

David N. Kirkman, NC Consumer Protection Division

Attributes of “Elder Fraud”

- ❑ Repeat
Victimization
- ❑ “Super Victims”
- ❑ Typically More
Than 75 Years
Old
- ❑ Seldom
Prosecuted
- ❑ And.....



**...Elder Fraud
Involves the
Exploitation of
Age-Related
Vulnerabilities**

Vulnerabilities That Elder Fraud Artists Exploit

- **Worries About Continued Financial Independence**
- **Financial liquidity-easy access**
- **Want to be a “Decision Maker” Again**
- **“Obsessions”**
- **Loneliness/Isolation**
- **Depression**
- **Med Cycles**
- **Chronic illness**
- **Physical impairments**
- **Mild cognitive impairment**

COMMONLY EXPLOITED COGNITIVE IMPAIRMENTS

- **MEMORY LOSS**
- **SLOWER TO PROCESS
INFORMATION**
- **IMPAIRED JUDGMENT WHEN
EXCITED**
- **OBSESSIONS & COMPUSLIVE
BEHAVIORS**

“Super Victims”

- **\$10,000-plus in Losses to Same Scam**
- **Repeat Victimization**
- **New Scams Play Off of Previous Ones**
- **Looking for Signs that Offers Are Legitimate**

“RELOADING”

The Key to Repeat Victimization

- **Variations on the Same Scam, or**
- **A Variety of Different Scams**
- **Each scam sets the table for the next one**
- **“I didn’t want the one-time victim. I didn’t want the two-timer. I wanted to sell these people 10 times!”**

Recent Examples & Trends

- **Victim Losses Reported to NC Attorney General's Elder Fraud Unit :**
 - **2009 - \$1.5 million** **2012 - \$8.4 million**
 - **2010 - \$3 million** **2013 - \$11.8 million**
 - **2011 - \$6 million** **2014 - \$10.2 million**
- **Most \$\$ wired to the scammers**
- **Many repeat victims from earlier years now diagnosed with Alzheimer's**

Recent Examples & Trends (Cont'd)

- **Sweepstakes and Lottery Scams:**
- \$950,000 is largest known NC victimization; Asheville.
- 11 \$100K to \$350K victims since July 2014.
- Victims wiring or mailing huge amounts of cash.
- Targets now urged to buy Green Dot MoneyPak cards.

***Financial Capacity* = the ability to independently manage one's financial affairs consistent with personal self-interest.**

- **Multidimensional**
- **Broader Scope than Medical Decision-Making Capacity**
 - basic monetary skills (checkbook/bank statements)
 - conducting cash transactions, paying bills,
 - prudent judgment in conducting financial activities, (understanding financial concepts – debts/loans)
 - avoiding financial abuse.

ref: NEUROLOGY 2009;73-928-934// Widera JAMA Feb 16, 2011

Financial Capacity and AD

- Early AD - Financial Capacity already significantly impaired.
- Mild AD - Impaired in most financial activities.
- Moderate stage AD - Severe impairment in all financial abilities is usually present
- Ref: ARCH NEURO.2000;57:877-884.

Helpful Tools for Getting the Victim Out of Harm's Way

- **Wire Transfer “Blocks”**
- **Assistance with unauthorized bank debits**
- **Literature on Elder Fraud**
- **Elder Fraud Duty Agent on call**
- **Credit Report “Freezes”**
- **Call NC Attorney General's Office 1-877-5-NO-SCAM (Toll Free in NC)**
 - **Website www.ncdoj.gov**

THANK YOU

- **MemoryCare, Inc.**
 - 100 Far Horizons Lane, Asheville, NC
 - www.memorycare.org
- **North Carolina Attorney General's Office, Consumer Protection Division**
 - dkirkman@ncdoj.gov, 919-716-6033

The logo for MemoryCare, featuring the word "MemoryCare" in a green, sans-serif font with a small crown icon above the letter "y".

MemoryCare