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What is Elder Financial Exploitation?

The illegal or improper use of an older person's funds, property, or assets

Annual loss at least \$36.5B

Studies suggest only 1 in 44 incidents reported

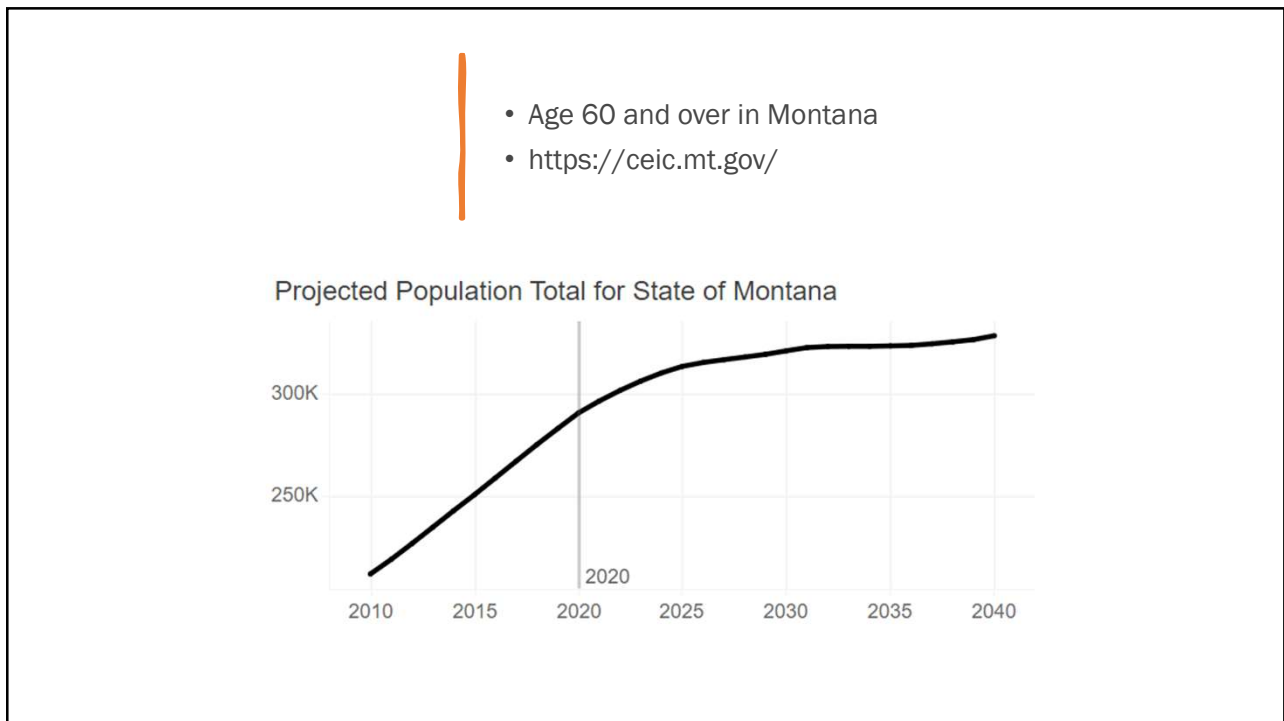
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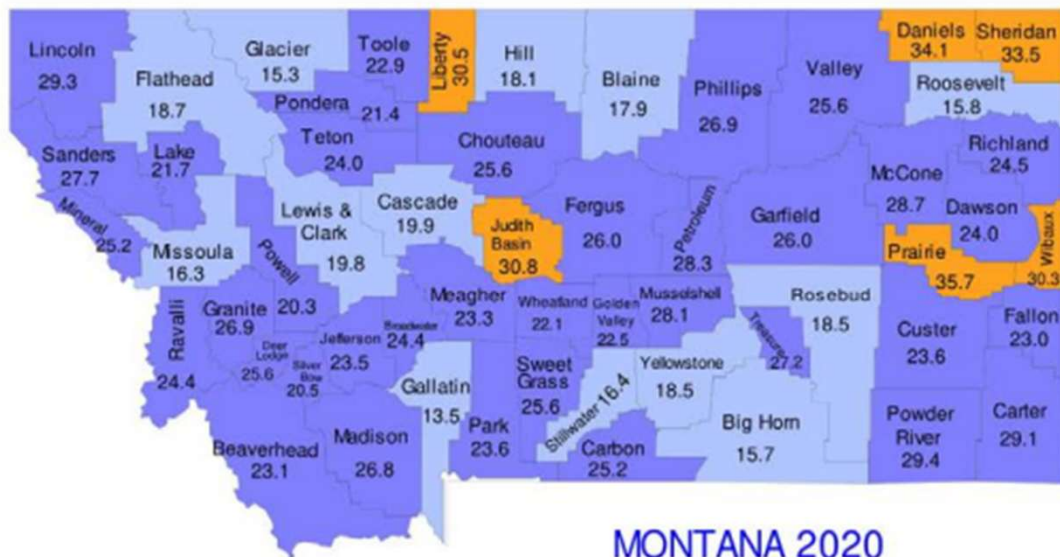
Who is “Elderly”?

