Withdrawn and unsocial, even depressed.

# WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION

- Be patient, calm and understanding. They may be embarrassed and ashamed.
- Do not blame. Let them know they are not alone and that the scammers are experts and family members make mistakes, but should also be accountable for their **intentions**.

# WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION

- Suggest that a trusted family member/friend sort through mail before elder has access. Some families do this without the knowledge of elder when working with fraud issues.
- Suggest to family that they obtain a PO Box for elder.

# **WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION**

- **Suggest family change phone number of victim if necessary.**
- **Warn of 876 area code - Jamaica!**
- **Explain to the elder the dangers of speaking to strangers on the phone.**

# WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION

## Suggest House Policy:

**NO** personal information given to  
unsolicited callers, and

**NO** commitments made by phone.

All requests for money must be made  
by mail so it can be researched first.



# WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION

- Some fraud experts indicate that money sent to scammers is being used to support terroristic activities. Let elder know this.
- Recommend to elder to place phone number on the no-call list.
- If family or law enforcement is unable to get through to victim, suggest another trusted family member, friends, minister, etc. to speak with elder.

# WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION

- Encourage elder to never to respond to sweepstakes notices/phone calls *ESPECIALLY* if asked to send money.
- If asked to send money, the sweepstakes is ILLEGAL.
- **ALL** foreign lotteries and sweepstakes are ILLEGAL.
- If problems with sending money persist, suggest that family members write to the wiring service to request that no more transactions be allowed by victim.

# **WORKING WITH VICTIMS OF FINANCIAL FRAUD/EXPLOITATION**

- **Have family contact a bank representative to discuss ways to protect elder's assets.**
- **Elder may need to be evaluated by doctor for uncharacteristic behavior. APS may help.**
- **Family or state may consider emergency guardianship as an option.**
- **Provide resources for elder through social services, Attorney General's Office, Aging Services, etc.**

# HELPFUL CONTACTS

- Office of the Attorney General: 888-432-9257
- Federal Trade Commission: 877-382-4357
- Postal Inspection Service: 877-876-2455 opt. 4
- Western Union Fraud: 800-448-1492  
(to report bogus transactions)
- Internet Crime Complaint Center: [www.ic3.gov](http://www.ic3.gov)  
(to report Internet crimes)
- Adult Protective Services - 1-800-752-6200

# PREVENTATIVE MEASURES TO PROTECT AGAINST EXPLOITATION

## ■ TALK TO YOUR LOVED ONES!

- Make them aware of what they may encounter. Warn them of the dangers of being so honest and giving.
- **MAKE THEM AWARE OF WHAT TECHNOLOGY CAN DO** -both good and bad.
- **HAVE A DISCUSSION** about estate planning **BEFORE** the time of need!

# PREVENTATIVE MEASURES TO PROTECT AGAINST EXPLOITATION

- **ENGAGE** your elders. Loneliness makes elder more vulnerable.
- Check on elders to ensure they are doing well.
- Protect elder's credit with credit freezes on each credit bureau account (\$10 fee per agency).
- Report suspicions of financial abuse to APS and law enforcement.

# IDENTIFIERS: FINANCIAL ABUSE/EXPLOITATION OF GRANNY...

- A** – Aware of family, friends and acquaintances with Access to Assets. Afraid? Alone? Asset transfers?
- B** – Belongings/property/money missing? Bank problems? Broke? Belittled?
- U** – Unsociable, unengaging, uncared for , unwise/unaware of financial transactions. Unaccountable. Unexplained use of money, undue influence? Unable to speak for self?
- S** – Signatures forged? Selling possessions? Secrecy? Stealing? Silence? Separated from friends?
- E** – Exchanging assets for “care”? Embarrassed? Emotional? Excuses? Expenditures uncharacteristic?

■ **CONTACT:** APS, Local Law Enforcement, and AG’s Office

# WHAT CAN THE ATTORNEY GENERAL'S OFFICE DO TO HELP?

- Provide consumer education programs and materials to senior citizen groups, civic groups and other community groups.
- Provide bank teller training seminars to assist bank personnel in identifying financial exploitation of elder customers.
- Provide resources for families to file consumer complaints and assist with identity theft victimization of elders.
- Provide special prosecution assistance to local prosecutors per statute for complex or sensitive cases, and handle cases in which local prosecutors disqualify themselves.\
- Contact for programs: Lori Farris, 502-696-5300 or [lori.farris@ky.gov](mailto:lori.farris@ky.gov).



**“Our society must make it right and possible for old people not to fear the young or be deserted by them, for the test of a civilization is the way that it cares for its helpless members”.**

**-- [Pearl S. Buck](#) (1892-1973)**

# A Special Thank You

**To the professionals for your efforts to support and substantially improve the level and quality of services to vulnerable adults who are victims of financial exploitation.**

**YOU CAN MAKE A  
DIFFERENCE!**