• The National Center for Victims of Crime is pleased to provide the slides used in our August 25, 2015 Webinar, “Financial Fraud in Indian Country.”

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Financial Fraud in Indian Country

National Center for Victims of Crime
FINRA Investor Education Foundation
National Center for Victims of Crime

- Mission: Forge a national commitment to help victims of crime rebuild their lives.
- Dedicated to serving individuals, families, and communities harmed by crime.
- Through collaboration with local, state, and federal partners, the National Center:
  - Advocates for Stronger Rights, Protections, and Services for Crime Victims
  - Provides Education, Training, and Evaluation
  - Serves as a Trusted Source of Current Information on Victims' Issues

Financial Crime Resource Center

- Affiliate of the National Center for Victims of Crime
- Mission: Help victims of financial crime recover their assets, and recover control of their lives
- Partner with organizations around the U.S. who work with victims of fraud, identity theft and other financial crimes to ensure that victims have access to the best possible recovery
- Advocate for fair compensation and restitution for all crime victims
FINRA & FINRA Foundation

Financial Industry Regulatory Authority (FINRA)
► Independent, non-governmental regulator for all securities firms doing business with the public in the U.S.
► Protects investors and maintains market integrity in a public-private partnership with the SEC
► Created through consolidation of NASD and NYSE Regulation
► Regulation, enforcement, education

FINRA Investor Education Foundation
► Awards grants and manages targeted projects focused on investor education and protection

Presenters

Sarah Dewees

Jacque Gray

Cynthia LaCounte
Unique Challenges for Native Victims

• The complex maze of criminal and civil jurisdiction in Indian Country challenges tribal law enforcement, courts, and victims.

• Some perpetrators may go free because of the complexities of criminal jurisdiction in Indian Country (lack of criminal jurisdiction = lack of consequences).

• Historic Trauma

WHAT IS FINANCIAL ABUSE?

Elder financial abuse is a crime. It involves the wrongful taking of money or property, whether through fraud, scams, predatory caretakers or family, or others. Financial abuse also includes the illegal or improper use of an elder or dependent adult’s financial resources.

An estimated $2.9 billion is stolen annually from elders.
SIGNS OF FINANCIAL ABUSE

• Frequent expensive gifts from elder to caregiver.
• Elder’s personal belongings, papers, credit cards missing
• Numerous unpaid bills.
• A recent will when elder seems incapable of writing will.
• Caregiver’s name added to bank account.
• Elder unaware of monthly income.
• Elder signs on loan.
• Frequent checks made out to “cash”.
• Unusual activity in bank account.
• Irregularities on tax return.
• Elder unaware of reason for appointment with banker or attorney.
• Caregiver’s refusal to spend money on elder.
• Signatures on checks or legal documents that do not resemble elder’s signature.

ELDER ABUSE IS ON THE RISE

NOTE: Data for 2010–2050 are projections of the population. Reference population: These data refer to the resident population.
WHO ARE THE FINANCIAL ABUSERS?

Often those who perpetrate elder financial abuse are family members which include spouses, children or grandchildren. The abusers may:

* Have gambling or financial problems
* Have drug, alcohol or personal problems
* Stand to inherit money from the elder
* Have a poor relationship with the elder
* Have a poor relationship with other family members who might inherit from the elder
* Have a violent family history
* Be intimidating

OTHER ABUSERS ARE CAREGIVERS

These caregivers may be:

* Family Members who are inexperienced in providing care
* Professional caregivers who misuse their position of trust

Family, friends, neighbors, and caregivers are the perpetrators in at least 55% of elder financial abuse cases
TYPES OF FINANCIAL ABUSE OF THE ELDERLY

Financial abuse of the elderly can happen in numerous ways:

• Investment Fraud

• Abuse of Power of Attorney authorization which is one of the fastest growing types of elder financial abuse

• Fake charities

• Tele-marketing and sweepstakes scams

• Deceiving an elderly person to sign loan papers or account withdrawal slips

• Forging an elder’s signature

• Use of counterfeit checks or debit cards to drain an elder’s bank account

• Theft of wallets containing IDs such as driver’s licenses; and credit and bank cards
• Theft of mail, including bank and credit card statements, preapproved credit offers, telephone calling cards and tax information

• Announcements of a “prize” that the elderly person has won but must pay money to claim

• Calling the victim’s credit card issuer and pretending to be that individual to change the account’s mailing address, and the run up charges on the account because the bills go to the new address and the victim may not immediately realize there is a problem.

