

PREVENTING ELDER INVESTMENT FRAUD: IT TAKES A VILLAGE



The 2012 Winter Educational Symposium:
Wealth Management for Affluent Seniors
January 27, 2012



EIFFE Prevention Program

- The EIFFE Prevention Program utilizes Continuing Medical Education (CME) courses to educate medical professionals who routinely see older Americans as part of their practice about elder investment fraud, how to recognize it in their patients and to whom to report suspected fraud.
- Medical professionals will also be educated to look for vulnerability to investment fraud due to mild cognitive impairment (MCI) among their senior patients and to refer those patients for further medical screening.

EIFFE Prevention Program

- A collaboration between:
 - Baylor College of Medicine
 - Investor Protection Trust
 - Investor Protection Institute
 - National Adult Protective Services Association
 - North American Securities Administrators Association
 - State Securities Regulators
- In cooperation with U.S. medical associations and their local chapters including:
 - American Academy of Family Physicians
 - National Area Health Education Center Organization
 - National Association of Geriatric Education Centers

Global Aging

- ◆ 1.2 billion older people worldwide in the year 2025
- ◆ Current net increase of one million people 60 years of age each month worldwide
- ◆ Leading edge of 77 million U.S. Baby Boomers reach age 65 in 2011
- ◆ 10,000 Boomers turn 65 every day for the next 17 years

It happens to the best of us... Paul McCartney is 69!



**Still Need Me?
Paul Turns 64**

McCartney, other sexagenarian rockers keep rolling along

◆ Photos: Rock's greatest geezers

The Scope of the Problem

- ◆ According to the 2010 IPT Elder Investor Fraud Survey:
 - ◆ 7.3 million older Americans – one out of every five citizens over the age of 65 – already have been victimized by a financial swindle.
 - ◆ Many adult children are worried about their elderly parents' ability to handle their finances.

The MetLife Mature Market Institute Study

- ◆ Crimes of Occasion, Desperation, and Predation
Results from MetLife Mature Market Institute's Ongoing Research on Elder Financial Abuse



The MetLife Mature Market Institute Study

- ◆ Elder Financial Abuse – Still the "Crime of the 21st Century"
- ◆ The annual financial loss by victims of elder financial abuse is estimated to be at least \$2.9 billion, a 12% increase from the \$2.6 billion estimated in 2008.

The MetLife Mature Market Institute Study

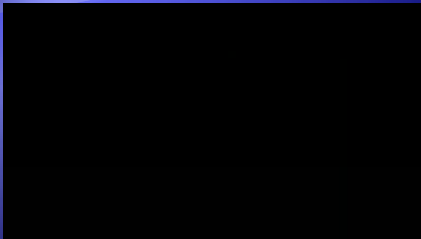
- And it's just the tip of the iceberg...
- ◆ For each reported case, 4–5 are unreported
 - ◆ It affects victims of all income levels and has greatest impact on the most vulnerable
 - ◆ It results in other "hidden" losses (*i.e. health care costs, legal and investigative charges, social services*)

The MetLife Mature Market Institute Study

Con Man or Confidant...Trust is the Common Thread

- "One trait perpetrators of elder financial abuse have in common is that they exhibit excellent persuasion skills. They are very good at cultivating relationships and convincing older adults that they are worthy of their trust and money.
- In general, perpetrators are not bound by conventional norms or business ethics, and rationalize their criminal and abusive behavior."

Elder Fraud Video



www.investorprotection.org/learn/?fa=eiffeVideo

EIFFE Can Happen to Anyone...



"To those seniors and especially elderly veterans like myself, I want to tell you this: You are not alone and you have nothing to be ashamed of. If elder abuse happened to me, it can happen to anyone."

Mickey Rooney
Testimony before Senate Special Committee on Aging
March 2, 2011

The Medical Dimension

- ◆ Persons with changes in the prefrontal cortex of the brain are less risk averse than age-matched persons without changes in the orbitofrontal cortex.
- ◆ Persons with MCI are four times more likely to make financial errors than those without this condition.

The Medical Dimension

- ◆ Persons over age 71 (25,000,000 in the U.S.) who have MCI or full dementia number almost nine million.
- ◆ Persons with Parkinson's disease, diabetes, and other cerebrovascular disease also have an increase in being defrauded due these common medical conditions.

