

What's Hot in Aging 2015

An illustration of an elderly woman in a patterned blouse. Four hands are reaching towards her from the sides, suggesting a threat or temptation. She is holding a brown purse with a fan of US dollar bills sticking out of it.

Fraud and Financial Abuse: Risk Factors, Victims, and Tactics

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The List → The Call



- “Hi Grandpa/grandma”
- There’s been an accident.
- I’m in trouble
- I need your help
- Please don’t tell anyone
- I’m frightened





Grandparent Scam

- Cognitive issues are usually not an issue
- Elder is worried: “blinded by emotion”
- A sense of crisis is created
- Send the money right away and don’t tell anyone
- Scammers skills are well honed:
 - Trained to believe that elders don’t need the money; they are rich
 - Grandchild has been hurt (broken nose) so they don’t sound like themselves
 - Don’t tell anyone

Types of financial exploitation

- **Fraud**

- Email “opportunities” and Phishing
- Phone (grandparents, charity, investment)
- Mail (sweepstakes)
- Door to door (home repair, help a kid, magazines)
- Investment (radio, TV, direct mail, telemarketing)

- **Financial Abuse (“trusted other”)**



The Problem



\$50 Billion annual lost in US due to fraud

Incidence of financial exploitation by “trusted other” over 5% annually

Risk for fraud and “undue influence” is unclear

High health and social service costs

Non-financial costs



Experienced to a serious degree as a result of fraud (N=600)

• Stress	50%
• Anxiety	44%
• Difficulty sleeping	38%
• Loss of personal confidence	38%
• Depression	35%
• Lost personal time	32%
• Loss of respect from others	25%
• Physical health problems	24%
• Negative relationship consequences	21%

Possible Signs of Financial Exploitation

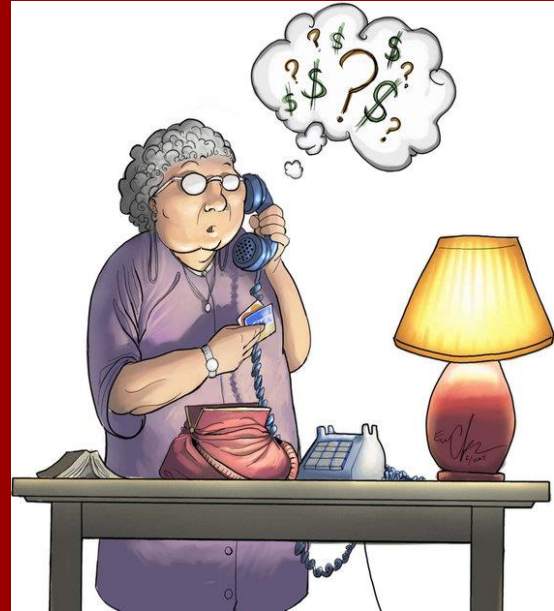


1. Elder isolated by caregiver or “trusted other”
2. Another person is financially dependent on elder
3. Elder has a new “best friend”
4. Unusual banking activity / property transfers / changes to will, trust, powers of attorney
5. Family members are fighting over money/property
6. Suspicious checks made out to “cash”
7. Excessive delivery of spam mail & telemarketing calls



Targeting Older Adults: Greater returns and/or easier to deceive?

- More assets to exploit
- Less likely to report victimization to authorities
- Age-related changes in cognitive functioning
- May be more trusting
- May be more socially isolated
- More dependent on others for care





Fraud Victim Profiles (FINRA, 2007)

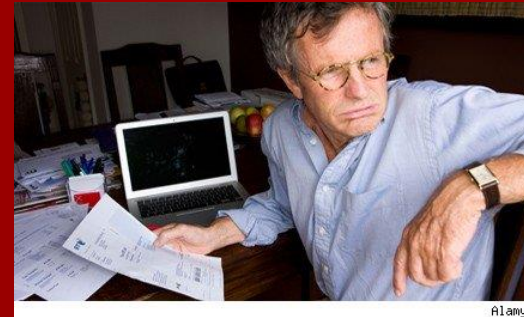
Bogus lottery scam victim

- Older, single women
- Low education, low wealth
- “Live for today” attitude
- Low financial literacy



Investment fraud victim

- Married men (60-75 yrs)
- Relatively wealthy
- Risk-taking personality
- Better educated than the general public



