



Welcome



1. Agenda
2. Introductions



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Objectives



- **Recognize and reduce the risk of elder financial exploitation**
- **Guard against identity theft**
- **Plan for unexpected loss of the ability to manage your finances**



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Objectives (cont.)

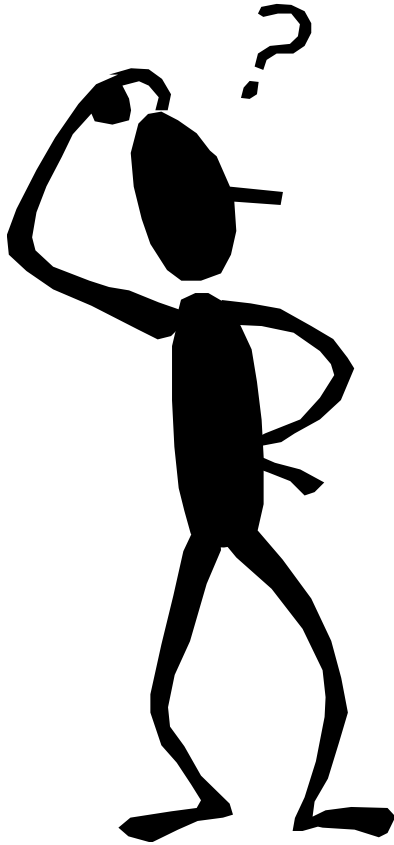


- **Prepare financially for disasters**
- **Find other helpful resources on managing money and reporting financial exploitation**



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What Do You Know?

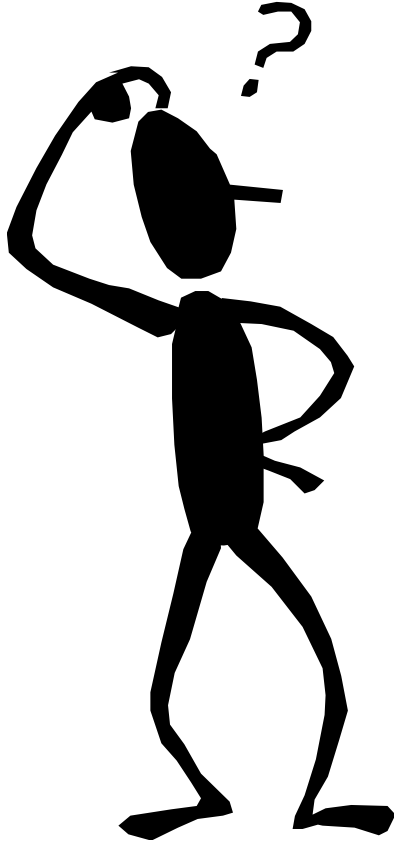


What is elder financial exploitation and who is at risk?



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What is elder financial exploitation?



Elder financial exploitation is the theft of money, property or belongings.



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Who is at risk?



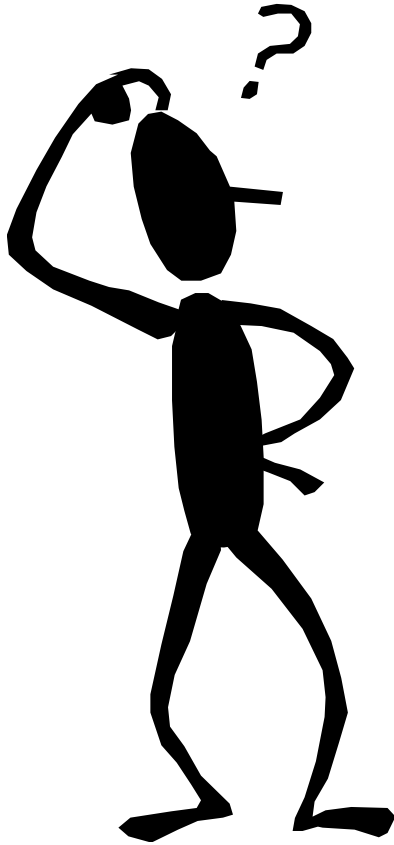
Anyone can be the victim of financial exploitation.

Elder financial exploitation crosses all social, educational, and economic boundaries.



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Why are older adults at risk?