- Over age 60 in Montana
- New term is “Vulnerable Adult”
- Almost 78.9 million Americans
 - 23.57% population 60 & over
- About 295,000 Montanans (26.72%)

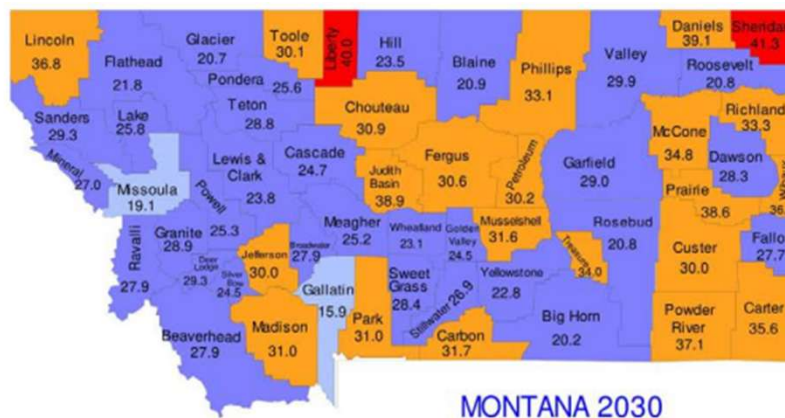
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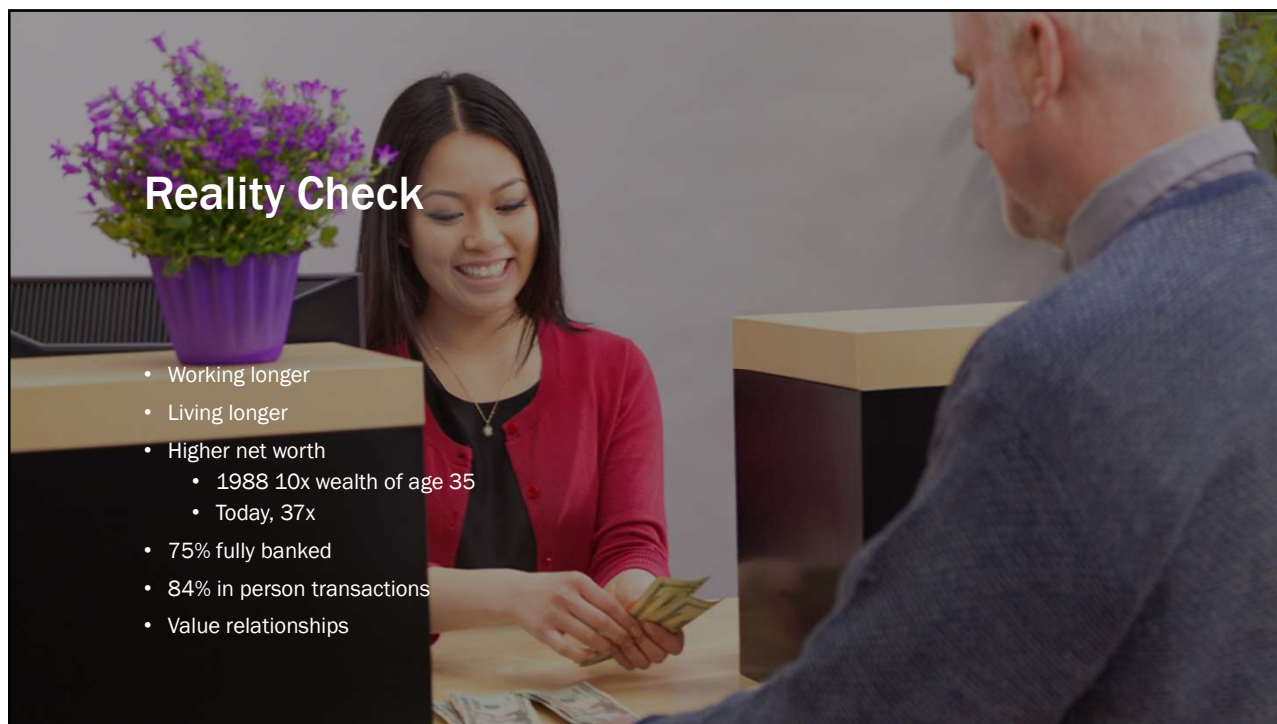
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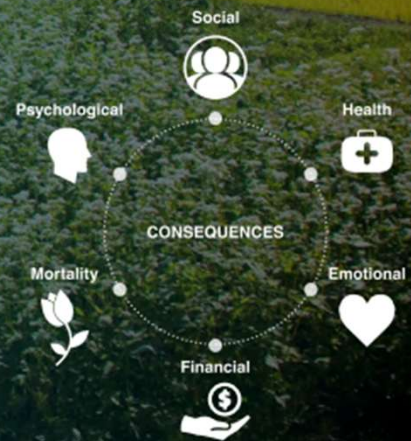
Why are they vulnerable?