Adding Financial Exploitation to the Geriatric Checklist



Training Medical Professionals

- ◆ The EIFFE Prevention Program trains medical professionals to recognize elder investment fraud through CME courses in the category of medical ethics
- ◆ The CME courses are delivered at face to face events by speakers with appropriate medical credentials.
- ◆ Each event is hosted by the State Securities Office and their local medical association partner

Training Medical Professionals

- ◆ The CME courses also include general investor education and protection information for the further edification of the medical professionals.
- ◆ The goal is to train at least 200 medical professionals in each participating state in the first two years of the program.

EIFFE Training Materials



Program Evaluation

- Of the 200 medical professionals who took the courses in the 2009 Texas pilot program, 130 completed evaluations and gave contact information. Later, 67 physicians gave the research team permission to contact them at six months. The results were a utilization rate of 55 percent who found patients deemed highly vulnerable to elder investment fraud and financial exploitation.

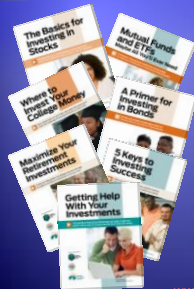
National Activities

- A second elder fraud survey interviewing medical professionals
- The creation of a web based CME course for medical professionals
- Presentation of EIFFE Prevention Program at medical conferences to continue to increase awareness of the issue among medical professionals

Additional Investor Education Resources

IPT Investor Education Booklets

Video on the IPT Website



www.investorprotection.org

National Elder Fraud Call-In Flyer



Protecting Elder Americans from Financial Abuse

Free Advice and Guidance on How to Protect Yourself and Your Loved Ones Against Investment Scams and Financial Abuse.

Thursday, November 10, 2011 • 8:00 a.m. ET to 6:00 p.m. ET

One out of every five adults over the age of 65 have been victimized by a financial scam. Of particular concern are those with high cognitive impairment. In addition, 20% of all people over 65 are victims of some form of financial abuse. Kiplinger is sponsoring a toll-free nationwide call-in service for individuals seeking advice. From 8:00 a.m. to 6:00 p.m. Eastern Time on Thursday, November 10, members of the Investor Protection Institute, National Adult Protection Services Association and health care professionals will answer your questions.

General Finance Questions

888-227-1776
Call toll-free from the United States and Canada. This is a toll-free number. There are no charges for participating in this program. You will be able to ask questions and receive answers from the experts. This is a toll-free number. There are no charges for participating in this program. You will be able to ask questions and receive answers from the experts.

Medical Questions

888-303-0430
Call toll-free from the United States and Canada. This is a toll-free number. There are no charges for participating in this program. You will be able to ask questions and receive answers from the experts.

Financial Abuse Questions

888-303-3297
Call toll-free from the United States and Canada. This is a toll-free number. There are no charges for participating in this program. You will be able to ask questions and receive answers from the experts.

Elder Investment Fraud and Financial Exploitation National Call-in on November 10, 2011!

For more information on the call-in, see the reverse side of this flyer and the November 2011 issue of Kiplinger's Personal Finance magazine.



Learn how state securities regulators, health care professionals and other protective services professionals are working together to protect seniors from financial abuse through the Elder Investment Fraud and Financial Exploitation (EIFFE) Prevention Program at www.investorprotection.org/InvestTheWise. The website includes information on the EIFFE Prevention Program, a video on elder investment fraud, recent IPT research and the Clinician's Pocket Guide and Patient Protection Checklists created for the program.

Special Report Kiplinger's Personal Finance magazine November 2011

SPECIAL REPORT

The Crime of the 21st Century

Protect yourself and loved ones from financial abuse of the elderly.

Some recent high-profile cases have thrust elder financial abuse into the spotlight. There's former Chicago Mayor Harold Washington's \$100 million investment portfolio that was liquidated for his partner's benefit. There's the \$100 million investment portfolio of a 92-year-old woman, Mary Kay White, that was liquidated for her partner's benefit. There's the \$100 million investment portfolio of a 92-year-old woman, Mary Kay White, that was liquidated for her partner's benefit.

PLUS: GET FREE PERSONAL ADVICE BY PHONE. SEE PAGE 42 FOR DETAILS.

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