

# Financial Exploitation

## Midland County Vulnerable Adult Network (MCVAN)

Our community working together  
to assist and protect vulnerable adults

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# Trends

- More than 73,000 older adults in Michigan are victims of elder abuse (Michigan.gov)
- 58% abuse by a relative (National Center on Elder Abuse)
- Estimated 1 in 10 older adults victims of scams
- Elder Fraud costs Americans 6.3 billion a year (AARP)
- Sudden changes in financial activity – leading indicator of financial exploitation

The symptoms and treatment of elder abuse are complex and demand a concerted effort to tackle this often unrecognized and unreported social problem.

# Midland County Vulnerable Adult Network (MCVAN)

Formed in 2015

Ensure effective Investigation and Prosecution

Education to Professionals and Community Members

## **MCVAN Members:**

Prosecuting Attorney's Office

Midland Law Enforcement

MyMichigan Health

Office of Public Guardian

The ARC of Midland

Veteran's Services

and more..

Senior Services Midland

Department of Health & Human Services

Legal Services of Eastern Michigan

Community Mental Health

Shelterhouse

local care facilities

# Preventing Financial Exploitation

Participants will have a better understanding of:

- Financial exploitation, who is at risk, and what to look for
- Financial Exploitation Prevention Act (new 9/2021)
- Role of Adult Protective Services and Law Enforcement
- Role of professional advisors
- Available Community Resources



# Financial Exploitation

**An action involving the misuse of an adult's funds, property or personal identity by another person.**

# Financial Exploitation

- Older or other vulnerable adults are more trusting
- Victim: Advanced age, female, cognitive impairment, physical disability, isolated
- High percentage of perpetrators are adult children
- Consequences include: Loss of their home, not seeking medical care, skipping meals or not filling medications
- Victims are at an increased risk of emotional distress, depression, decreased quality of life, and institutionalization

# Dependency Matters

Generally, any adult who requires assistance to meet their needs because of age, disability, or mental illness will fit the definition of a vulnerable adult.

- Dependency can limit the choices available to an adult and reduce the likelihood that a victim will seek help.
- If a victim is reliant on a caregiver to prepare their meals and buy groceries - afraid to report and/or unsure how to report

# Assess Dependency

Consider: If the individual had no assistance at all from the caregiver and was living alone, would the individual be able to meet their own needs and handle their own finances? Or, would their standard of living decline if alone without assistance?

- Activities of Daily Living
  - Cooking, Bathing, Transportation, Getting Dressed, Preparing meals, going to the doctor, etc.
- Cognitive decline
  - Higher level of cognition is needed to manage finances
  - Did spouse typically manage the finances and has since passed away?



# Evaluate Risk of Financial Harm

- Parasitic Living
- Inadequate medical care, food, or clothing
- Does it appear that the caregiver is actually providing assistance
- Legal arrangements i.e. power of attorney, guardianship or conservatorship
- How does the individual and caregiver know each other. Be wary of “new friends” or distant family members controlling the person’s finances
- Ask whether any mortgages have been placed on the home, who is on the deed of the house, past due bills?

# Vulnerable adult definition

MCL 750.145m

“Vulnerable adult” means 1 or more of the following:

- An individual age 18 or over who, **because of age, developmental disability, mental illness, or physical disability** requires supervision or personal care or lacks the personal and social skills required to live independently.
- An adult as defined in section 3(1)(b) of the adult foster care facility licensing act, MCL 400.703.

# Financial Exploitation Prevention Act

## (FEPA) Effective 9/26/21

- Requires financial institutions to have policies for employee training and reporting
- Requires reporting to Adult Protective Services and/or Law Enforcement. Can also report to County Prosecutor
- Temporarily freeze Transactions/assets (up to 10 days or longer as necessary)
- Requires APS/Law Enforcement to report suspected exploitation to Prosecutor within 10 days of receiving report
- Protects identity of reporting person/institution, unless court ordered
- Protects reporting person/institution from civil liability - good faith compliance

# Reporting statistics

- FY 2021 (Pre FEPA) – 2365 Referrals to APS, 691 Assigned for Investigation
- FY 2022 (After FEPA) – 3955 Referrals to APS, 1312 Assigned for Investigation
- 67% Increase in APS Referrals under FEPA
- 90% Increase in Assignments for Investigation
- FEPA appears to have the desired effect – many more suspected cases reported.



Jill Schmidt

Department of Health and Human Services

Centralized Intake (855) 444-3911

- Demographic information on the individual, including age / date of birth
  - Health conditions that may be impacting their abilities
  - Details on what you have learned about the situation
  - Connection between physical abuse and exploitation
  - Form is not required
  - Confidential / APS cannot disclose who called in referral
  - Involvement of Prosecuting Attorney
- 
- What is a “good” APS referral



**Brennon Warren**  
**Midland Police Department**  
**989.839.4772**

- Physical, Emotional & Financial
- Change in Paradigm for Law Enforcement
- Wellness Checks
- Partnerships & Communication
- Outreach

# Common Practices by Abusers

- Isolating the individual
- Obtain Power of Attorney
- Obtain a joint bank account with individual (victim places money into account, perpetrator removes money)
- Obtains a Quit Claim Deed to property
- Uses credit cards/ debit cards
- Obtains credit/ property in victim's name
- Steals personal property or medications

# Tips

- Estate planning
- Do not add your child to bank account
- Don't let one person control the money. Have an objective third party look over financial statements.
- Simplify finances by reducing the number of financial institutions where you have accounts, reducing overall number of bank/investment accounts so it is easier to keep track of finances.
- Make it a practice to never give personal information when asked over the telephone or computer



# Resources

- MCVAN–next meeting March 16<sup>th</sup> 3pm /Senior Services
- KnowBe4.com Cyber Security
- Attorney General Nessel website –
  - Elder Abuse Prevention Taskforce initiatives / updates
  - Trainings/Webinars
  - Annual Symposium

# Community Resources



Senior Services  
Midland County Council on Aging  
(989) 633-3700  
Charlie Schwedler, Executive Director



211 of Northeast Michigan -Community Resources



**Adult Protective Services  
Reporting Centralized Intake  
(855) 444-3911**

**Hotline is available 24 hours day / 7 days week**