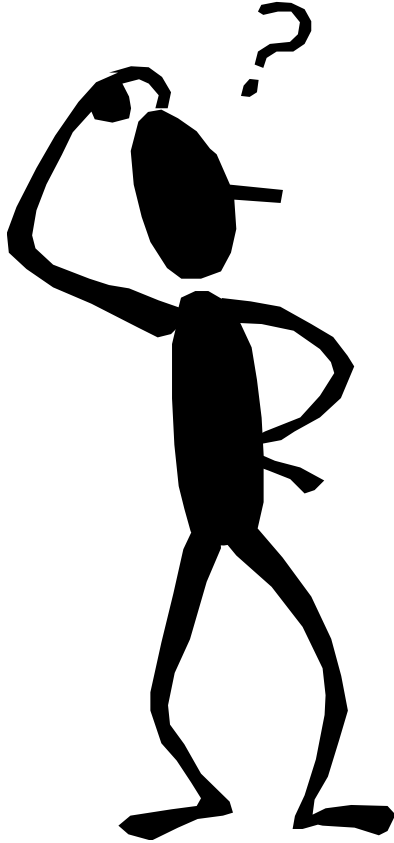
Older adults may:

- **Have regular income and accumulated assets**
- **Be trusting and polite**
- **Be lonely and socially isolated**
- **Be vulnerable due to grief from the loss of a spouse, family member, friend, or pet**



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Why are older adults at risk?



Older adults may:

- **Be unfamiliar with managing financial matters**
- **Be unprepared for retirement and the potential loss of financial decision-making capacity**
- **Have cognitive impairments**
- **Be receiving care from a person with substance abuse, gambling or financial problems, or mental health issues**
- **Be dependent on a family member , caregiver or another person who may pressure them for money or control of their finances**



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Examples of Financial Exploitation

- **Financial power of attorney (POA) or fiduciary abuse**
- **Theft of money or property by caregivers and in-home helpers**
- **Investment fraud**
- **Lottery and sweepstakes scams**



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Examples of Financial Exploitation (cont.)

- **Telephone scams**
- **Computer/Internet scams**
- **Identity theft**
- **Reverse mortgage proceeds fraud**
- **Contractor fraud and home improvement scams**



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Who Could Be an Abuser?

- **Family members and caregivers**
- **Friends, neighbors or acquaintances**
- **Telephone and mail scams**
- **Financial advisers**
- **Internet scams**
- **Home repair contractors**
- **Medicare scam operators**
- **Others**



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Why Don't Older Adults Report Exploitation?

- **Shame and embarrassment**
- **Loyalty to a family member or caregiver**
- **Fear of retaliation or not being believed**
- **Dependence on the abuser**
- **Denial**
- **Self-blame**
- **Lack of awareness**



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Who Can Help?

Adult Protective Services

Find contact information at www.eldercare.gov or call
1-800-677-1116

Federal Trade Commission (FTC)

For cases of identity theft, contact the FTC at
www.ftc.gov/idtheft or call 1-877-IDTHEFT (438-4338)



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Who Can Help (cont.)

Federal Deposit Insurance Corporation

For concerns about an FDIC-supervised financial institution, complete a customer assistance form at:

www2.fdic.gov/starsmail/index.asp

Or call: 1-877-ASK-FDIC

Police

Call 911 if the situation is threatening or the person is in danger. If you believe a crime has been committed, file a police report.



What is a Power of Attorney?

A legal document that allows someone else to handle your finances on your behalf

- **Appoints a substitute decision-maker if you are unable to act on your own**
- **Avoids the need for a court-appointed guardian**
- **Is relatively inexpensive; using a lawyer is advisable**



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Power of Attorney: Risks

- **Pressure to grant more authority than you wish**
- **Misuse of your funds**
- **Unauthorized actions – gifts, changes to beneficiaries**



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Power of Attorney:

- **Durable – remains effective even if maker becomes physically or mentally incapacitated**
- **Talk to an attorney for help in making a POA that is appropriate for your circumstances**



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Power of Attorney: Safeguards

- Trust but verify.
- Avoid appointing anyone with substance abuse, gambling, or who mismanages money.
- Tell others about your POA.
- If needed, change, cancel, or revoke the POA.
- Avoid appointing hired caregivers/helpers.
- Beware of new “best friends” who offer to manage your money.



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Tip: Plan Ahead!

A durable power of attorney is a very important tool in planning for financial incapacity due to Alzheimer's disease, another form of dementia, or other health problems.



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Power of Attorney: If You Are a Victim

Report financial exploitation immediately to Adult Protective Services or your local law enforcement agency.



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Abuse by Caregivers and In-Home Helpers

Family members and caregivers are common perpetrators of elder financial exploitation.



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Caregiver: Safeguards

- **Secure your valuables, such as jewelry**
- **Secure private financial documents (checks, financial statements, credit cards, etc.)**
- **Require receipts for purchases**
- **Monitor bank accounts and telephone bills**
- **Consider setting up:**
 - Automatic bill pay systems
 - Transaction alerts



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Caregiver: Safeguards (cont.)