• Establish phone or cell phone service in the victim’s name

• Open a bank account in the victim’s name and write bad check’s on that account

• File for bankruptcy under the victim’s name to avoid paying debts incurred under that name or to avoid eviction
IDENTITY THEFT

According to the Federal Trade Commission in 2012, 19 percent of those who complained about identify theft and provided their age to the Federal Trade Commission reported being over the age of 60. Identity theft is another form of elder financial abuse but is on a dramatic rise.

According to the United States Postal Inspection Service, identity theft is America’s fastest-growing crime and last year alone, more than 9.9 million Americans were victims of identity theft, a crime which cost them roughly $5 Billion dollars.

REPORTING IDENTITY THEFT

Identity Theft can be reported to the United States Senate’s Special Committee on Aging’s Fraud Hotline at 1-855-303-9470.

Also, report to your financial institutions: banks or credit card companies; local police or credit reporting bureaus or elder abuse assistance programs.

The National Center for Victims of Crime (NCVC) can assist through the Victim Connect Helpline at 1-855-4-VICTIM. In addition, checklists for victims are available on the Financial Crime Resource Center’s webpage.
ELDERS ARE VULNERABLE TO IDENTITY THEFT. HERE ARE SOME COMMON SCHEMES THAT ID THIEVES USE TO STEAL THE IDENTITY OF SENIORS

Telemarketing
An ID thief may call, making fraudulent offers for products, benefits or medical services. The caller will require you to provide personal information, such as your social security number, date of birth or Medicare ID number.

Tax ID Theft
Phony tax preparers steal your social security number and sell it to scammers. Identity thieves may also read obituaries so that they can file a tax return in the deceased person's name. This can be a problem for a surviving spouse, when he or she tries to file taxes later in the tax season.

IRS Identity Protection Specialized Unit
800-908-4490
Medical ID Theft
In general, elders have more contact with medical service providers that can take advantage of access to their insurance information to get medical services in an elder’s name or to issue fraudulent billing to an elder and the elder’s health insurer.

Nursing Home and Long-term Care
Staff at these facilities have access to elder’s personal information on file as well as potential misuse or theft of elder’s finances (such as check books or bank statements that are in an elder’s room). This fraud can be reported to the long term care ombudsman in the state a specific elder resides.
Take steps to protect yourself from financial exploitation and abuse and identity theft

- Plan ahead to protect your assets and to ensure your wishes are followed. Talk to someone at your financial institution, an attorney, or financial advisor about the best options for you.
- Never give personal information to anyone who phones you.
- Never pay a fee or taxes to collect sweepstakes or lottery "winnings."

PRIZE WINNER SCAMS

BE AWARE OF CALLS COMING FROM THESE AREA CODES: 809, 281, 629, 876, 473, 202

GREENDOT IS NO LONGER SELLING THE CARD THAT HAS BEEN USED TO COMMIT FRAUD, BUT MANY SIMILAR PRODUCTS CONTINUE TO BE SOLD
SIGN OF A PRIZE SCAM

- You have to pay a fee; sometimes will ask you to put money on “Green Dot” cash gift card/money pak
- You have to wire money like to Lloyd’s of London. You have to deposit a check they’ve sent to you. The check will turn out to be a fake and you will owe the bank the money you withdrew and the scammer will have your banking info
- You’re told they’re from the government like the Federal Trade Commission or another organization that sounds official (no government agency will contact you about a prize and the FTC doesn’t oversee sweepstakes).
- Your “notice was mailed in a regular bulk mail rate and you likely will know you didn’t enter.

- Never rush into a financial decision. Ask for details in writing and get a second opinion.
- Consult with a financial advisor or attorney before signing any document you don’t understand.
- Get to know your banker and build a relationship with the people who handle your finances. They can look out for any suspicious activity related to your account.
- Check references and credentials before hiring anyone. Don’t allow workers to have access to information about your finances.

- Pay with checks and credit cards instead of cash to keep a paper trail.

- Feel free to say "no." After all, it’s your money.

- You have the right not to be threatened or intimidated. If you think someone close to you is trying to take control of your finances, call your local Adult Protective Services.

