

Combating Elder Financial Exploitation: Emerging Topics

October 2024



Consumer Financial
Protection Bureau

Disclaimer

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Presenters



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Jenefer has worked as an elder Justice professional for over 25 years. She joined the Consumer Financial Protection Bureau in 2011 as the Senior Program Analyst in the Bureau's Office for Older Americans.



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Rayleen is the Director of Risk & Fraud at NEACH overseeing the organization's comprehensive risk management program, advancing strategy to support both industry and member efforts to identify and mitigate fraud. With over 25 years of experience, Rayleen is a leading expert in payments rules, compliance, risk management, fraud mitigation and investigations, and information security.



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Agenda

- About the CFPB and the Office for Older Americans
- Introduction to Suspicious Activity Reports (SARs)
- Trends in SARs reporting Elder Financial Exploitation (EFE)
- Innovations in Using EFE SARs
- Resources

About the CFPB and Office of Older Americans

Introduction to the CFPB

- Federal agency created in 2010
- Dedicated to making sure you are treated fairly by banks, lenders and other financial institutions
- **On your side** through life's financial moments



CFPB Core Functions

1. Identify and stop practices that harm consumers
2. Enforce consumer financial laws
3. Take consumer complaints and seek responses from service providers
4. Provide reliable financial education and information
5. Research the consumer experience of using financial products
6. Monitor financial markets for new risks to consumers

Office for Older Americans

CFPB's Office for Older Americans works to:

- help older consumers make sound financial decisions as they age;
- identify and address emerging consumer protection risks;
- help older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices; and
- coordinate consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement.



consumerfinance.gov/olderamericans

CFPB's Elder Justice Network Program

- **Elder Justice Network:** A sustained, collaborative effort or partnership that works to prevent, detect, and/or respond to elder financial exploitation.
- Elder Justice Networks
 - Increase reporting and interagency referral of cases
 - Improve response to cases of financial exploitation
 - Enhance members' skills and capacity to address financial exploitation
 - Improve coordination, including the use of agency and community resources
 - Increase collaboration on investigations

Elder Justice Network Development Guide

- As part of this effort, the Office for Older Americans developed a free online [Network Development Guide](#) to help local leaders create new networks and expand the capacity of existing ones
- The Guide contains downloadable resources including templates, fillable worksheets, checklists, discussion guides, tips for networks, and much more



Find the Guide at:
[consumerfinance.gov/
eldernetworks](https://consumerfinance.gov/eldernetworks)

YouTube Resources: CFPB Live

Elder Justice Networks



1. **Search YouTube for CFPB Live**
2. **Find the Elder Justice Networks Playlists**

[Launching and Enhancing Elder Justice Networks](#)

- How to plan an elder justice network convening
- New resources for elder fraud prevention and response networks
- Promising practices for elder fraud prevention and response networks – Parts 1 and 2
- Who's who in elder justice networks

[Special Topics in Elder Justice](#)

- Money Smart for Older Adults
- Recovering from elder financial exploitation
- Age-friendly banking and opportunities for collaboration
- Financial caregiving

Introduction to Suspicious Activity Reports (SARs)

Suspicious Activity Report (SAR) World

MONEY LAUNDERING

Public Corruption
Drug Money Laundering
Trade-Based Money
Laundering
Shell Companies

NATIONAL SECURITY

Sanctions Evasion
Terrorism
Drug Cartels
Weapons



OTHER

Elder Financial Exploitation
(EFE)
Human Trafficking
Cyber Incidents
Tax Evasion

FRAUD

Check Fraud
Bank Fraud
Mortgage Fraud
Securities Fraud
Credit Card Fraud



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Resources: <https://www.fincen.gov/reports/sar-stats>

What Information Is in a SAR?



The SAR is a uniform report that can be used by any type of financial institution. The form includes sections on:

- Financial institution contact information
- Information about the financial institution where the activity occurred
- Subject information
- Suspicious activity information
- Narrative

EFE Information Included in SARs

- Provide details on:
 - Age and location of the subject and target/victim
 - Reporting entity's response
 - Amounts involved or refunded
- Reference supporting documentation, including any photos or video footage, and expedite law enforcement (LE) access to this.
- May cite cross-reporting the circumstances leading to the filing of Elder Financial Exploitation (EFE) SARs directly to local LE or Adult Protective Services (APS).
- Provide direct liaisons or points of contact at the reporting entity related to the SAR.
- Resources: [fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002](https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002)

Who Files SARs?

