

# PROTECTING SENIOR INVESTORS- NEW RULES AND NEW PARTNERSHIPS

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# The Fraud Concern

>50%

## Familiar Faces

- Unfortunately, more than half of all senior financial exploitation is perpetrated by **friends, family members, or caregivers**. This exploitation can be wide-ranging, is often the most difficult to prevent, and is the most under-reported form of senior financial exploitation. A victim of such exploitation may even seek to cover-up such abuse out of feelings of guilt, shame, or loyalty.

- A Metlife study found that seniors lose at least **\$2.9 billion** each year to **financial exploitation in media-reported cases\***

\$2.9 B

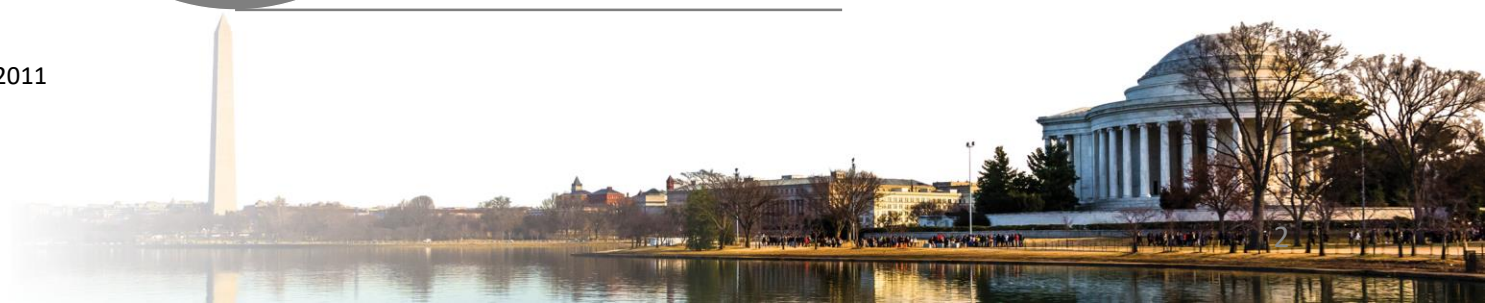
1 in 44

- The National Adult Protective Services Association estimates that only **1 in 44 cases of financial abuse are ever reported to the authorities**

1 in 5

- It is estimated that **1 in 5 Americans aged 65 or older have been victimized by financial fraud**

\*The Metlife Study of Elder Financial Abuse, June 2011



# Non-financial Consequences

- Psychological
  - Loss of independence/security
  - Relationship disruptions
  - Fearful, depressed, suicidal
  - Change of plans for future
- Health
  - Unable to afford medications
  - Hospitalization
  - Mortality
- Secondary Victims
  - Financial support
  - Loss of wealth transfer
  - Costs to society



# Partnering with Prosecutors

- Elder Justice Initiative (US Department of Justice)
  - Website
  - Law Enforcement training and resources
  - Subject matter expertise
- Elder Abuse Prevention & Prosecution Act (2017)
  - DOJ Attorneys assigned in every jurisdiction across the country
  - Annual training of FBI
- Elder Justice Coordinating Council (2010)
  - Ten Federal Agencies



# New Tools in the Toolbox

- New FINRA Rules (Feb. 2018)
  - Rule 2165 – Hold on Disbursements
  - Rule 4512 – Trusted Contact Form
- Senior Safe Act
  - Allows disclosures of information to APS and other agencies



# Partnering with NAPSA

- Reporting Abuse
- New Financial Information Request Form
- Events
  - World Elder Abuse Awareness Day
  - National Institute on Elder Financial Exploitation Summit



# FINRA & FINRA Foundation

## Research:

- Exposed to Scams: What Separates Victims from Non-Victims? (October 2019)
- Understanding and Combating Investment Fraud (October 2017)
- Findings from a Pilot Study to Measure Financial Fraud in the United States (February 2017)

## FINRA Securities Helpline for Seniors

- Toll-free 844-57-HELPS (844-574-3577)



# Useful Websites

- SIFMA: [www.sifma.org/seniorinvestors](http://www.sifma.org/seniorinvestors)
- Department of Justice: [www.elderjustice.gov](http://www.elderjustice.gov)
- NAPSA APS Database: [www.napsa-now.org](http://www.napsa-now.org)
- WISER: [www.wiserwomen.org](http://www.wiserwomen.org)
- FINRA: [www.finra.org/rules-guidance/key-topics/senior-investors](http://www.finra.org/rules-guidance/key-topics/senior-investors)
- NASAA Securities Administrator Reporting: [www.serveourseniors.org/connect](http://www.serveourseniors.org/connect)
- National Resource Center on LGBT Aging: <https://www.lgbtagingcenter.org/>

