

Foiling Financial Exploitation:

What Banks and Credit Unions Can Do



Employees of banks and credit unions can help stop financial exploitation of the elderly and disabled. This crime occurs when there is an illegal use of a vulnerable adult's resources for another person's profit or gain. The vulnerable adult is at least 60 years old, or disabled and between 18 and 59.

Employee awareness is the key to detecting financial exploitation. Here are some risky or suspicious financial transactions and suggestions on how employees can handle them:

- A vulnerable adult comes to the bank to add a relative's name to his or her account because he or she believes a joint account avoids probate.

Suggest a Payable on Death (POD) account. The beneficiary receives the money after the vulnerable adult dies but cannot access the account while the vulnerable adult is alive. There is no need for probate.

- An elderly customer requests a joint account so that a friend or relative can assist with making deposits and paying bills.

Suggest a direct deposit or an automatic bill-paying account instead. This prevents an unscrupulous friend or relative from withdrawing everything in a joint account.

- A family member is concerned that a bank customer is being financially exploited and wants to be added to the account to watch for inappropriate expenditures.

Suggest and set up a "protected account" for a vulnerable adult, with his or her consent. The account is 'flagged' and any activity is closely watched.

Employees can also:

- Inquire about the reason for large withdrawals.

If a vulnerable adult is accompanied by a suspicious third party and makes an unusually large withdrawal, ask him or her, rather than the suspicious

person, the reason for the withdrawal. It is good practice to separately talk with the vulnerable adult away from the suspicious third party.

- Carefully verify the authority of persons requesting to act for the customer.

Financial exploiters often lie. Check all documentation presented by a person claiming to act on behalf of a vulnerable customer. Have a designated bank supervisor review all power-of-attorney papers for authenticity. If a signature or transaction appears suspicious, call the customer for verification.

- Document the identity of suspicious persons.

A surveillance photograph may be the only way to identify a suspicious family member, friend, or stranger who accompanies a vulnerable adult to the bank. But you can also write down a description of the suspicious person, the type of car he or she drives and the license number, if possible.

Banks and credit unions should designate a staff person whom employees must notify when questionable or illegal financial transactions are occurring. The designee would determine if a call to the Department of Health and Senior Services (DHSS) or law enforcement is necessary. DHSS investigates allegations of financial exploitation and routinely refers cases involving financial crime to law enforcement.

If you suspect an elderly or disabled customer is being financially exploited, call DHSS' toll-free hotline at 1-800-392-0210. We can help.