

# When can a banker be a senior's best friend?

*Keeping Our Seniors Safe*



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Your Information Here

## When can a banker be a senior's best friend?

The following anecdotes are composites of true stories, with the names omitted to protect the innocent.

- Mrs. W received a late night telephone call from her grandson, who said he was in trouble in a foreign country. The grandson asked that his parents be kept “out of the loop,” but said he needed to have \$10,000 wired to him right away, first thing in the morning.
- After Mr. Y's wife died, his nephew moved in with him to help with the household. Then the nephew's girlfriend moved in as well. Then the nephew started helping with the money management. Mr. Y's monthly statements began to show large, unusual withdrawals.
- Mr. and Mrs. Z were approached by a salesman with an outstanding investment idea. They were concerned about outliving their retirement money, and this investment promised high interest rates, a lifetime income and special tax savings—almost like winning the lottery! But the catch was that the salesman needed an immediate decision, and he needed a large certified check to close the deal before the offer expired.

These are three examples of *financial exploitation of seniors*, and, unfortunately, there are thousands more. By some estimates 20% of those over 65 will experience financial exploitation at some point during their retirement—the losses at this date tally some *\$3 billion* every year. Financial exploitation of seniors has been called “the crime of the 21<sup>st</sup> century.” Seniors are a tempting target to con artists, because as they age they become more vulnerable and, according to some studies, more trusting as well.

The three stories here have happy endings. In each case, when the individual went to the bank to implement the transaction, the banker became suspicious. Bankers throughout the country, ours included, have been undergoing training to be on the lookout for financial fraud, most especially fraud involving seniors. In each of these three cases, a bank manager was asked to step in, and the transactions were short-circuited, heading off financial losses. The banker was the senior's best friend.

But the banker needs to be the last line of defense. The first line of defense must be the informed senior, and his or her trusted family members.

### ***Plan now, avoid being a victim later.***

No one expects to be a victim of financial exploitation. Unfortunately, as people reach their most senior years, the chances of financial exploitation occurring increase significantly. Facing up to the fact that some day they may become temporarily or permanently unable to manage their affairs is becoming a routine part of estate planning for many seniors. In addition to having a will to provide for disposition of property at death, and a living will and/or health care proxy for managing medical

## Tips for Preventing Financial Exploitation

### Protect your identity

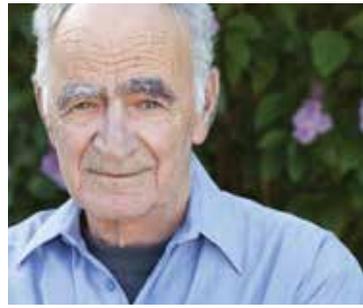
- ▶ Never give your Social Security number, bank account numbers or other personal or sensitive information over the phone unless you initiated the call.
- ▶ Don't let anyone use your ATM card or learn your PIN number.
- ▶ Do not use a PIN number that is easy to identify, such as 1234, the year of your birth, or the last four digits of your Social Security number.
- ▶ Report stolen or lost ATM cards, credit cards or checks to the bank or relevant company immediately.
- ▶ Shred receipts, bank statements and other sensitive documents before throwing them away.
- ▶ Keep a list handy of your credit card numbers and the phone numbers for your credit card companies in case your purse or wallet is lost or stolen, so you can immediately put a hold on those accounts.
- ▶ Check your credit report at least once a year to ensure that no new credit cards or accounts have been opened by criminals in your name. Everyone is entitled by law to receive a free copy of his or her credit-report annually from each of the three credit-reporting agencies. For your free report, go to the Federal Trade Commission's Web site at [www.annualcreditreport.com](http://www.annualcreditreport.com) or call 1-877-322-8228.

### Safeguard and monitor your bank and credit card accounts

- ▶ Pay with checks and credit cards instead of cash so as to keep a paper trail.
- ▶ Always use one credit card with a low credit limit for use in restaurants to reduce your exposure to skimming.
- ▶ Have regular checks and payments deposited directly into your checking account.
- ▶ Review your bank and credit card statements carefully and report any suspicious activity to the bank immediately.
- ▶ Never accept a check for more than the amount due or agree to wire the difference back to the issuer or another party.
- ▶ Consider alternatives to adding another person's name to your bank accounts. Check with your bank—they will be able to discuss other options that may meet your needs better.

### Think ahead

- ▶ Seek legal advice before signing a power of attorney. Keep it updated.
- ▶ Don't sign blank checks and allow another person to fill in the amount.
- ▶ Have a trusted friend or relative receive copies of your monthly bank statements in addition to the copy that you receive. Or have someone you trust or an accountant review your bank statements regularly.
- ▶ Get to know your banker and build a relationship with the people who handle your finances. They can look out for any suspicious activity related to your account.



decisions near the end of life, seniors need to consider the following alternatives for help in managing their money.

- **Special bank accounts with a trusted family member.** Such accounts may be used to handle all the routine financial expenses of retirement.
- **Durable power of attorney.** This gives a third party, normally a trusted family member, greater authority over one's financial life. The authority may extend to making investment decisions, even making gifts to family members. Powers of attorney need to be drafted with care by a lawyer who specializes in elder law, and some supervision is warranted. Unfortunately, for all the good that they can do, powers of attorney have been the source of financial exploitation in some cases.
- **Revocable living trust.** A trust creates another layer of financial protection against con artists and scamsters. Assets are placed in the care of a trustee, who manages them, collects dividends and interest, and makes distributions on behalf of the trustor as provided in the trust agreement.

With these protections in place, the opportunity for financial exploitation of the senior is sharply reduced. A revocable living trust also may make unnecessary the appointment of a conservator by the probate court, should the senior become fully incapacitated and incapable of handling financial matters.

### *We are your resource.*

Financial exploitation of our seniors is a serious and growing problem. We are doing our part to fight back, through in-service training of our employees in the protection of our seniors. They will be on the alert for fraud, and they are also available to help you come up with solutions for your financial management needs. Now you need to do your part, taking the initiative to protect yourself and your loved ones, with the tools that are available to you.

### *What to do when financial abuse of an elderly person is suspected.*

If you or someone you know is in immediate danger, call 911 or the Detective Division of your local Police Department.

In Connecticut, the primary responsibility for investigating and dealing with financial exploitation of seniors resides with the Department of Social Services, Protective Services for the Elderly (PSE) Program.

To report cases of suspected abuse, neglect or exploitation, call the toll-free referral line in Connecticut at 1-888-385-4225. Out of state call Infoline at 1-800-203-1234.

*After Hours Elder Abuse Emergencies.* In state, call Infoline at 211. Out of state, call Infoline at 1-800-203-1234.