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

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The Consequences of Elder Abuse

The trauma of elder abuse may result in health issues such as a deterioration in health, hospitalization and increased mortality, clinical issues such as depression and suicide, social issues such as disrupted relationships, and financial loss, all leading to diminished independence and quality of life.



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Credit Union Role

- Do you have products to offer?
- Can you help them set up auto-payments?
- Notification to family if needed?
- Trusted contact program?



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Who are the real perpetrators?

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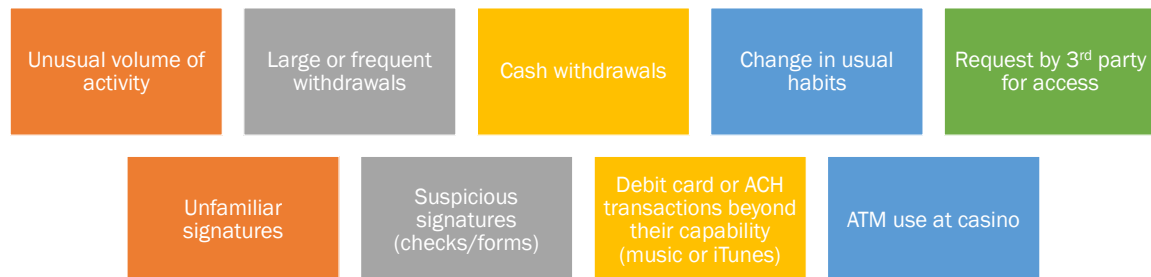


Warning Signs

- 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

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Red Flags of Financial Exploitation

