

DATE: November 18, 2019
BULLETIN: 2019-KDCU-CUB-15
TO: Kansas Chartered Credit Unions
SUBJECT: Elder Financial Exploitation

ELDER FINANCIAL EXPLOITATION

With Thanksgiving approaching, it is the time of year when many travel "...over the river and through the wood..." to visit grandparents. Due to the rise in elder financial exploitation, many of those visited may be victims. On July 17, 2019, the Consumer Financial Protection Bureau (CFPB) issued an [update](#) to their [2016 Advisory](#) and the statistics cited showed an average loss of \$41,800 among adults over the age of 70, with 7% losing over \$100,000. From January 1, 2019, through October 31, 2019, only 25 Suspicious Activity Reports (out of 1,927 filed by depository institutions) were filed in Kansas listing elder financial exploitation as a basis for the filing.

In addition to reporting the extent and severity of the abuse, the CFPB faulted financial institutions, including credit unions, for not filing reports with the appropriate Adult Protective Services (APS) agencies. Based on a study of 180,000 SAR's referencing elder financial abuse, only 28% also reported the activity to APS.

Kansas is a "required reporter" state. K.S.A. 39-1431(a). "(A) bank officer or any other officers of financial institutions" are required to report abuse when there is "reasonable cause to believe" an adult is being or has been abused. "Any individual who knowingly fails to make such report or cause such report not to be made shall be guilty of a class B misdemeanor." K.S.A. 39-1431(e). Reports can be made online with the [Kansas Department for Children and Families](#).

For those concerned with the release of non-public personal information (NPPI), there is a provision in the Gramm-Leach-Bliley Act which allows financial institutions to disclose NPPI to comply with state laws, including those that require the reporting of suspected abuse. 15 USC §6802(e)(8).

Credit union employees who work with members are in the trenches for this battle against exploitation of their most vulnerable members. Below are a few warning signs:

- Are there changes in behavior or appearance, e.g., your member is a Friday lobby regular, but now is coming through the drive-thru on Wednesdays with a stranger driving?
- The member is talking about a new "sweetheart" met online and needs money to fund this person's visit? Is the "sweetheart" in Afghanistan?
- Does the member need money to wire to their grandchild in jail/hospital/Mexico or for a holiday visit?
- Is there a new pattern of large withdrawals?
- Does the member express concern because their computer has been infected with a virus?

It is important for credit union staff to look for the signs and report them appropriately. Frontline staff should report suspicious activity to their branch manager or supervisor.

In 2013, the NCUA released Letter to Credit Unions [No. 13-CU-08](#) in which credit unions were told to "...ensure your credit union's staff is trained on the potential signs that might trigger a report of elder abuse or financial exploitation." If you need training, contact our Trainer, [Gail Bright](#), to schedule a convenient date and time.