

Financial Elder Abuse



Financial Elder Abuse is when an older adult, or a senior, is financially exploited by a stranger or someone they know. Financial elder abuse can cross all social, educational and economic boundaries and perpetrators can be family members and caregivers, friends, neighbors or acquaintances, persons with Power of Attorney, financial advisers, or persons known or unknown to the senior.

Contact Adult Protective Services

If you experience, witness, or suspect abusive activities, immediately contact Adult Protective Services (APS) in the California county where the senior resides. In the white pages of your local telephone directory under "County Government" you will find your local APS office listed. APS contact information is also available at www.eldercare.gov or 1-800-677-1116, a public service provided by the U.S. Administration on Aging.

Examples of Financial Exploitation:

- Unauthorized use of credit cards, ATM or debit cards, or checkbooks
- Forging a senior's signature or deceiving a senior into signing any legal and/or financial document, especially when the senior seems unable to comprehend
- Diverting money meant to pay the senior's rent, utilities, taxes or other expenses
- Significant transfers of assets, substantial loans or gifts to others
- Revising a senior's will or other documents, especially when the new beneficiary is a caregiver or a previously uninvolved person now claiming a right to a senior's property

- Promises of “lifelong care” in exchange for deeding property to caregiver
- Wrongful use of financial Power of Attorney or fiduciary relationship
- Selling ill-advised and unnecessary financial services or products
- Selling fraudulent financial services or products

Signs of Financial Elder Abuse Include:

- Disappearing valuables or assets
- Decline of physical and emotional well-being
- Suspicious activities/people at a senior’s home
- Substandard care despite adequate finances
- Unusual bank account activity—large withdrawals (especially when the senior is accompanied by another person) and unexplained changes of bank accounts from one branch to another

The forms to assist you in filing a report of suspected elder abuse are available from the California Department of Social Services (CDSS) at www.cdss.ca.gov.

Legal Advice or Representation

Legal assistance programs for people age 60 and older can provide assistance on issues such as income security, protective services, abuse, neglect, age discrimination, housing, utilities and health care. These free services are available to seniors with social and economic needs. To learn more about local legal assistance programs in your area, contact 1-800-677-1116 or www.c4a.info.

To locate a private attorney to assist with a Power Of Attorney, trust, will or other advance planning tool, contact the lawyer referral service of the State Bar of California www.calbar.ca.gov

More Free Resources:

California Department of Aging

Toll-free 1-800-510-2020.

www.aging.ca.gov

Oversees programs serving older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout California.

California Senior Gateway

www.seniors.ca.gov

Provides seniors, their families, and caregivers with the information they need to connect to helpful services and resources.

California Courts Elder Abuse Self-Help

www.courts.ca.gov/selfhelp-elder

Provides information regarding elder abuse restraining orders, help finding a lawyer, family law facilitator, and local self-help centers.

Guides For Managing Someone Else’s Money

Toll-free 1-855-411-CFPB (2372)

www.consumerfinance.gov

The Consumer Financial Protection Bureau produces four guides designed to help financial caregivers of older adults understand their duties.

Glossary of Financial Terms

Amortization - The gradual and systematic reduction of debt by periodic payments which include both principal and interest.

Annual Percentage Rate (APR) - The total cost of credit, including interest, fees, and other charges, expressed as an annual rate.

Borrower - Any person or organization that obtains funds from another for a period of time. The borrower usually signs a note as evidence of the indebtedness.

Capital Gain (or Loss) - The difference between the price at which you buy an investment and the price at which you sell it. There are frequently complex tax implications associated with capital gains or losses.

Churning - Excessive buying and selling in a customer's account by a broker seeking to maximize commissions regardless of the client's best interests.

Diversification - The method of balancing risk by investing in a variety of securities.

Fiduciary - A person who manages assets for the benefit of another person rather than for his or her own profit.

Maturity - The time when a note, bond or other investment option comes due for payment to investors or creditors.