Depository
Institutions



Money Transmitters
Virtual Asset Services



Broker Dealers
and Mutual Funds



Law Enforcement Use of SARs

Reactive/Case Support



Proactive/Case Initiation



Law Enforcement Use of SARs (Cont.)

- SARs can be used as lead information, to initiate or support investigations, and to shape requests for information from reporting financial institutions.
- However, the SAR itself, or excerpts of it, cannot be used as evidence, and the existence of a SAR, or the SAR itself, cannot be disclosed to anyone without proper need to know. There are serious penalties for unauthorized SAR disclosure.
 - Limitations on the use and disclosure of SARs by reading FinCEN Advisory FIN-2010-A014, Maintaining the Confidentiality of Suspicious Activity Reports, <https://www.fincen.gov/sites/default/files/advisory/FIN-2010-A014.pdf>

Your LE Organization and SARs

- Ask within your organization about SAR access.
 - If the organization has direct access, there will be a person and process for obtaining SARs.
- If the organization does not have direct access
 - Every state has a designated FinCEN coordinator in their state.
 - The state FinCEN coordinator can provide instructions on how to request SARs for a specific EFE case.

APS Role in SARs

- APS not legally authorized to access FinCEN SARs
- If you do accidentally receive a FinCEN SAR, do not review it
 - How to recognize a FinCEN SAR? It has a unique identifier called BSAID on every page
 - Report any unauthorized SAR disclosure to FinCEN's Office of Chief Counsel at (703) 905-3590 or the FinCEN Resource Center at FRC@fincen.gov
- Collaborate with LE and Fis on the EFE cases behind the SARs, without involving yourself in the SAR

Trends in SARs about Elder Financial Exploitation (EFE)



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FinCEN ADVISORY

FIN-2022-A002

June 15, 2022

Advisory on Elder Financial Exploitation

Amid rampant fraud and abuse targeting older adults, FinCEN urges financial institutions to detect, prevent, and report suspicious financial transactions.

Elder financial exploitation (EFE) is defined as the illegal or improper use of an older adult's funds, property, or assets.¹

Introduction

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to alert financial institutions to the rising trend of EFE targeting older adults² and to highlight new EFE technologies and red flags since FinCEN

