

Regulators Step up to Fight Financial Exploitation of Older Americans

Jun 15

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Legislative Analysis

In 2011, the United Nations General Assembly officially recognized June 15 as World Elder Abuse Awareness Day. This year – as with every year – state regulators are observing by doing what they’ve always done: protect seniors from the threat of financial exploitation and ensure they have access to safe financial products that help them lead healthy, productive lives.

Attempted financial crimes against the elderly have been on the rise for years, a trend that has been exacerbated by the increased isolation seniors have faced due to COVID-19. Near the height of last summer’s lockdowns, **Patrice Walsh, Director of the Alaska Division of Banking and Securities**, commented that “the unprecedented quarantines to protect against the spread of the novel coronavirus have taken social isolation to a new dimension for many seniors, making them more vulnerable to financial exploitation.” In a [recent interview](#), Denise Owens, Senior Vice President of the state-chartered *PlainsCapital Bank* in Texas, reported her fraud department’s caseload had increased 30-40 percent during the pandemic.

Luckily, as the scale of this challenge has grown, so have efforts to combat it. In just the past few years, at least seven state legislatures have enacted laws authorizing financial institutions to report suspected cases of abuse and either refuse or delay certain financial transactions. Crucially, many of these statutes provide immunity to bank employees who intervene, protecting them from liability in the event of subsequent civil proceedings.

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State financial regulators have also been fighting back. The North American Securities Administrators Association has developed a suite of helpful [resources](#) for industry, caregivers, policymakers and investors, from a model rule on elder abuse certifications to an exhaustive list of state resources for caregivers. The DC Department of Insurance, Securities and Banking has hosted [elder financial fraud prevention presentations](#) at senior centers. Through its [Elder Investment Fraud and Financial Exploitation program](#), the Pennsylvania Department of Banking and Securities has trained health care professionals, social workers, CPAs and employees of other government departments on how to prevent elder financial exploitation. Many states have also [instituted rules](#) requiring that state-chartered banks have their employees trained in how to identify and prevent elder abuse.

The Federal Deposit Insurance Corporation and Consumer Financial Protection Bureau have also worked together to develop a comprehensive program, [Money Smart for Older Adults](#), designed to help seniors and their caregivers prevent financial exploitation through proactive planning measures and informed decision-making.

Thanks to these efforts, awareness around elder financial abuse has reached an all-time high, and third parties are more empowered than ever before to report and prevent abuse when they see it. And families and caregivers now have a wealth of information to help them plan for the future and recognize the signs of fraud. Together, state and federal regulators will continue to ensure that older Americans and their families can utilize the financial services they depend on with peace of mind.