- **Do not let hired caregivers/helpers open your mail, pay your bills, manage your finances.**
- **Never promise money or assets after you die in exchange for care now.**
- **Never lend money or personal property.**
- **Don't put persons other than your spouse/life-partner on the title to your home.**



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Investments: Fraud and Abuse

- **Misleading senior certifications/designations**
- **Ponzi schemes**
- **Promissory notes**
- **Unscrupulous financial advisers**
- **Affinity fraud**
- **Internet fraud – the “Dot-Con”**
- **Inappropriate or fraudulent annuities**



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Investments: Safeguards

- **Check out the financial adviser.**
- **Don't base your trust on appearances or the sound of a voice.**
- **Take time to understand your choices.**
- **Say “no” to pressure.**



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Investments: Safeguards (cont.)

- **Be wary of salespeople who prey on fears or promise returns that seem “too good to be true.”**
- **Ask for a written explanation.**
- **Shop around and get a second opinion.**
- **Say “no” to financial advisers who tell you to leave everything in their care.**



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Investment: Safeguards (cont.)

- **Stay in charge of your money or enlist a trusted third party.**
- **Make checks payable to a company or financial institution, never an individual.**
- **Retain and maintain account statements and confirmations.**
- **Document all conversations with financial advisers.**



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Investments: When Problems Occur

- **Take immediate action if you detect a problem.**
- **Don't let embarrassment or fear stop you from reporting exploitation or fraud.**

Timing is critical.



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Investments: Pointers

- **Have at least six-months living expenses readily available before you invest.**
- **Understand your investment. Attend classes, seminars, or check business references in the library.**
- **Be aware that some “free seminars” are marketing techniques.**
- **Understand the risks.**
- **Make sure your financial adviser understands your objectives and risk tolerance.**



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Understanding FDIC Insurance

| What It Covers | What It Does Not Cover |
|---------------------------------------|-------------------------|
| Checking Accounts | Stocks or Bonds |
| Savings Accounts | Mutual Fund Shares |
| Money Market Deposit Accounts (MMDAs) | Life Insurance Policies |
| Certificates of Deposit | Annuities |
| IRA Deposit Accounts | Municipal Securities |



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Understanding FDIC Insurance (cont.)

- Coverage – generally \$250,000 per person per category
- Categories
 - Single accounts
 - Joint accounts
 - Revocable trust accounts
 - Certain retirement accounts

For precise information:

- visit www.myfdicinsurance.gov,
- call toll-free **1-877-ASK-FDIC**,
or
- ask your banker.



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Lottery and Sweepstakes Scams

“You have won...”

- **Telephone calls, emails, or letters regarding lotteries, drawings, or sweepstakes**
- **Requests for upfront processing fees or taxes**
- **Authentic looking claims checks**
- **Sweepstakes recovery calls**



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Telephone Scams

“Hello, Grandpa. I’m in trouble. Please don’t tell Mom.”



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Tips for Avoiding Telephone Scams


- **Never “pay to play.”**
- **You cannot win a contest you didn’t enter.**
- **Be suspicious of pressure to wire funds or send pre-paid cards.**
- **Pay attention to warnings from your financial institution.**
- **If the caller claims an emergency, check it out at a number you know to be valid.**
- **Be wary of requests for secrecy.**



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Activity 1: Telephone Scams

Complete Activity 1 in the Participant Guide.

- 
- 1. Read each scenario.**
 - 2. Answer the questions.**
 - 3. Be prepared to explain your answer.**

Computer/Internet Scams

- **Phishing**

Authentic looking emails, text messages, and Web pages to trick unsuspecting users into revealing personal financial information

- **Spoofing**

Email address disguised to look like that of someone you know

Tell-tale Language

- “We suspect an unauthorized transaction on your account...”
- “During our regular verification of accounts...”
- “Our records indicate your account was overcharged...”
- “...please click the link below to verify your identity”
- Please call the number below...”
- “I need to send my niece money right away...”



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Computer/Internet: Safeguards

- **Use trusted security software and make sure it is updated frequently.**
- **Do not email financial information or account numbers.**
- **Be cautious about opening attachments and downloading files, regardless of the source.**
- **Use passwords that are hard to guess.**
- **Shut down your PC when not using it.**



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Computer/Internet: Safeguards (cont.)

- Do not open messages from an unfamiliar sender.
- If you open a suspicious message, delete it; do not click on links or call telephone numbers listed in such messages.
- Delete email and text messages that ask you to confirm or provide personal information.
- If you are concerned about an account, call the telephone number on your statement.