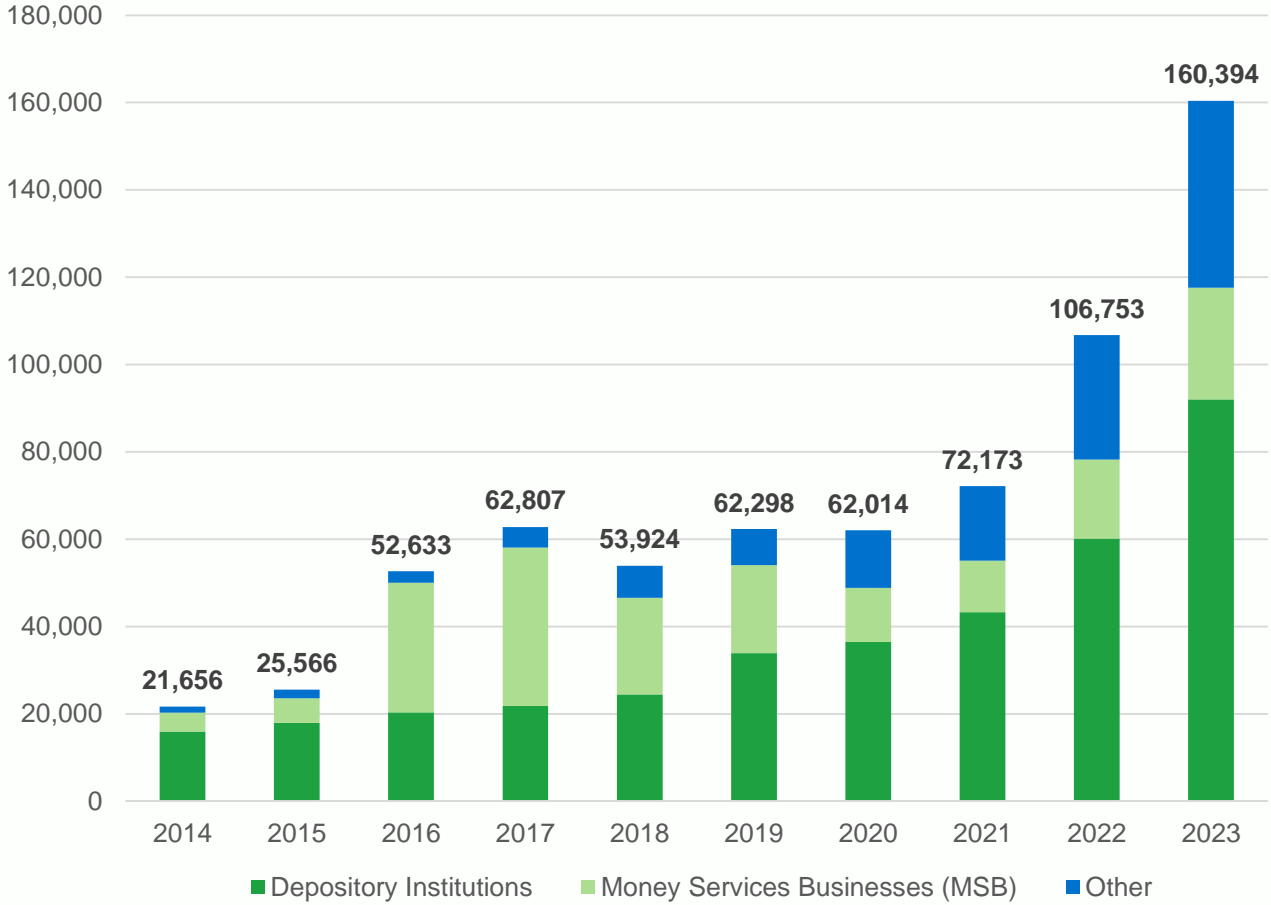
Available at: fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002