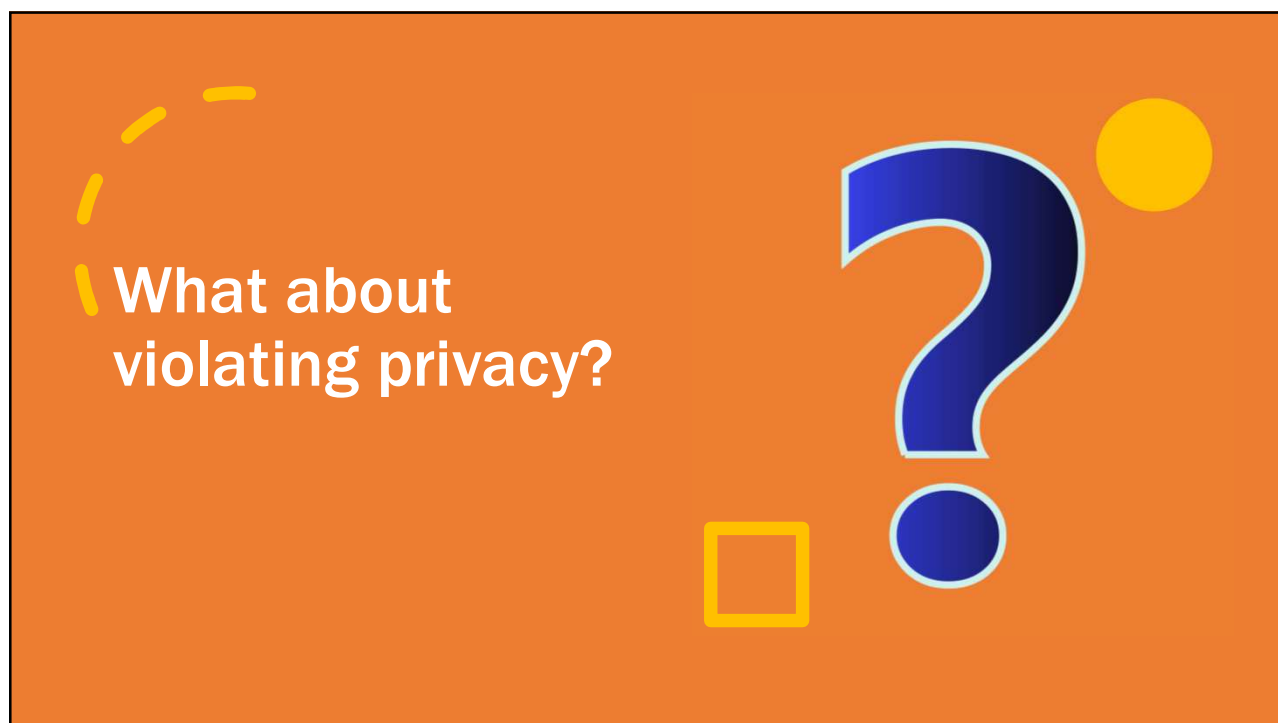


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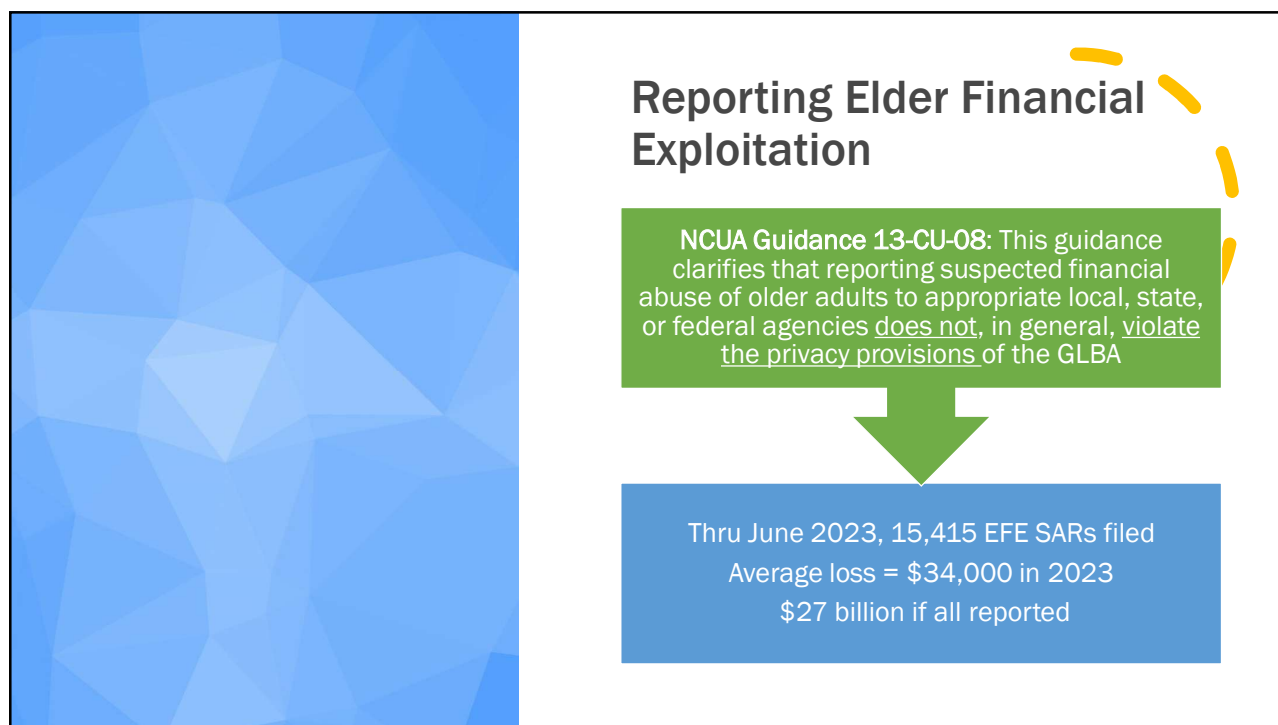
Red Flags of Financial Exploitation

- Questions about a crypto ATM
- New POA when member confused
- Mail not going to member address
- Sudden increase in debt
- 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"

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Reporting Elder Financial Exploitation

- The **National Elder Fraud Hotline** offers free help to people aged 60 and older who may have been victims of financial fraud.
- The hotline is 833-FRAUD-11 (833-372-8311)
- Open seven days a week from 8 a.m. to 9 p.m. MT
- **ic3.gov Reporting**

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M.C.A. 32-1-15

- Allows the credit union
 - more **time** for investigation;
 - **delay** of transactions;
 - ability to **communicate** with family members; and
 - **immunity** in reporting (for the CU and employee)

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Third Party Notification

Credit unions now have the option to "*notify any third party reasonably associated with an older person*" if the credit union believes that financial exploitation is occurring, has or may have occurred, is being attempted, or has been or may have been attempted.