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Identity Theft

Thieves steal your personal financial information and use your identity to commit fraud and other crimes.

- **Social Security Number**
- **Birth date**
- **Credit card and other account numbers**
- **PINs and passwords**



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Identity Theft: Safeguards

- **Protect your personal information.**
- **Protect incoming and outgoing mail.**
- **Sign up for direct deposit.**
- **Use a shredder to destroy “financial trash.”**
- **Monitor bank accounts and credit card bills.**
- **Avoid identity theft on the Internet.**
- **Review your credit record annually and report any fraudulent activity.**



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Identity Theft: If You Are a Victim

- Place an initial fraud alert with one of the major credit reporting companies.
- Request copies of your credit report.
- Make an identity theft report.
- Consider placing a security freeze on your credit report



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Who Can Help?

Identity Theft

Federal Trade Commission (FTC)

For cases of identity theft, contact the FTC at www.ftc.gov/idtheft or call 1-877-IDTHEFT (438-4338)

Social Security

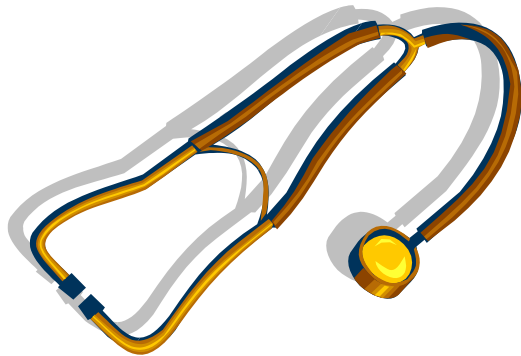
"When Social Security beneficiaries become aware that they are victims of identity theft, they can block electronic access to their information in SSA's records, a service available at www.socialsecurity.gov/blockaccess. "



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Medical Identity Theft: What It Is

Someone steals your personal information — such as your name and Medicare number — and uses it to get medical treatment, prescription drugs, surgery or other services and then bills Medicare for it.



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Medical Identity Theft: Risks

- It is costly to correct.
- You could be denied a service or equipment.
- It can affect your medical and insurance records – change your blood type or record a diagnosis for a disease you don't have.
- You could receive wrong, perhaps harmful, treatment.



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Medical Identity Theft: Warning Signs

- **A bill for services you did not receive.**
- **Contact from a collection agency for money you do not owe.**
- **Notification from insurance company that you have reached your limit for medical benefits.**
- **Denial of insurance for a medical condition you don't have.**



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Medical Identity Theft: Safeguards

- **Protect your Medicare and insurance cards.**
- **Review Medicare Summary Notices (MSN), insurance Explanation of Benefits (EOB) statements, and medical bills.**
- **Be careful about sharing personal information (see those listed in your Participant Guide).**
- **Beware of offers for free equipment, services or goods in exchange for your Medicare number.**
- **Shred papers with your medical identity and destroy prescription labels before throwing in the trash.**



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Medical Identity Theft: How to Respond

- **Obtain your medical file.**
- **Write to your health plan or provider for correction.**
- **Report your concerns to your Senior Medicare Patrol.**

To find your state SMP contact, visit

www.smpresource.org



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Activity 2: Identity Theft

Complete Activity 2 in the Participant Guide.

- 1. Review each response on the list.**
- 2. Indicate how often you perform each action.**
- 3. Tally your score to see how well you are taking measures to avoid ID theft.**



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Planning for the Unexpected

Preparing for future health problems or disasters

- Gives you control.
- Relieves stress of decision-making for you and family members or caretakers.
- Saves money and helps avoid financial setbacks.
- Allows time to gather information and compare options.



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Preparing for Future Health Problems

- **Prepare a Plan: review income and expenses.**
- **Make sure trusted family members know where to find necessary documents.**
- **Set up direct deposit for income and benefit checks.**
- **Consider automatic payment of important recurring bills.**



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Preparing for Future Health Problems (cont.)

