



New York Bankers Association
Best Practices on Reporting of Possible Financial Exploitation of the Elderly

The New York Bankers Association and its members are committed to assisting in the preservation of the integrity of the funds of bank customers held on deposit in New York depository institutions. They are particularly concerned that some elderly and dependent customers may be victimized by caregivers, friends and even family and may find their financial assets subject to exploitation. Exploitation also includes external impositions such as Internet scams. In order to prevent or minimize opportunities for exploitation, the Association's Task Force on Financial Exploitation of the Elderly has developed these "Best Practices" on reporting of possible financial exploitation or abuse.

These Best Practices are not considered to be the exclusive methods of identifying and responding to possible financially abusive situations, but are intended as a template for possible action. Virtually all retail banks already have in place systems for monitoring and assisting in protecting the financial assets of their customers from potential exploitation. These Best Practices are intended to supplement, but not supplant, such systems.

Which Customers are Intended to be Protected?

While any customer could potentially be victimized, these guidelines are primarily intended to apply to elderly customers and those dependent on others for their care or financial arrangements. Most financial institutions describe customers as elderly at age 60 and above. Dependent customers are generally those with a physical or mental disability that restricts or precludes their ability to engage in normal activities.

What is Financial Exploitation of Elderly or Dependent Customers?

Financial exploitation of elderly or dependent customers is wrongfully obtaining, misusing, or attaining control over their funds or assets, or helping someone else to do so. While any third party could potentially engage in financial exploitation, caregivers and family members who do so may be the most difficult to detect.

What is Suspected Financial Exploitation of Elderly or Dependent Customers?

Suspected financial exploitation occurs when someone observes behavior or unusual circumstances that would reasonably lead an ordinary person to believe that an elderly or dependent customer is being victimized.

Who is Responsible to Report?

Each bank agrees to appoint a responsible party or parties within the institution to accept reports of suspected financial exploitation of elderly or dependent customers from bank officers and employees. The responsible party or parties will provide a reporting form to bank officers and employees on which the evidence of the suspected financial exploitation can be recorded as well as any identifying and confirmatory information. Any bank officer or employee who observes suspected financial exploitation should report the suspected exploitative situation to the responsible party within the bank, using the bank's reporting form. The responsible party or parties will then investigate the suspected financial exploitation and decide whether a report needs to be filed.

What are the Reporting Requirements?

If, through reasonable determination, the responsible party or parties deems that a report needs to be filed, the party or parties will report to the State Department of Social Services, Office for the Aging, Adult Protective Services or other local social services district office or designated area agency on aging, law enforcement agency, or any other person, agency or organization that the responsible party or parties, in good faith, believes will take appropriate action. A list of appropriate agencies in New York City and each county is attached

What Can a Banker or Other Financial Services Representative Who Suspects Financial Exploitation Do to Assist an Elderly or Dependent Customer?

- Ask about the reasons for the customer's unusual or inconsistent transactions. If the customer cannot explain without help, this may be an indicator of possible exploitation.
- Warn the customer of the danger of carrying, wiring, or withdrawing large amounts of cash.
- Validate the authority and date of any documents presented by an individual that allow a person to act for an elder or dependent customer. Check signature cards and other documents to be sure the person has legitimate authorization. Powers of attorney should always be checked following the bank's internal control processes.
- If possible, separate the elderly or dependent customer from any other person with them so that the customer can speak freely.
- Observe the customer's appearance. If they appear frightened, confused, or disoriented, this may be a sign that further inquiry is necessary.

What are Some Common Warning Signs that may indicate Financial Exploitation?

- Account Activity:
 - Unusual transactions or a sudden increase in activity;
 - Withdrawing large sums of money in a secretive manner;
 - Activity inconsistent with the elderly or dependent customer's ability; e.g., beginning to use on-line banking when the customer is seriously visually impaired;
 - Sudden or frequent overdrafts in accounts with no history of such activity;
 - Unusual credit activity, such as multiple recent inquiries from multiple different lenders; or
 - Information on account documents inconsistent with customer profile, such as change of address on only a single account.
- Acquaintances, Relatives and Companions:
 - Acquaintances, relatives or companions interrupting, interfering with, or otherwise not allowing the elderly or dependent customer's conversation;
 - Customers being prompted in the background over the phone;
 - Customers appearing frightened of, or uncomfortable around, the acquaintance, relative or companion; or
 - Customers bringing strangers into the bank to assist in doing business.
- Control and Ownership:
 - Frequent changes to property titles, beneficiary designations, account documents and other instruments without being able to explain why;
 - Executing a power of attorney for a stranger or without being able to explain why; or
 - Stating that mail from the bank is no longer being delivered.

When Should Suspected Financial Exploitation of Elderly or Dependent Customers be Reported?

Time is of the essence and reports should be filed as soon as possible. Reports should be as specific as possible, containing sufficient information to allow an agency to which a report is made to determine whether immediate intervention is needed.

If the elderly or dependent customer appears to be in immediate physical danger, a banker should call 911.

SUMMARY

In summary, the New York Bankers Association and its members are committed to assisting in responding to potential cases of financial exploitation of their

elderly or dependent customers. The Association understands that, in this period of limited resources for the State and local governments, additional eyes and ears for social services and law enforcement personnel are critical in ensuring the financial well-being of the customers of financial institutions. To the extent consistent with customer privacy requirements and the dignity of all customers, we will report documented instances of suspected financial exploitation of elderly and dependent customers to State and local social services and law enforcement agencies.