

Family First Credit Union

Protecting the Elderly and Vulnerable from Financial Abuse

Procedures

Revised June 29, 2017

Overview

Financial institutions play a vital role in preventing and responding to elder (over 62 years of age) and vulnerable (generally described as individuals over the age of 18 who lack the physical and mental capability to care for themselves) financial abuse. Banks and credit unions are uniquely positioned to do so because:

- We know our members
- We often have the opportunity for face-to-face interaction with older consumers who make transactions
- We are uniquely positioned to detect that an elder account holder has been targeted or victimized.
- We are mandated reporters of suspected elder financial exploitation under Georgia law
- FinCEN states that Suspicious Activity Reports (SARS) are useful for spotting elder and vulnerable financial exploitation and are required when the dollar threshold and other Bank Secrecy Act requirements are met.

Definition of Elder and Vulnerable Financial Exploitation

Elder and Vulnerable financial exploitation is the illegal or improper use of an older or disabled person's funds, property or assets. Studies suggest that financial exploitation is the most common form of elder and vulnerable abuse and yet only a small fraction of incidents are reported.

Perpetrators who target older consumers include, among others, family members, caregivers, scam artists, financial advisers, home repair contractors, and fiduciaries (such as agents under power of attorney and guardians of property).

Training

Credit Union staff will be trained annually on the process for identifying and reporting elder and vulnerable annually during the Annual Training Day or on another day as scheduled by the trainer.

Reporting Elder and Vulnerable Financial Exploitation

How to Spot Elder and Vulnerable Financial Abuse

- Suspected financial abuse of an elder or dependent adult occurs when an employee observes or has knowledge of behavior, or sees a pattern of unusual circumstances or transactions, which would lead that individual to form a reasonable belief that the member is or may be the victim of financial abuse.
- We are not required to prove abuse. This is the job of state agencies and law enforcement.
- We are not expected to become experts in proving abuse, but we are in a position to help identify if it is taking place. It could be discovered through direct contact with the member or review of financial records or transactions.
- Employees can help stop elder or dependent adult financial abuse if you know your member and are an active listener. By being alert and asking questions, you play a significant role in combating abuse.
- Observe their banking habits and look for signs of change. Some warning signs of financial or material exploitation include but are not limited to the following suspicious behavior:
 - The member is accompanied to the credit union by someone new, and he/she appears:
 - Afraid, nervous or disoriented
 - Pressured to make a withdrawal
 - Urged to open a joint account
 - Concerned/confused about missing funds
 - Unable to remember financial transactions
 - Not allowed to speak for themselves or make decisions
 - A companion appears nervous or behaves suspiciously
 - Change in patterns of withdrawals/deposits
 - Change of account owners or mailing address
 - Withdrawals from previously inactive accounts
 - Request for new lines of credit, or to increase existing lines
 - Sudden overdrafts or unusual account activity
 - Someone new tries to access the account
 - A recent change of title of a house
 - The granting of a power of attorney
 - Signatures seem forged
 - Check numbers are out-of-sync

- A vulnerable adult informs staff that funds are “missing” from his or her account
- It is requested that account or credit card statements are to be sent to an address other than the vulnerable adult’s home.
- Unusual cash withdrawals from a checking account within a short period.
- Abrupt increase in credit card activity
- A sudden flurry of bounced checks
- An account shows ATM activity when it is known that the vulnerable adult is physically unable to leave his or her home
- The vulnerable adult is accompanied by a third party who encourages the withdrawal of a large sum of cash, and may not allow the vulnerable adult to speak
- Abrupt and unexplained change in a financial Power of Attorney; new names added to signature cards; new joint account created
- Discovery of incapacitated vulnerable adult’s signature for financial transactions or title of real or personal property

If You Suspect Elder and Vulnerable Financial Abuse

Normally, it is not any one event that indicates financial abuse. It is a combination of factors that would lead a reasonable person to suspect it may be taking place. The following steps should be followed before a transaction is completed when an employee suspects a member may be the victim of financial abuse:

- Learn the reason for significant transactions or withdrawals
- If someone other than the member is requesting the transaction, verify that person has proper authorization on the account or proper legal documentation
- Ask to speak to the member in private
- Gather as much evidence as possible to assist in any resulting investigation

Sometimes a member may wish to proceed with the transaction even through the credit union has expressed concern. Before completing the transaction, consult your immediate manager. If the member is in immediate danger, notify the police by calling 911 or call Georgia Adult Protective Services.

Notifying Compliance/Risk Management

After careful consideration of a suspected financial abuse situation, department manager must immediately make a report to the Compliance department using the *Elderly and Vulnerable Financial Abuse Incident Report*. In all cases, the report should be made within three business days of the suspect event or discovery of evidence of abuse. The report must include:

- Name, age, sex, ethnicity, address, and telephone number of the member
- Name, age, sex, ethnicity, address, relationship to member, and description of suspected abuser if known
- Description of suspicious circumstances (include supporting documentation)
- Branch location and name of employee who made the referral

Responsibilities of Compliance/Risk Management

The Compliance Department must make a report by telephone or online of the suspicious activity immediately, or as soon as practicably possible, to Georgia Adult Protective Services.

Georgia Adult Protective Services

Report Abuse of Seniors or Adults with Disabilities:

Phone: 888-774-0152

Phone: 404-657-5250

Fax: 770-408-3001

Online: <https://aging.georgia.gov/adult-protective-services-aps>

The credit union should be able to show that reports have been made upon reasonable suspicion. It may also be necessary to file a Suspicious Activity Report (SAR).

Civil or Criminal Liability

Many people are required by Georgia law to report when they suspect abuse, neglect or exploitation. Any employee of a financial institution is a mandated reporter of abuse, neglect, and exploitation. Mandated reporters must make a report when they have reasonable cause to believe that 1) an at-risk adult has had an injury or injuries inflicted upon them by a caretaker or 2) has been neglected or exploited by a caretaker.

Mandated reporters who do not fulfill their obligation to report elder or disable adult abuse may be charged with a misdemeanor. Georgia law list mandated reporters at Code Section 30-5-8 for alleged victims who are disabled adults or elder persons who live in the community

Anyone who makes a report of fraud, testifies in any judicial proceeding, assists protective services, or participates in a required investigation is immune from any civil or criminal liability as a result of such report, testimony, or participation, unless such person acted in bad faith or with a malicious purpose, or was a party to such crime or fraud.

Confidentiality of Reported Information

The reports made to the Adult Protective Services are strictly confidential. The names of the persons submitting the report and the individual(s) who initially found evidence of suspected abuse may be disclosed only by court order. The law protects anyone from a lawsuit who reports abuse.

Record Retention

Copies of Elder and Vulnerable Abuse Financial Abuse Reporting Form and the Georgia Adult Protective Services (APS) Fax Transmittal Form, and all other documentation are retained for five years.