- **Consider a Durable Power of Attorney.**
- **Make sure you are properly insured.**
- **Maintain a healthy lifestyle.**



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Receiving Social Security Benefits

Social Security and Supplemental Security Income (SSI)

- **Direct Deposit**
- **Direct Express® Debit Card**



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Preparing Financially for a Disaster

What you may need:

- **Forms of identification**
 - Driver's license or government-issued ID
 - Insurance cards
 - Social Security card
 - Passport
 - Birth certificate



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Other Items You May Need

- **Checkbook (blank checks and deposit slips to last at least a month)**
- **ATM cards, debit cards, credit cards**
- **Cash**
- **Phone numbers for financial services providers**
- **Important account numbers**
- **Key to safety deposit box**



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Protecting Your Documents

- **Make backup copies of important documents.**
- **Make an electronic image for easy storage.**
- **Give a copy to loved ones or tell them where to find documents in an emergency.**
- **Store backups at a distance from home in case disaster affects entire community.**
- **Make a record of all credit/debit cards with the account and contact numbers to report lost/stolen cards.**



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What to Keep; Where to Keep It

- **Safety deposit box**

Birth certificate and originals of important contracts

- **Home, preferably in fireproof safe**

Passport, medical care directives, will

- **Seal important documents in airtight, waterproof bags or containers**

- **Prepare emergency evacuation bag(s)**



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What Else to Consider

- **Arrange for automatic bill payment from your bank account.**
- **Sign up for Internet banking services.**
- **Review your insurance coverage.**



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Additional resources

Answers for many questions can be found at:

ASK CFPB

www.consumerfinance.gov/askcfpb/

You can also contact the FDIC at:

communityaffairs@fdic.gov



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Activity 3: How Financially Prepared Are You?

Complete Activity 3 in the Participant Guide.

- 1. Think about what you have learned today.**
- 2. List the documents you will gather and where you will keep them.**



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Reverse Mortgages

Allow homeowners 62 and older to borrow against equity in their homes

- **Monthly interest charges are added to loan amount.**
- **Available as a line of credit, in regular monthly installments, or as a lump sum.**
- **Repayable when you no longer live in the home**
- **Must maintain the home and pay property taxes and insurance.**



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Reverse Mortgage: Scams

- **Family members pressure a homeowner to get a reverse mortgage so they can “borrow” the money.**
- **Scammer requires borrower to sign a Power of Attorney or otherwise sign over proceeds.**
- **Brokers pressure borrowers to purchase other financial products.**



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Mortgage Assistance Relief Scam

- **Beware of anyone who promises you can stay in your home or who asks for a lot of money to help you.**
- **Scammers might promise guaranteed or immediate relief from foreclosure, and might charge you very high fees for few or no services.**



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Contractor/Home Improvement Fraud

Many homeowners are targeted by scam artists who use high pressure tactics to sell unneeded and overpriced contracts for "home improvements"



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Contractor/Home Improvement Fraud

- **Small firm or individual, often going door-to-door**
- **Promises for quick work at below market prices**
- **Substandard, unnecessary, or damaging work**
- **Pressures to pay through threats or intimidation**
- **Possibly impersonation of government officials**



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Avoiding Contractor Fraud: Tips

- **Verify the identity of anyone claiming to be a government employee.**
- **Obtain written bids from local contractors.**
- **Avoid contractors *who approach you*.**
- **Check for licenses and complaints.**
- **Check references.**
- **Require a clearly written contract.**
- **Don't pay in advance; never pay cash.**



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Avoiding Contractor Fraud: Tips (cont.)

- **Don't provide personal financial information.**
- **If you need a loan, don't let the contractor steer you to a lender.**
- **Withhold final payment until you are satisfied and all required inspections are completed.**

Read *Home Sweet Home Improvement* available at the FTC website, www.ftc.gov. or by phoning 1-877-FTC-HELP (382-4357).



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Scams Targeting Veterans Benefits

- **Pension Benefit Filing Scam**
 - Marketing of financial and estate planning services to help veterans qualify
 - Charging substantial fees to help veterans file
- **Lump-sum Payment for Future Benefits**

For information on VA benefits, visit www.va.gov or call 1-800-827-1000.



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Avoiding VA Pension Filing Scams

- Know that VA must accredit individuals who help you prepare and file a claim.
- Check accreditation at www.va.gov/ogc/apps/accreditation/index.asp.
- Never pay a fee for help in filing your initial claim.
- Avoid attorneys or claims agents who try to market investments in connection with your claim.
- Be aware that shifting assets into certain types of investments may affect your Medicaid/Medicare benefits.



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Avoiding Lump-Sum Payment Scams

- **Be aware that these arrangements are very costly.**
- **Say no to arrangements that allow the lump-sum payment provider access to your account.**
- **Remember that VA benefits cannot be garnished by a creditor.**
- **Seek advice of a trusted financial expert.**



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Conclusion

You learned about:

- **Types of financial exploitation**
- **Tips for recognizing scams**
- **Strategies for avoiding identity theft, including medical identity theft**
- **How to prepare financially for future health problems and disasters**



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Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



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