Persuasion Tactics





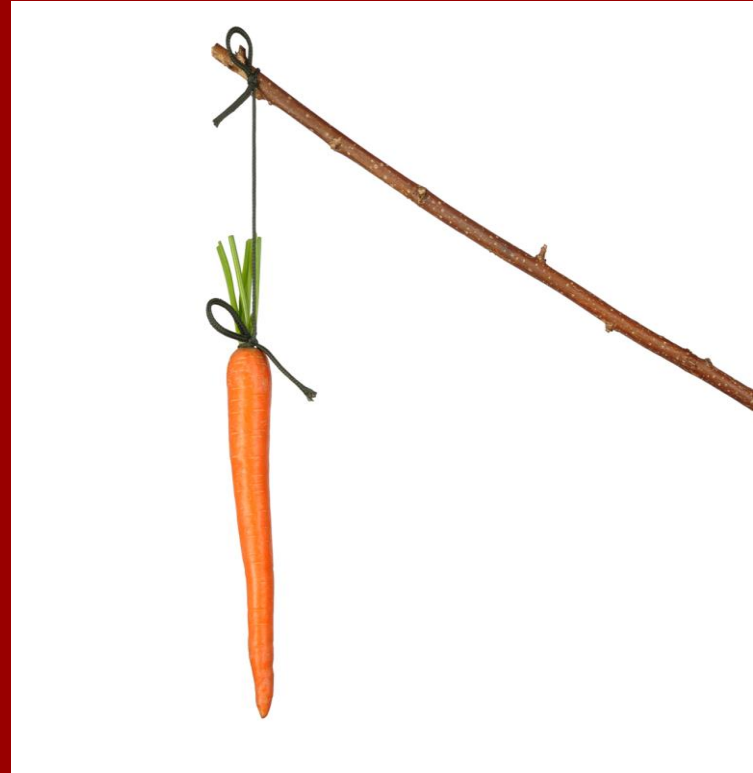
Scam artists use visceral persuasion tactics to influence their targets

- Loewenstein (1996) describes visceral factors as emotions, drive states, and feelings that have "a direct hedonic impact."



Influence Tactics

- Emotional Arousal
- Legitimacy/authority
- Social consensus
- Landscaping
- Liking (building rapport)
- Persistence
- Scarcity (act now!)
- Distraction
- The Truth Effect



Bottom line



- Scam artists blend in adopting marketing & sales tactics used in the legitimate marketplace
- We are all targets!
 - Persuasion messages crafted to stereotypical goals, emotions, and values of each demographic group & tailored to needs and desires of individuals

Some Examples of Remedies



- “Trusted Guardians” someone is paying attention
 - Pay attention—check in with people—talk to them
- Educate potential victims about specific types of scams
 - No matter what, tell someone
 - Depends on the scam
 - Question for grandchild—name of pet?
- Macro-level support
 - Banks as mandatory reporters for suspicious activity
 - Educate banks/wire agencies to warn possible victims
 - “Do not call list” and “do not mail” credit card apps
 - “Harden the target” (True Link Visa prepaid, spam filters, etc.)



93% of elder abuse
is never reported.

1 in 10 respondents
reported emotional,
physical, or sexual
mistreatment or potential
neglect in the past year.



Mont
h
Day
Year

November	
15	
1946	
Calculate Age	

67
YEARS
OLD



REPORT ABUSE

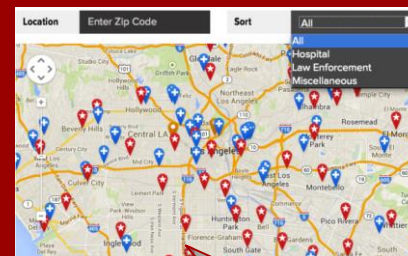
Physical Abuse	Neglect	Financial Abuse	Self-neglect
Sexual Abuse	Emotional Abuse	Isolation	

Neglect

The failure, inability, or refusal to provide for an elder's safety, physical, or emotional needs by an individual in a caregiving role.

Things you see that may suggest an elder is being neglected:

- Unclean clothing, poor hygiene, overgrown hair and nails, unusual weight loss, need for medical or dental care, untreated bedsores
- Withdrawal from normal activities, unexplained change in alertness, or other uncharacteristic behavior
- Caregiver appears to be indifferent, apathetic or hostile to elder
- Pressure ulcers, malnutrition, dehydration



Hospital
Law Enforcement
Miscellaneous

**Huntington Park Police
Department**
6542 Miles Ave
Huntington Park, CA 90255
(323) 584-6254
[Visit Website](#) [Get
Directions](#)

Prevention Resource List



- Do not call: www.donotcall.gov or 1-888-382-1222
- Register with DMA Choice mail to remove names from junk mail
<http://www.DMAchoice.org>
- Opt out of lists: 1-888-5OPTOUT or www.optoutprescreen.com
- Look up charities: www.guidestar.com
- National Consumer league: <http://www.fraud.org>
- True Link Visa prepaid credit card offers oversight and monitoring
www.truelinkfinancial.com

Slides available at:

<http://www.usc.edu/projects/wilberlab/People.html>