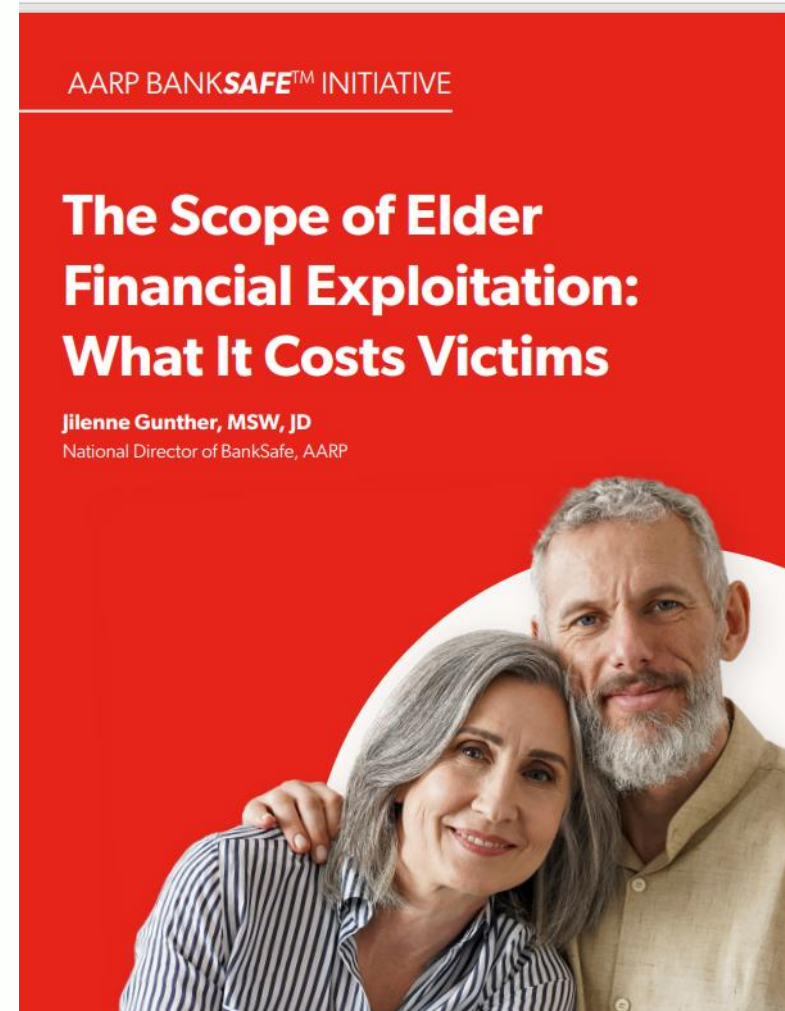
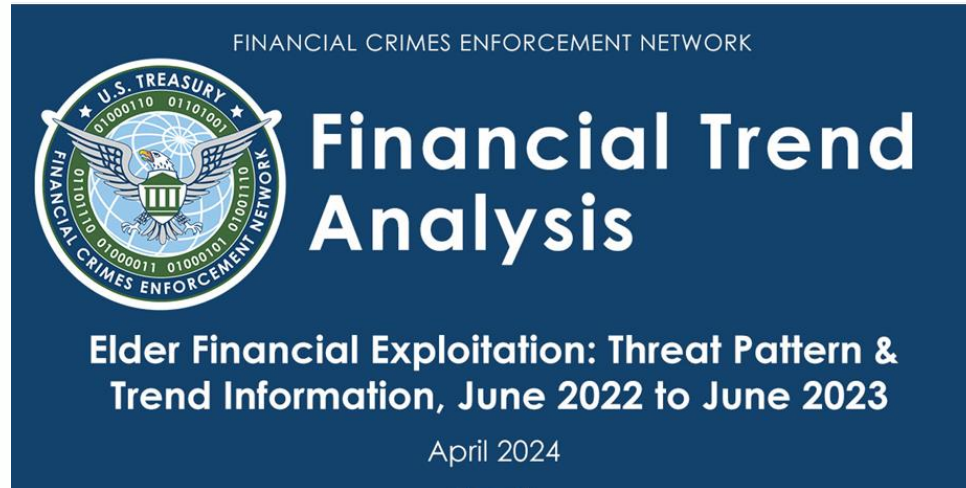
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Number of EFE SARs is Growing

- Over 160,000 EFE SARs were filed in 2023
- Banks and credit unions filed more than half of all EFE SARs
- EFE accounts for about 4% of all SARs
- Resources [CFPB Suspicious Activity Reports on Elder Financial Exploitation](https://www.fincen.gov/reports/sar-stats), <https://www.fincen.gov/reports/sar-stats>



\$27-\$28 Billion Lost Annually from EFE



Resources: [FTA Elder Financial Exploitation 508Final.pdf \(fincen.gov\)](https://www.fincen.gov/508Final.pdf), [true-cost-elder-financial-exploitation.doi.10.26419-2Fppi.00194.001.pdf \(aarp.org\)](https://www.aarp.org/true-cost-elder-financial-exploitation.doi.10.26419-2Fppi.00194.001.pdf)

Suspicious Activity Types in EFE SARs

Theft



Scams



Money Mules

Money Mule Scams

If someone sends you money and asks you to send it to someone else, STOP. You could be what some people call a money mule — someone scammers use to transfer and launder stolen money.

Scammers often ask you to buy gift cards or wire money. They might recruit you through online job ads, prize offers, or dating websites.

Scammers:

- Send you a check
- Tell you to send some of the money to someone else

The infographic has a green header with the title and a circular arrow containing dollar bills. The main content is on a light green background with a white box for the 'Scammers' section. It includes icons for a check and a person with a dollar bill.

