

Signs an Elderly Loved One Is a Victim of Financial Fraud

By Hugo Figueira, Private Banking Relationship Manager

Scamming elderly, disabled, and unsuspecting adults out of their money can happen anywhere — in their own homes, skilled nursing homes, and independent and assisted living centers. It only takes a little bit of a victim's personal, confidential information to end up in the wrong hands for a vulnerable individual to suffer immense financial loss. It can happen on the phone, over the internet, and in personal interactions — often with people the target knows and trusts.

While voluntary reporting to government agencies is highly encouraged to prevent and mitigate damage from elder abuse, there are also other ways to protect yourself and vulnerable loved ones from further harm.

Fortunately, in addition to law enforcement capabilities for investigation and prosecution of violators, there are government resources available to elderly victims of financial exploitation, abuse, and neglect. One of the most effective resources is Adult Protective Services (APS), managed by the Consumer Financial Protection Bureau.²

While voluntary reporting to government agencies is highly encouraged to prevent and mitigate damage from elder abuse, there are also a number of ways financial institutions monitor and identify unusual activity for their customers and clients.

The following are some of the situations and examples they watch out for — and you should too, to protect yourself and your vulnerable loved ones.

Red flags for elderly financial abuse

Check activity

Handwriting inconsistencies. It's common for an older adult to sign a blank check and hand it over to a trusted individual to pay a bill. An exploiter (often someone who has a close relationship to the elderly person) might make the check payable to himself, sometimes to pay one of his obligations. The signature on the check matches the financial institution's records, but the handwriting for the rest of the information on the check will not.

Alterations. An exploiter might change the payee on a check (for example, I.R.S. to I.R. Stewart), erase and rewrite the party on the payee line, and modify the dollar amount.

Adult Protective Services (APS) Helps Identify Elderly Financial Abuse

The Department of Justice defines exploitation as an illegal use of a vulnerable adult's resources for another person's profit or gain. Vulnerable adults are at least 60 years old (or are disabled individuals between the ages of 18 and 59 years).³ Under Federal law, APS investigates not only financial exploitation but also other conditions of abuse and neglect.

The ability of APS to investigate different types of elderly/disabled adults abuse and mitigate further damage to victims is managed at the state, county, or local level and varies by location and the laws of each state.²



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Out-of-sequence check numbers. A fraudster may steal a booklet in a box of checks for personal use while the victim is still working on the current booklet.

Large amounts or overly frequent checks to individuals. Often this is a sign the elderly victim may have been misled or the checks were stolen.

Returned deposited items and/or overdraft activity on an account. A fraudster takes advantage of an older person's great track record to abuse the account which will suddenly start to be hit with returned checks and overdraft fees.

Missing or mismatched signatures. Missing signatures or signatures that don't match on an elderly client's checks are often signs of fraudulent activity by an exploiter.

Electronic and ACH transactions

Excess subscriptions or duplicate utilities. A caregiver might take advantage of a trusting individual by paying personal bills from an elderly person's financial accounts.

PayPal or similar payment app. This is a common way for a fraudster to hide theft as a potentially legitimate transaction.

Credit card payments in large amounts. This is particularly alarming to financial institutions when they notice large duplicate payments from a senior to the same card company.

Large purchases, particularly online. Elderly persons may never see large purchases or recognize the transactions if they don't check their financial accounts on a monthly basis.

Internal transfers to joint accounts. This type of financial fraud is common when family members are involved in the day-to-day care of elderly or disabled relatives (especially when they all live at the same address).

Online bill payments

Payments to individuals. Most elderly people exclusively pay companies or utilities via this account service — but payments to individuals are not the norm.

Bill payments to outside personal footprint or new institutions. Older adults tend to do business locally and are creatures of habit. Random bill payments to parties outside their personal footprint or new and unknown institutions should be suspect.

Credit cards

Requesting new cards or authorized users. Bank clients don't always realize they are fully responsible for any financial transactions their authorized users charge. Elderly individuals requesting new or additional cards or authorizing other users on their accounts could be a red flag.

Balance transfers. Often the balance transfers involve the exploiter — another good reason to check financial records of elderly loved ones on a regular basis.



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Online recurring bills and e-subscriptions. Often these types of card charges are small amounts and easy to overlook. However, over a period of time the costs for digital services and items can quickly add up (e.g., online shopping, streaming subscriptions, digital newspapers and magazines, videos and movies, etc.). Make sure the bills and subscriptions benefit an elderly loved one and not someone else.

In-person transactions

Large or numerous cash withdrawals. Watch for large or frequent cash withdrawals. Funds may be removed under coercion or deceitfully, and cash is hard to trace once misappropriated.

Co-signing or refinancing loans. These types of transactions may also be carried out under coercion or deceitfully.

Excessive ATM usage. ATMs allow for lesser scrutiny of transactions and minimal or no personal contact or interaction with a financial institution.

We can help

If you or a loved one is a victim of elderly financial fraud or abuse, Commerce Trust is here to help. When a crime is suspected, we have processes in place to gather evidence and report the evidence to the appropriate authorities. We will answer your questions regarding the safety and security of the affected accounts and explain next steps for protecting your assets. Call today for more information.

¹ Emma Rubin, Consumer Affairs, "Senior Financial Scams," www.consumeraffairs.com/finance/elderly-financial-scam-statistics.html, updated February 17, 2022.

² Consumer Financial Protection Bureau, "Adult Protective Services," <https://www.consumerfinance.gov/consumer-tools/educator-tools/resources-for-older-adults/elder-protection-networks/resources/adult-protective-services/>, accessed September 28, 2022.

³ Department of Justice, "Elder Abuse and Elder Financial Exploitation Statutes," <https://www.justice.gov/elderjustice/prosecutors/statutes>, accessed October 20, 2022.

The opinions and other information in the commentary are provided as of November 2, 2022. This summary is intended to provide general information only, and may be of value to the reader and audience.

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Hugo is a private banking relationship manager for the Commerce Trust. As a member of the private client team and an experienced, tenured private banker, he and his dedicated client support staff are responsible for ensuring each client's experience with Commerce Trust exceeds expectations. Hugo's specific responsibilities include management of our clients' day-to-day banking, cash management, and credit needs, while also helping them navigate the wide array of our financial services to find the solutions that best fit their circumstances. Hugo joined Commerce in 2004 and previously was a financial advisor for Commerce Brokerage, Inc. Hugo received his Bachelor of Business Administration from Webster University. Hugo volunteers his time at Habitat for Humanity, S.H.A.R.E. Homeschool Association and St. Monica's Parish.



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