

The North Dakota Securities Department Recognizes June 15 as World Elder Abuse Awareness Day

In recognition of World Elder Abuse Awareness Day on June 15, the North Dakota Securities Department reminds financial professionals and the public throughout North Dakota to be on the lookout for signs of elder financial abuse.

What is Senior Financial Exploitation?

Financial exploitation is the misuse of money or property belonging to another person over whom one exercises authority. Exploitation of a senior citizen usually involves someone the senior knows, such as a family member or caregiver, or service providers which may include attorneys, financial professionals, doctors, legal guardians, etc. Fraud may also be perpetrated by a stranger, such as a telemarketer or investment promoter.

Why are Seniors Targets of Fraud and Exploitation?

- More assets to exploit,
 - More likely to be at home,
 - More trusting of strangers,
 - Greater social isolation, and
 - May have impaired financial decision-making ability.
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Check for Warning Signs of Suspected Financial Abuse

Common warning signs may include:

- Family members or those who insert themselves into a senior's life to act like "family" to extract money for loans or expenses,
- A new and overly protective friend or caregiver,
- Fear or sudden change in feelings about somebody,
- A lack of knowledge about financial status or new reluctance to discuss financial matters,
- Sudden or unexplained changes in spending habits, or in a will, trust, or beneficiary designation,
- Surrendering passwords to financial accounts or control of finances to a new friend or partner,
- Unusual checks made out to cash, unusual loans, or unexplained disappearance of assets (cash, valuables, securities, etc.),
- Suspicious signatures on the senior's checks or other documents, and
- Unexplained, unusual, or large withdrawals.

Common Scams and Schemes Used to Target Senior Citizens:

- **Advance Fee Fraud:** Involves requests for up-front money or account details to secure investor's involvement in their transaction. Millions of dollars are promised in return for a product or service *once the transaction is complete*. Examples are bogus prize scams, lottery scams, and sweepstakes scams.
- **Charity Fraud:** The act of using deception to get money from people who believe they are making donations to charities. Common after high-profile disasters. May also occur when a legitimate charity claims that funds will be used for a specific purpose, but the money is used for other purposes.
- **Construction and Repair Fraud:** A person or company has been paid to perform a job, but either the job was not performed, or the work was performed poorly or not completed. A typical scenario involves an uninvited door-to-door solicitation from a contractor claiming to have a "special price" on roofing, siding, windows, asphalt, or other services.
- **Credit Card Fraud:** The perpetrator obtains credit card information and uses it to charge items to victim's account. Card information could be obtained via physical theft, unsecured websites, or skimmer card reader devices at a gas station or ATM.
- **Government Imposter Scams:** Scammers may impersonate government employees using aggressive and sophisticated tactics. They may use fake names/IRS identification badge numbers, or imitate a government organization's telephone number. Scammers take advantage of a fear of the IRS to scare victims into providing sensitive information or money by mail, phone, or email.
- **Grandparent Scam:** A con artist calls or emails the victim posing as a relative in distress or someone claiming to represent the relative (such as a lawyer or law enforcement agent). The con artist claims they are in need of money quickly to get out of their situation and pressures the victim to send them money, often urging the victim not to tell anyone about what has happened.
- **Home Ownership or Loan Fraud:**
 - A homeowner is tricked into signing a lien document or deed transfer that has been disguised as other paperwork, or a homeowner signs a blank document, and the signature is used on a lien or transfer document.
 - Seemingly trustworthy people befriend senior homeowners, gain their trust, and have them sign over their homes or set up home equity loans that allow the "friend" to unjustly access the homeowner's equity.
 - Scammers forge the homeowner's signature on a blank "grant deed" to transfer ownership of property. With the phony deed, the scam artist can borrow against the equity in the home.
- **Lottery and Sweepstakes Scams:** Calls or online solicitations that claim you were automatically entered in a sweepstakes. Scammers will ask the victim to pay "fees" upfront before having access to winnings. Once the scammer gets payment, the victim never receives any prize or winnings and the money is gone.
- **Romance Scam:** Using dating sites, apps, and social media, con artists gain the trust of and develop a relationship with the victim, eventually saying they need money for an emergency such as getting out of a debt, a bad investment, medical bills, travel

expenses, etc. They will promise to pay back the victim, but the victim will never see the money again.

- **Tech Support Repair Scams:** The scammer wants the victim to believe that they have a serious problem with their computer, such as a virus, and urges the victim to pay for tech support services they don't need, often pressuring the victim into paying by wiring money, putting money on a gift card, prepaid card or cash reload card, or using a money transfer app.
- **Investment Fraud:** be wary of someone promising high returns in a short period of time with low risk ("get rich quick" schemes), using high pressure sales tactics, and language involving an "exclusive investment opportunity."

Remember:

- Firms or individuals who sell securities or provide investment advice are required to be registered with the state before they can legally offer their services.
- Registered securities professionals must adhere to ethical practices in the performance of their duties on behalf of their customers.
- Unregistered persons who sell securities perpetrate many of the securities frauds that target retail investors.
- Always check whether the person offering to sell you an investment is registered and properly licensed, even if you know them personally.

Risks of Isolation: Helping Isolated Seniors

Isolation can lead to increased risk of fraud or scams. When isolated, seniors may be more likely to answer suspicious phone calls, emails, social media posts, etc., due to loneliness. Isolated individuals may also have fewer resources for financial knowledge and may make mistakes that have costly consequences.

- Educate yourself about the latest scams and share that information with older family members. Research has shown that individuals who have heard about a scam are substantially less likely to fall victim.
- Reach out to isolated seniors:
 - Leave a note on their door checking on them.
 - Drop off information about the latest scams/schemes.
 - Send letters – a traditional way to communicate and stay in touch.
 - Schedule regular "phone dates" to check on them, or use text messaging or email if they prefer.
- Staying connected:
 - Schedule consistent, reoccurring communications sessions (every Tuesday at noon, for example).
 - Schedule family events like dinners, movie nights, coffee dates, etc., either in person or virtually.
 - Stop by the senior's home and check on them regularly if possible.

Reporting Exploitation or Abuse

Senior abuse is vastly under-reported; only 1 in 44 financial exploitation cases is reported. Abused seniors are three times more likely to die prematurely and elder abuse victims are four times more likely to go to a nursing home. Senior abuse is a public health issue that affects us all.

If you suspect someone you know is a victim of financial fraud or exploitation, consider talking to the potential victim and getting as much information as possible before you report your suspicions.

- **Reporting to Adult Protective Services:** If you have reason to believe that there has been, or is about to be, abuse, neglect, or financial exploitation of a vulnerable adult or senior, it should always be reported to Adult Protective Services (APS) in the North Dakota Department of Human Services.
 - Contact the reporting line toll-free at 855-462-5465 and select option 2, or report online at <https://bit.ly/3aGVSTD>.
 - If you are in doubt, call APS. APS will determine whether the senior needs assistance, and if not, APS may refer the senior to the appropriate local resources.
- **Reporting to Law Enforcement:** non-emergency reports should be limited to very basic information.
 - Name, age (estimate), address, and telephone number of the victim;
 - Full description of the suspect (if known);
 - Description of the incident;
 - Location of the incident;
 - Description of suspect's car and license plate number (if known);
 - Pictures or videos of the victim and/or of their personal property;
 - Remember: if you believe that a person is in immediate danger, always call 911.
- **Reporting to your State Securities Regulator:** The North Dakota Securities Department assists with the investigation or referral of cases involving investment fraud, and educates seniors on how to identify red flags for financial fraud and exploitation and how to protect themselves.

For More Information Contact:

North Dakota Securities Department

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