Resources: [fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002](https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002), [CSN-Annual-Data-Book-2023.pdf \(ftc.gov\)](https://www.ftc.gov/annual-data-book/2023), [What's a money mule scam? | Consumer Advice \(ftc.gov\)](https://www.ftc.gov/consumer-advice/what-is-a-money-mule-scam), [FTA Elder Financial Exploitation 508Final.pdf \(fincen.gov\)](https://www.fincen.gov/fta-elder-financial-exploitation-508-final).

New Analysis of EFE SARs

Theft



Scams

- Many scam SARs include an account takeover
- Most frequent ways of sending scam related funds include checks and wires

Both scammers and thieves avoid interacting in person with financial personnel

[SOURCE:](#)
[FTA Elder Financial Exploitation 508Final.pdf](#)
[\(fincen.gov\)](#)

Financial Institutions Important for Detecting EFE

- Financial institutions play a role in detecting, responding to, and preventing EFE
- Recognize EFE behavioral red flags:
 - Sudden and unusual changes in contact information or financial management
 - Distressed, submissive, fearful, anxious, agitated or frenzied
 - New caretaker, relative, or friend suddenly conducts financial transactions w/o documentation
- Resources: [fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002](https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002)

Your LE Organization and SARs

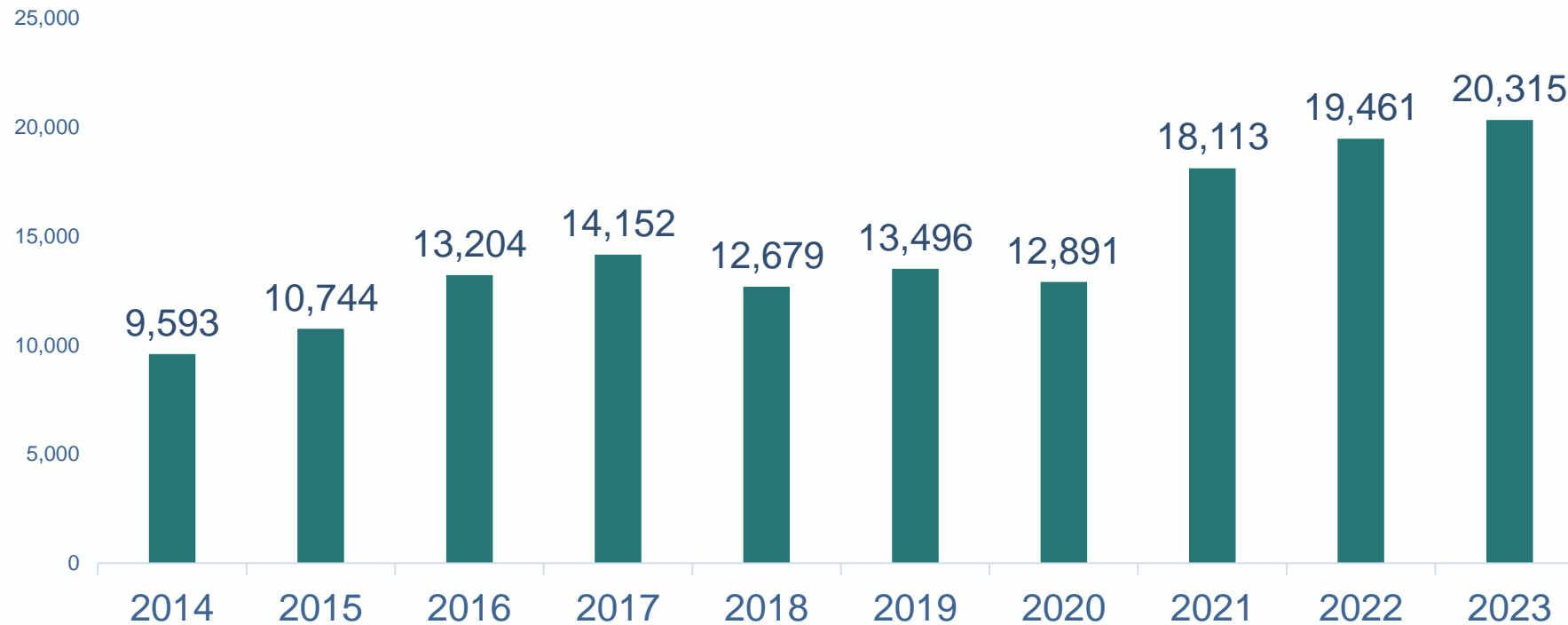
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 - If the organization has direct access, there will be a person and process for obtaining SARs.
- If the organization does not have direct access
 - Every state has a designated FinCEN Coordinator in their state.
 - The state FinCEN coordinator can provide instructions on how to request SARs for a specific EFE case.