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Who is Qualifying Third Party?

The list includes, but is not limited, to:

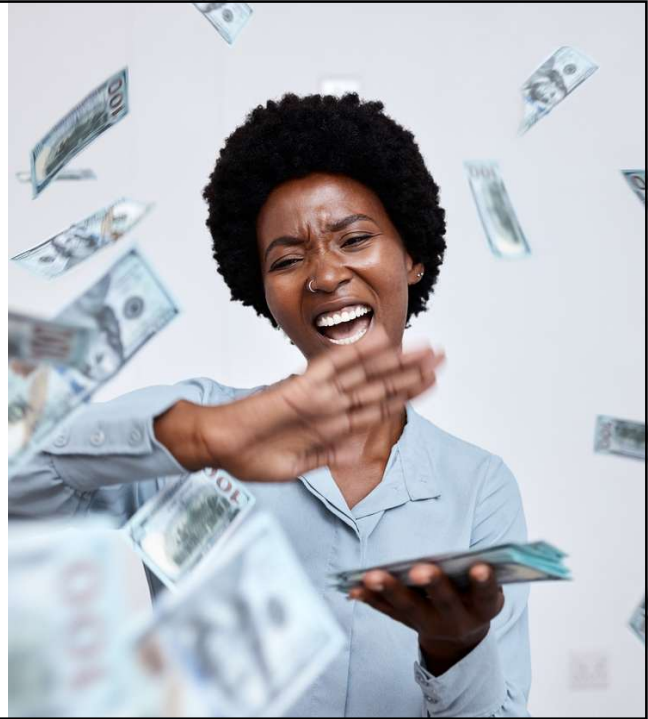
- a parent, spouse, adult child, sibling, or other known family member or close associate;
- an authorized contact provided by an older person to the financial institution;
- a co-owner, additional authorized signer, or beneficiary of an older person's account; and
- an attorney in fact (POA), trustee, conservator, guardian, or other fiduciary who has been selected by the older person, a court, a governmental agency, or a third party to manage some or all of the financial affairs of the older person.

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Eligible Transactions

A "transaction" may include:

- a (large) cash withdrawal
- an account transfer request;
- a request to initiate a wire transfer;
- an ACH transaction;
- purchase of a money order, cashier's check, or official check;
- a request to negotiate a check;
- a request to change the ownership of, or access to, an account;
- a request for a loan, extension of credit, or draw on a line of credit; and
- a request to designate or change the designation of beneficiaries.



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Delaying Transactions

- Your credit union may, *but is not required to*, delay completion or execution of a transaction involving an account of an older person if either of the following conditions apply:
 - your credit union reasonably believes that the requested transaction may result in financial exploitation of an older person; or
 - an agency (i.e., Adult Protective Services) provides information demonstrating to your credit union that it is reasonable to believe that financial exploitation is occurring, has or may have occurred, is being attempted, or has been or may have been attempted.

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Delay Timeframes

May be delayed for up to **15 business days**, unless the credit union determines earlier that the transaction will not result in financial exploitation.

Delay may be extended to **25 business days** (from the date of original delay) if a request from a covered agency (i.e., APS) is received. A court order may also extend or shorten a delay.

Absent a court order, credit union is *not required* to delay a transaction at the request of an agency and may use its discretion to determine whether to delay a transaction based on available information.

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Notice of Delay

- When credit union chooses to delay a transaction involving an older person, a **written notice** must be sent no later than two business days after the transaction is delayed.
- The notice must include the reason for the delay and be sent to "all parties authorized to transact business on the account for which the financial institution has contact information"... unless a party is believed to have engaged in attempted financial exploitation of the older person
- Suggest keeping short and asking for contact to discuss situation with account

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Reporting

Internal – who do you report to and how?