OTHER TIPS FOR PREVENTING IDENTITY THEFT

Social Security Card-Avoid carrying your SS card in your wallet and don’t write your number on your checks and be cautious about giving out your SSN unless absolutely necessary

Protect your Pin(s)-Never write your PIN on your credit card or debit card

Watch Out For “Shoulder Surfers”-Use your free hand to shield the key pad when using various technologies publicly or at an ATM machine
Collect Your Mail Promptly-Check your mailbox daily and do not allow mail to sit overnight in your mailbox. Mail theft is an easy way to ID thieves to secure personal information. If you are away from home for a day or two, ask the post office to put your mail on hold when you are away.

Pay Attention To Your Billing Cycles-If bills or financial statements are late, contact the sender.

Keep Your Receipts-to be able to compare your receipts with account statements such as credit cards, etc. Watch for unauthorized transactions.

Tear Up Or Shred-Unwanted receipts, credit offers, account statements, expired cards to prevent “dumpster divers” getting your personal information. Safely protect tax documents and bank statements that you keep along with other documents such as your own credit card statements since a number of papers are saved to document expenditures for tax deductions. Don’t leave it lying around where people coming into your home can access this paperwork and be very careful about what personal information is kept at work if you are still working.

Unsolicited Requests For Personal Information-Do not respond to these in the mail, over the phone or on the Internet unless you are sure you know who is making the requests.
Install Protection Software On Your Home Computer - This could be firewalls and virus detection software or other protective technology.

Check Your Credit Report - At least once a year or more frequently if you suspect someone has gotten access to your account information. annualcreditreport.com or call 1-877-322-8228 (www.consumer.ftc.gov)

Protection Against Identity Theft - Various companies offer protection from identity theft, but scammers may use such offers of protection to further perpetrate fraud; it is best to review your annual reports yourself.

Elder Abuse Community Outreach and Intervention

• Entire community should work together
• Increased socialization activities for elders
• Promote community awareness
• Adult Protective Services
• Tribal Elders Social Services and elders programs need to keep a closer watch on elders at home
Abuse no one and no thing, for abuse turns the wise ones to fools and robs the Spirit of its vision.

Chief Tecumseh, Shawnee Nation 1768-1813

Elder Abuse

Honor the sacred.
Honor the Earth, our Mother.
Honor the Elders.
Honor all with whom we share the Earth:-
Four-leggeds, two-leggeds, winged ones,
Swimmers, crawlers, plant and rock people.
Walk in balance and beauty.

Native American Elder
FINANCIAL FRAUD IN INDIAN COUNTRY

SARAH DEWEESE
FIRST NATIONS DEVELOPMENT INSTITUTE
AUGUST 25, 2015

FIRST NATIONS DEVELOPMENT INSTITUTE

- Founded in 1980.
- National, Native-led 501(c)(3) nonprofit organization.
- Our mission is to strengthen American Indian economies to support healthy Native communities.
- We offer a broad range of financial education programs, including investor education.
Unique Issues in Native Communities

• Large Lump Sum Payments
  – Tribal dividend payments from tribal enterprises – per caps and minor’s trust payments.
  – Recent lawsuit settlements.

Per-capita and minor’s trust payments

• Tribal dividend payments from tribal enterprises – per caps and minor’s trust payments.
• Payments kept in a trust fund for minor members.
• Grown larger over time.
• Payments can range from a few thousand to over $100,000
Per-capita and minor’s trust payments

• **Challenges:**
  – Car dealers, mobile home dealers, others know timing of payouts and offer special “deals”
  – Often target young people
  – Cash advances on per capita payments
  – Identify theft

Recent Lawsuit Settlements

• **Cobell v. Salazar**
  – Settlement payments
  – Land Buy Back Program

• **Keepseagle**
  – Settlement payments

• **Other lawsuit settlements**
  – Sometimes tribal government “per caps” the settlement funds
Recent Lawsuit Settlements

- Starting in 2012 and throughout 2014, over $3 billion in individual and tribal trust fund settlements came into Indian Country.
- The Keepseagle and Cobell class action legal settlements with the federal government have both been settled and lump sum payouts to individual recipients started in 2012.

Land Buy Back Program

- The Cobell settlement provided for a $1.9 billion Trust Land Consolidation Fund (Fund) to consolidate fractional land interests across Indian Country.
- There are approximately 150 unique reservations that have fractional interests. The Buy-Back Program allows interested individual owners to receive payments for voluntarily selling their land.
- All interests sold are restored to tribes, which helps to keep Indian lands in trust for tribal communities.
NATIVE ELDERS

- The number of American Indian and Alaska Native Elders 65+ is expected to increase from 7% of the AI/AN population in 2010 to 15% by 2030.
- Elders are often subject to financial abuse.
- Elders may be targeted for financial fraud due to their perceived wealth – for example, retirement funds, etc.