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- If you do accidentally receive a FinCEN SAR, do not review it
 - How to recognize a FinCEN SAR? It has a unique identifier called BSAID on every page
 - Report any unauthorized SAR disclosure to FinCEN's Office of Chief Counsel at (703) 905-3590 or the FinCEN Resource Center at FRC@fincen.gov
- Collaborate with LE and Fis on the EFE cases behind the SARs, without involving yourself in the SAR

Tribal Authorities and SARs

SAR Filings by Tribal Casinos Growing



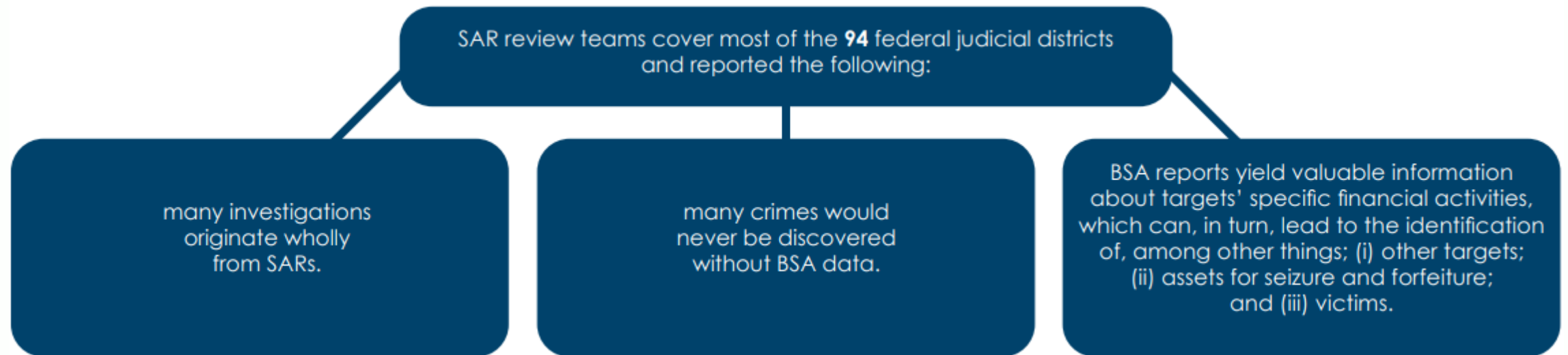
Resources <https://www.fincen.gov/reports/sar-stats>



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Innovations in Using SARs to Combat EFE

What's a SAR Review Team?



[Resource: FinCEN Infographic Public 2023 April 21 FINAL.pdf](#)

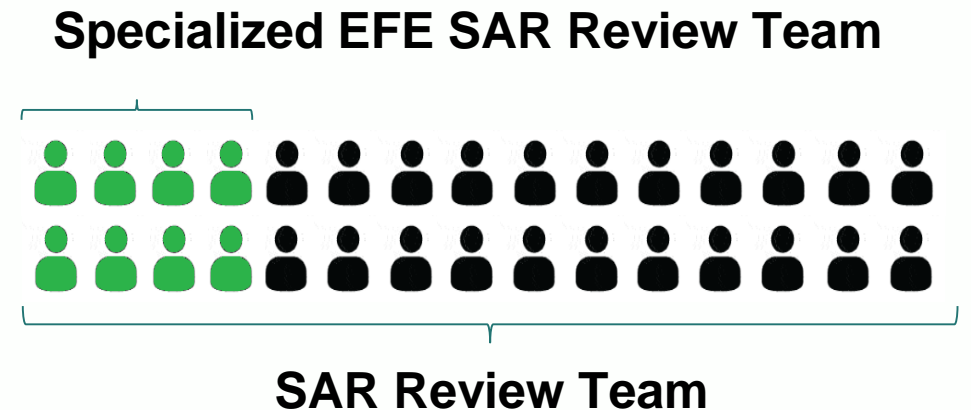
SARs' Untapped Potential, Especially at the State and Local Levels