Adult Protective Services

- Call (844) 277-9300 (M–F 8am – 5pm)
- <https://dphhs.mt.gov/SLTC/aps/index> for Online Reporting Form

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Reporting Immunity

Montana does not have mandatory reporting for financial institutions

MCA 32-1-1504 provides:

- “no duty to act”
- “are immune from criminal, civil and administrative liability for not taking action”
- persons “who choose to act... are immune from all criminal, civil, and administrative liability for any act taken”
- “unless ... was done in bad faith and caused loss”

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Training

- At least annually, appropriate employees of the credit union should be notified of their ability to report potential financial exploitation of an older person
- Protocol encouraged!
- Consider becoming AARP BankSafe Certified

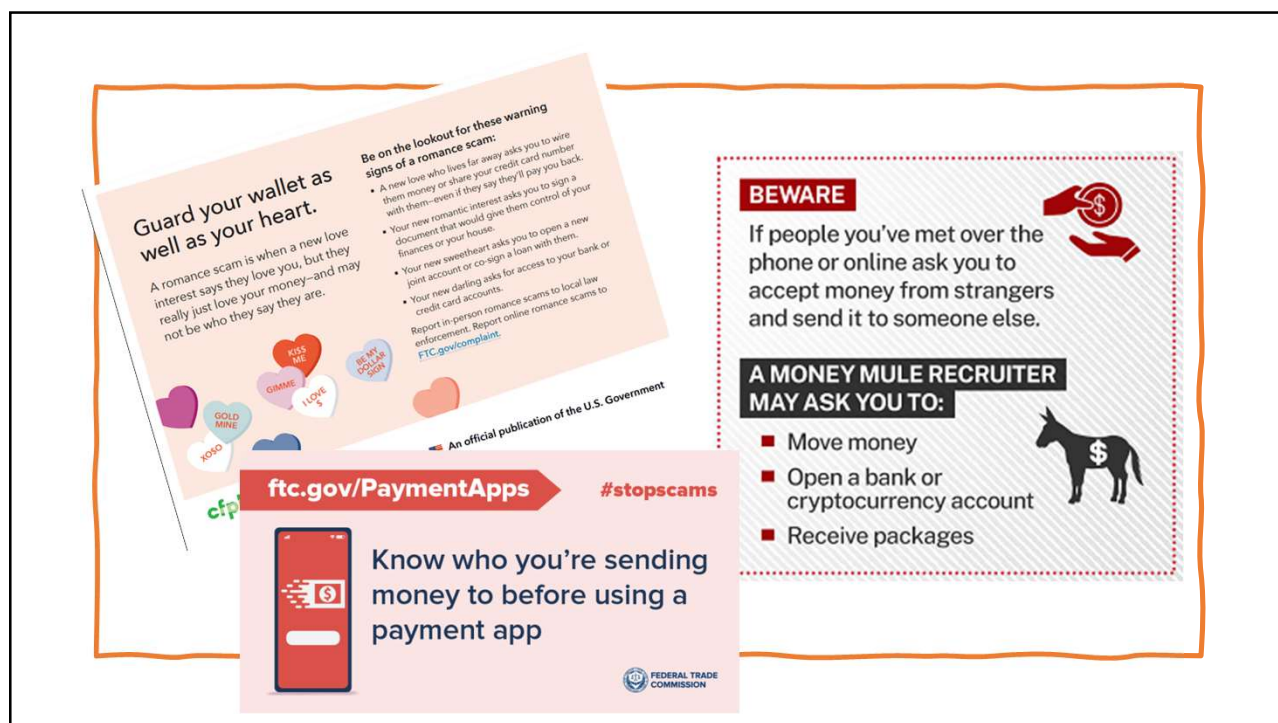


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Member Education Resources

- Host a community education workshop, post elder or other fraud tips on your website, or share information on your social media pages.
- Here are a few sources:
 - Adult Protective Services brochure
 - AARP
 - FTC bulk order options for free publications
 - CFPB Older Americans resources and booklets
- National Center on Elder Abuse (ncea.acl.gov)

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Reporting Elder Financial Exploitation

“Prompt reporting ... can trigger appropriate intervention, prevention of financial losses, and other remedies.”

- Are they in danger? Contact **law enforcement**
- If you suspect abuse or neglect- contact **Adult Protective Services (APS)**
- When investment fraud related- contact **State Auditor's office** (<https://csimt.gov/file-a-complaint>)
- **File a SAR** (category Elder financial exploitation under “other suspicious activities”)

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Assisting Law Enforcement and APS

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Montana's Credit Unions

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