RESOURCES

- In 2011, First Nations Development Institute worked with consultants to produce a financial education workbook titled "A Journey Toward Financial Empowerment."
  - Discusses “Elder Abuse”
  - Elder Abuse can take many forms:
    - Fake charities, aggressive phone calls.
    - Caregivers who build trust.
    - Family members who may ask for money.
RESOURCES

• Building Native Communities: A Journey Toward Financial Empowerment is available on First Nations’ website www.firstnations.org.

• Click on “Knowledge Center”
• “Financial and Investor Education”
• Building Native Communities curriculum
• http://www.firstnations.org/knowledge-center/financial-education/bnc

OTHER RESOURCES

• Financial Education Curriculum - Building Native Communities: Financial Skills for Families
  – Budgeting, goal setting
  – Managing checking and savings accounts

• Building Native Communities: Investing for the Future
  – Retirement accounts
  – Understanding financial markets
FIGHTING FRAUD 101

• In 2014, First Nations Development Institute worked with the FINRA Investor Education Foundation to produce a pamphlet titled “Fighting Fraud 101: Smart Tips for Investors.”

• How to spot financial fraud.
• How to protect yourself from fraud.
• Resources: Where to turn if you are a victim.

FRAUD IN AMERICA

More than 8 in 10 solicited for potentially fraudulent offers

$50 BILLION per year lost to fraud

Americans age 65 and older are more likely to be targeted and 34% more likely to lose money once targeted than respondents in their 40s.

PERSUASION TACTICS

Phantom Riches
Dangling the prospect of wealth, enticing you with something you want but can’t have.

Source Credibility
Trying to build credibility by claiming to be with a reputable firm or to have a special credential or experience.

Social Consensus
Leading you to believe that other savvy investors have already invested.

Reciprocity
Offering to do a small favor for you in return for a big favor.

Scarcity
Creating a false sense of urgency by claiming limited supply.

RED FLAGS OF FRAUD

FIGHTING FRAUD 101

• How to spot financial fraud:
  – Does it sound too good to be true?
  – Common tactics used by fraudsters.

• How to protect yourself from fraud:
  • Learn the right questions to ask.
  • Learn how to end the conversation.

• Resources: Where to turn if you are a victim.
  • A list of resources in the pamphlet.
INVESTOR ALERT – FINRA FOUNDATION

• New Money Coming Into Indian Country: Plan for the Long Term

• Distributed to those receiving money from the Land Buy-Back Program.

• Money Management Tips, How to Avoid Fraud.

ADDITIONAL RESOURCES

• Taking Action: An Advocates Guide to Assisting Victims of Financial Fraud

• Protecting our Assets: Keeping Our Communities Safe From Financial Fraud

• Visit SaveAndInvest.org
CONTACT INFORMATION

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RESOURCES

AARP  
aarp.org/FraudWatch

FEDERAL TRADE COMMISSION  
www.consumter.ftc.gov

UNITED STATES POSTAL INSPECTION SERVICE  
https://postal/inspectors.uspis.gov

FEDERAL BUREAU OF INVESTIGATION  
www.fbi.gov/scams-safety.fraud
What’s Next?

► Download or order a copy of *Taking Action: An Advocate’s Guide to Assisting Victims of Financial Fraud*
  *SaveAndInvest.org/FraudCenter* – see Program and Outreach Toolkit

► Upcoming Webinar

► **October 20, 2015**– Intersection of Financial Exploitation and Domestic Violence

► Upcoming Live Free Trainings

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**SAVE THE DATE**

**NATIONAL CENTER FOR VICTIMS OF CRIME**

**NATIONAL TRAINING INSTITUTE**

September 9-11, 2015 | Anaheim, California
September 19-21, 2016 | Philadelphia, Pennsylvania

Training proposals now accepted for our 2015 National Training Institute!
http://VictimsofCrime.nonprofititems.org/c/conferences/list

HELD IN CONJUNCTION WITH THE NATIONAL CRIME VICTIM BAR ASSOCIATION NATIONAL CONFERENCE, "CIVIL ACTIONS FOR CRIMINAL ACTS"

www.VictimsofCrime.org
Thank You for Attending!