- Most federal SAR investigations focus on large scale crime
- Most jurisdictions have too many SARs to review them all manually
- Limited usage of SARs by state or local law enforcement investigators and prosecutors, possibly due to:
 - Lack of awareness of SARs and their value
 - Smaller scale and complex nature of many EFE crimes

However, local and state LE and FI are well positioned to benefit from SARs. A handful of officials across the U.S. are proactively using locally relevant SARs to combat EFE.

Proposal - Specialized EFE SAR Review Team

- Focused on the locally relevant EFE SARs
- Could be part of an existing SAR Review Team
- Made up of individuals who:
 - Are authorized to review SARs
 - Focus on EFE SARs
 - Does not work on other types of SARs
 - Does not work on EFE SARs that would conflict with any federal LE or regulatory cases



Building Collaboration with APS, Financial Institutions, and Law Enforcement



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Memorandum on FI and LE Efforts to Combat EFE

- Consumer Financial Protection Bureau, the United States Department of the Treasury, and the Financial Crimes Enforcement Network (FinCEN)
- Roles
- Collaboration
- Use of SARs

<https://www.consumerfinance.gov/compliance/supervisory-guidance/memorandum-financial-institution-and-law-enforcement-efforts-combat-elder-financial-exploitation/>



August 30, 2017

Consumer Financial Protection Bureau
United States Department of the Treasury
Financial Crimes Enforcement Network (FinCEN)

Memorandum on Financial Institution and Law Enforcement Efforts to Combat Elder Financial Exploitation

Introduction

Elder financial exploitation (EFE), the illegal or improper use of an older person's funds, property or assets, has emerged as one of the most significant frauds against individual persons. It is the most common form of elder abuse in the United States. Despite its growing prominence, however, only a small fraction of incidents are detected and reported. Older Americans are attractive targets in part because of their assets and regular sources of income, increasing the need for effective interventions. Older people may also be particularly vulnerable due to factors such as isolation, cognitive decline, physical disability, health problems, and bereavement. Thus, their ability to protect themselves from individuals seeking to exploit them may be limited. Once victimized, they often experience not only financial insecurity, but also loss of their dignity and quality of life.

Why FI, LE, and APS Should Collaborate

- Collaboration improves prevention and response
 - Know who to call at your counterpart organizations
 - Facilitate timely response to reports and ensure that staff at each stakeholder organization has appropriate points of contact when questions or challenges arise.
 - When appropriate, financial institutions (Fis) can provide expert consultation on banking and finance documents, processes, and procedures to assist LE and APS with case investigations

Opportunities for Collaboration

- Building informal relationships
- Building Elder Justice networks
 - Discussing new types of EFE or consumer scams
 - Discussing each organization's methods for detecting, investigating, and reporting EFE
 - Referring EFE cases you observe to law enforcement or financial institutions
 - Educating LE and FIs about appropriate referrals to APS

Questions & Answers

Resources on SARs

- FinCEN Authorities and Bank Secrecy Act (BSA) Regulations: [FinCEN's Legal Authorities | FinCEN.gov](#).
- Financial Institutions Under BSA: [Financial Institution Definition | FinCEN.gov](#).
- Law Enforcement Use of SARs, and Restrictions on SAR Use: [Support of Law Enforcement | FinCEN.gov](#), <https://www.fincen.gov/sites/default/files/advisory/FIN-2010-A014.pdf>.
- Information on SAR forms, and statistics about such information: [2010-26038.pdf \(govinfo.gov\)](#), <https://www.fincen.gov/reports/sar-stats>
- CFPB Analysis of EFE SARs: [CFPB Suspicious Activity Reports on Elder Financial Exploitation](#)
- FinCEN Guidance on EFE SAR Reporting: [FinCEN Advisory on Elder Financial Exploitation](#).

