

Elder Financial Exploitation by the Numbers

According to a 2015 report on Elder Financial Abuse (the "Report")⁴, True Link Financial estimates that a total of \$36.48 billion is lost annually by U.S. adults over 65 years of age to elder financial abuse.⁵ The Report estimates that of the \$36.48 billion lost, \$12.76 billion is lost as a result of "criminal fraud"⁶, \$6.67 billion is lost to "caregiver abuse"⁷ and \$16.99 billion is lost to activity that may not be explicitly illegal, where "misleading or confusing language is used and often combined with social pressure and tactics that take advantage of cognitive decline and memory loss to obtain a senior adult's consent to take his or her money."

⁴ True Link Financial, (2015). The True Link Report on Elder Financial Abuse 2015. True Link Financial is a financial Services firm that is not regulated or supervised by this Department.

⁵ The Report defines "elder financial abuse" as "any time someone took financial advantage of an adult over 65 years of age that would not have been possible when the person was younger."

⁶ The Report defines "criminal fraud" as "any money-taking activity perpetrated by a criminal who is concealing his or her identity to avoid getting caught."

⁷ The Report defines "caregiver abuse" as "deceit or theft enabled by a trusting relationship-typically a family member, but sometimes a paid helper, friend, lawyer, accountant, or financial manager."



Where Do I Report Exploitation?

If the situation is an emergency, always call 9-1-1 first.

Adult Protective Services, or APS, may be reached at 1-888-APS-Tenn, or 1-888-277-8366. Online reporting to APS can be made by completing the form at: <https://reportadultabuse.dhs.tn.gov/>

Any illegal exploitation or abuse of elderly or vulnerable adults may be reported to local law enforcement officials in the area of the victim.

The Tennessee Bureau of Investigation can be contacted at the following locations:

Headquarters	615-744-4000
Memphis	901-379-3400
Jackson	731-984-6600
Cookeville	931-526-5041
Chattanooga	423-634-3044
Knoxville	865-549-7800
Johnson City	423-434-6424

If you have concerns or questions about a financial institution, you can contact the Department at 1-800-778-4215. Complaints regarding financial institutions can be filed with this Department at the following: <https://first.tn.gov/Complaints/UI/Default.aspx>

You can also contact the Department to request a hard copy of the consumer complaint form to complete and return.



Contact Information:

Consumer Resources Section

Phone: 800-778-4215

Email: tdfi.consumerresources@tn.gov

Tennessee Tower, 26th Floor

312 Rosa L. Parks Avenue

Nashville, TN, 37243



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Elder and Vulnerable Adult Financial Exploitation

Department of Financial Institutions



What is an Elder or Vulnerable Adult?

Various Tennessee statutes set forth definitions for an "elderly adult" or a "vulnerable adult". For example, under the Elderly and Vulnerable Adult Financial Exploitation Prevention Act (the "EVAFEP Act"), Tenn. Code Ann. § 45-2-1202 defines an "elderly adult" as "a person sixty-five (65) years of age, or older" and a "vulnerable adult" as "a person eighteen (18) years of age or older, who, because of mental or physical dysfunction, is unable to fully manage the person's own resources, carry out all or a portion of the activities of daily living, or is unable to fully protect against neglect, exploitation, or hazardous or abusive situations without assistance from others."



The Tennessee Adult Protection Act (the "TPA Act"), at Tenn. Code Ann. § 71-6-102, defines "advanced age" as "sixty (60) years of age or older."

What is Elderly or Vulnerable Adult Financial Exploitation?

Under the EVAFEP Act, Tenn. Code Ann. § 45-2-1202 defines "financial exploitation" as the "unlawful appropriation or use of an elderly or vulnerable adult's property, as defined in § 39-11-106(a), for one's own benefit or that of a third party."

The TPA Act, at Tenn. Code Ann. § 71-6-102, defines "exploitation" as "the improper use by a caretaker of funds that have been paid by a

governmental agency to an adult or to a caretaker for the use or care of the adult."



Exploitation may occur without the explicit knowledge or consent of the elderly or vulnerable adult and may deprive him or her of vital financial resources for their personal needs. Exploitation may occur via forms of deception, false pretenses, coercion, harassment, duress and physical or verbal threats.

In a February 2016 Research Report regarding it's Banksafe Initiative, the AARP Public Policy Institute states that, "Americans ages fifty (50) years old and older are susceptible to fraud and financial exploitation in part because they own 67 percent of U.S. bank deposits" and also because of health status, cognitive ability, and social isolation."¹

Kathleen Quinn, former Executive Director of the National Adult Protective Services Association, stated "It is estimated that as many as one in five of Americans over the age of 65 have been victimized by financial fraud. In fact, it's a problem that is rampant, largely invisible, expensive and lethal."²

¹ Gunter, Jilene. AARP's Banksafe Initiative: A Comprehensive Approach to Better Serving and Protecting Consumers. Washington, DC. Web. Accessed January 8, 2018.

² Eisenberg, E. (2015, February 13). Why Elder Financial Abuse is Such a Slippery Crime (Web Blog Post). Retrieved February 13, 2017, from www.forbes.com/sites/nextavenue

Types of Financial Exploitation

Financial exploitation can occur in a variety of ways. Some of these include:

- * IRS Scams
- * Securities/Investment Scams
- * Romance Scams
- * Lottery Scams
- * Tech Support Scams



According to the 2016 Internet Crimes Complaint Center, ("IC3") Annual Report, individuals over the age of 60 filed 55,043 of the complaints received by the IC3, representing 18.4% of all complaints of internet crimes submitted.

More troubling is that the total dollars lost by this age group as a result of various internet crimes, as published in the IC3 Annual Report, was \$339,474,918, or 30.1% of the total dollars lost due to internet crimes in 2016.

Rick A. Fleming, the first Investor Advocate of the U.S. Securities and Exchange Commission advised, "We recognize financial abuse as a major problem that is expected to grow with the aging of our population."³

³Eisenberg, Why Elder Financial Abuse is Such a Slippery Crime,