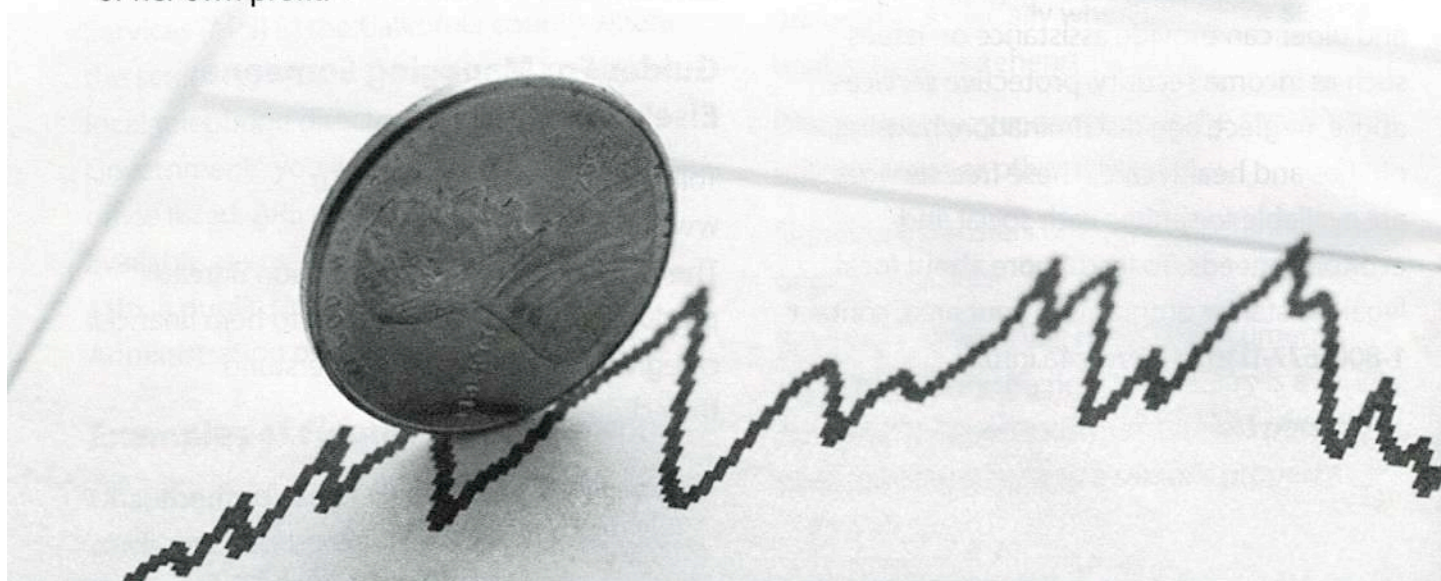
Negative Amortization - When a loan payment for any period is less than the interest charged over that period, so the outstanding balance of the loan increases.

Principal - The unpaid balance on a loan, not including interest; the total amount of money invested or loaned.

Securities - Financing or investment instruments (some negotiable, others not) bought and sold and traded in financial markets, such as stocks, bonds, notes, options and warrants.

Variable Rate - A variable-rate agreement, as distinguished from a fixed-rate agreement, has an interest rate that may fluctuate over the life of the loan.

Find a more detailed glossary listed on our website at www.dbo.ca.gov



California Department of Business Oversight

Licenses and Industries Regulated by the Department

- Banks: State-chartered commercial banks, foreign and industrial banks. National banks are regulated by the Office of the Comptroller of the Currency (OCC) and other federal entities.
- California Finance Lenders: Finance companies that offer consumer and/or commercial loans.
- California Residential Mortgage Loan Originators and Lenders (also called mortgage bankers) and loan servicers: Process and/or service residential mortgage loans.
- Capital Access Companies: Provide financial services to small businesses that have a significant connection to California.
- **Check Sellers, Bill Payers and Proraters:**
 - Check Sellers - A check or money order used to pay rent, utilities, or some other obligation that must be sent through the mail.
 - Bill Payers - For a fee, a bill payer receives money as an agent of a consumer to pay bills.
 - General Proraters - A general prorater contracts with delinquent debtors and mediates with creditors to settle debts on behalf of the debtor.
 - Special Proraters - A special prorater pays its customers' bills as part of its management of its customers' affairs, and is generally a business agent or a manager.
- Credit Unions: State-chartered credit unions only. Federal credit unions are regulated by the National Credit Union Administration (NCUA).
- Deferred Deposit Originators (Commonly known as "Payday Lenders"): Short-term cash lenders.
- Escrow Agents and Independent Escrow Companies: Hold money and other property for safekeeping and for delivering to third parties.
- Franchises: Franchisors who offer and sell franchises in California.
- Money Transmitters (includes issuers of payment instruments (money orders), travelers checks and stored value): Businesses that provide money transfer and payment services.
- Offer and sale of investments (securities, stocks and bonds), and certain commodity transactions.
- Premium Finance Companies: Financing premiums for insurance policies.
- **Securities Regulations:**
 - Broker-Dealers - Effecting transactions in securities and issuing or guaranteeing securities options.
 - Stock-brokers - A regulated professional, usually associated with a brokerage firm or broker-dealer, who buys and sells stocks and other securities for both retail and institutional clients, through a stock exchange or over the counter, in return for a fee or commission.
 - Investment Advisors (IAs) - Individuals or organizations who manage clients' securities portfolios or offer advice about investing in securities.

- Financial Planners - An investment professional who helps clients set and achieve long-term financial goals, through investments, tax planning, asset location, risk management, retirement planning and estate planning.
- Trust companies and departments who manage investments for sophisticated investors.

For a complete list of licensees and industries regulated by the Department, please visit our website at www.dbo.ca.gov.

Consumer Services Office

The Department's Consumer Services Office provides information and assistance to consumers. Specific services include:

- Helping you verify the licensing status of a financial institution, service or professional.
- Providing you with information on how to file a consumer complaint with institutions and/or individual licensed by the Department.
- Assisting you with identifying and contacting the regulator of a federal financial institution.

Call toll-free 1-866-275-2677 or visit www.dbo.ca.gov/consumers.

DEPARTMENT *of* **BUSINESS OVERSIGHT**

The California Department of Business Oversight would like to thank numerous state and federal agencies and other organizations for their contributions to the information covered in the Protect Yourself From Fraud booklet.