Using FinCEN.gov to Locate Public Aggregate Filing Data (1 of 4)

- Go to FinCEN SAR Stats: <https://www.fincen.gov/reports/sar-stats>
- Add filters
- Generate or export data

The screenshot displays the 'Suspicious Activity Report Statistics (SAR Stats)' interface. At the top, there are navigation tabs: 'Suspicious Activity Report Statistics (SAR Stats)', 'FAQ/Glossary', 'Filing Trend Data', and 'Interactive Maps'. The main area contains several filter panels:

- Industry Type:** Includes 'Securities/Futures' and 'Other'.
- Year & Month:** Set to '2022' and 'January'. A 'Display Months' checkbox is present.
- Suspicious Activity Category / Type:** Set to 'Elder Financial Exploitation'.
- States / Territories:** Set to 'Virginia'.
- County / Metro & Micro Area:** Set to 'Arlington County, VA'. Radio buttons for 'County' (selected) and 'Metro' are visible.
- Instrument Type(s) / Payment Mechanism(s):** Set to 'Bank/Cashier's Check'.
- Product Type:** Includes 'Bonds/Notes' and 'Commercial Mortgage'.
- Relationship:** A message states 'Filter is unavailable in combination with County/Mi...'. The text is partially obscured.
- Regulator:** Includes 'CFTC', 'FDIC', and 'FHFA'.

On the right side, there are four action buttons: 'Generate' (with a magnifying glass icon), 'Reset' (with a circular arrow icon), 'Export CSV' (with a document icon), and 'Export PDF' (with a document icon).

Using FinCEN.gov to Locate Public Aggregate Filing Data (2 of 4)

- Industry type: Select “All”
- Year & Month: Choose data range
- Suspicious Activity Category / Type: Other Suspicious Activities > Elder Financial Exploitation
- Location filters: States / Territories and County or Metro area
- Instrument Type(s) / Payment Mechanism(s): Select “All”

Using FinCEN.gov to Locate Public Aggregate Filing Data (3 of 4)

- Product Type: Select “All”
- Relationship: Select “All”
- Regulator: Select “All”
- County/Metro Area: Select “All” or just your jurisdiction
- Click: Generate to receive results

Using FinCEN.gov to Locate Public Aggregate Filing Data (4 of 4)

Show entries Filter Results:

| Year&Month | State | County | Industry | Suspicious Activity | Regulator | Product | Instrument | Filing Count |
|------------|----------|----------------------|------------------------|------------------------------|-----------|-----------------|-------------------------|--------------|
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | Bank/Cashier's Check | 1 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | Funds Transfer | 3 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | Money Orders | 1 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | Personal/Business Check | 1 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | U.S. Currency | 2 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Debit Card | [Total] | 8 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Deposit Account | Bank/Cashier's Check | 2 |
| 2022 | Virginia | Arlington County, VA | Depository Institution | Elder Financial Exploitation | FRB | Deposit Account | Funds Transfer | 5 |

Resources

- Find a network with the DOJ Elder Justice Network Locator:
<https://www.justice.gov/elderjustice/elder-justice-network-locator-map>
- Start or enhance a network with the CFPB's online Network Development Guide:
<https://consumerfinance.gov/eldernetworks>
- Memorandum of Financial Institution and Law Enforcement Efforts to Combat Elder Financial Exploitation: <https://www.consumerfinance.gov/compliance/supervisory-guidance/memorandum-financial-institution-and-law-enforcement-efforts-combat-elder-financial-exploitation/>



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Resources (Cont.)

- FinCEN Advisory on Elder Financial Exploitation:
[fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002](https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2022-a002)
- Elder Justice Networks videos:
https://www.youtube.com/channel/UCI_FnwEkpaGI7IFvT2qrVLg
 - [Launching and Enhancing Elder Justice Networks](#)
 - [Special Topics in Elder Justice](#)



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Learn More About the CFPB

- Contact Office for Older Americans: OlderAmericans@cfpb.gov
- Resources: consumerfinance.gov/olderamericans
- Complaints: consumerfinance.gov/complaint/
 - (855) 411-CFPB (2372)
 - TTY/TDD: (855) 729-CFPB (2372)
- Ask CFPB: consumerfinance.gov/askcfpb