



Fact Sheet for Advisors: Signs of Financial Elder Abuse

For use by financial advisors and financial services firms only.

WHAT IS FINANCIAL ELDER ABUSE?

Financial elder abuse is the illegal or improper use of an older person's funds, property, or resources, according to the National Committee for the Prevention of Elder Abuse¹. It can take on many forms and includes a broad range of conducts. These crimes can be ruinous for older Americans, whose entire retirement savings can be erased in the blink of an eye. Given the threat to senior's retirement security, detection of financial elder abuse is vital to protecting older clients.

HOW TO DETECT FINANCIAL ELDER ABUSE?

A report by the Securities and Exchange Commission's Office of Compliance Inspections and Examinations, North American Securities Administrators Association, and Financial Industry Regulatory Authority² outlined practices used by financial service firms for interacting with older investors. The report lists "signs" or "red flags" identified by firms that may indicate that an investor is a victim of financial elder abuse.

These signs include, but are not limited, to:

- The investor gives a power of attorney to someone that, to the investor's securities professional, appears inappropriate.
- The investor does not appear to have control over, or access to, his/her financial assets.
- The investor's mailing address has been changed to an unfamiliar and/or unexplained address.
- Inability of the securities professional to speak directly to the investor, despite attempts to do so.
- There is a sudden, unexplained or unusual change in the investor's transactions patterns.
- There are unexplained disbursements in an investor's account that are outside of the norm.
- The sudden appearance of a new individual involved in the investor's financial affairs.

To learn more, access the full report at:

<http://www.sec.gov/spotlight/seniors/seniorspracticesreport092208.pdf>

¹ National Committee for the Prevention of Elder Abuse "What is Elder Abuse?" <http://www.preventelderabuse.org/elderabuse/>

² Securities and Exchange Commission's Office of Compliance Inspections and Examinations, North American Securities Administrators Association, and Financial Industry Regulatory Authority. "Protecting Senior Investors: Compliance, Supervisory and Other Practices Used By Financial Services Firms in Serving Senior Investors." <http://www.sec.gov/spotlight/seniors/seniorspracticesreport092208.pdf>