FRAUD & AGING
HOW TO HELP PROTECT YOUR ASSETS
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Note to Presenter: Please introduce yourself with this slide.
Hello. Welcome to the Fraud & Aging Web workshop.

In this webinar, I’m going to give you some strategies, tools and tips to help you identify the risks of fraud and aging and the steps you can take to help protect your assets.

This workshop should run about an hour – but DON’T PANIC! This does NOT mean you have to listen to my voice that entire time.

This is an interactive experience, so we’re going to get through this together. Okay? Let’s get started.
Why do our risks of fraud increase as we age? Older Americans become a target for crime because they often have assets. 70% of the nation's wealth now belongs to those 60 or over.¹ And, because many older Americans feel more socially-isolated—causing them to be more prone to criminal targeting.

How significant is the problem? Here’s a FAST FACT. How much money do you think seniors lose each year to elder financial abuse? ....An estimated $36.48 billion.¹

¹ Source: True Link, https://www.truelinkfinancial.com/research. Found in 719067.1.0>
Today’s discussion has sections: Identifying the Risks:
1. Common Scams
2. The Team
3. Diminished Capacity
4. Red Flags

Next…
We’ll move on to identifying strategies to protect your assets.

First, identify ways to protect yourself online.

Then, we’ll talk in detail about the estate planning tools to help you protect your assets and help you ensure your wishes are followed.

We’re going to start digging in now, but if you have any questions, please feel free to let me know at any point in the presentation. I’ll also open it up to questions at the end of the presentation.
Let’s review the risks.

Today, our country finds itself in the midst of one of the most dramatic demographic shifts in our history. Now we have over 40 million Americans age 65 and older\(^2\). Increasingly, older people are falling victim to fraudulent schemes (telemarketing scams, unscrupulous lending practices, investment fraud and identity theft). Even more troubling may be the high instance of family and friends taking advantage of an aging loved one.

How prevalent can this abuse be? What do you think?

Q. Each year one in _(how many)__ Americans over the age of 60 experiences some form of elder abuse, according to the American Bar Association. Answer.) B. one in 10.

Quick follow-up. Just one in 45 cases are reported, according to the National Center on Elder Abuse (NCEA).

<SOURCE 712151.1.2>
While elder financial abuse takes many forms, the National Adult Protective Services (NAPSA) organization has identified the following most common financial exploitation cases:

- Forgeries/false records—Often involves unauthorized check writing or potential Ponzi-type financial schemes
- Unauthorized property transactions—Includes real estate sales or property transfers
- Payment for work not done—Includes building contractors or handymen receiving payments for services not completed
- Mortgage product sales—Includes the sale of unaffordable or out-of-compliance mortgage products as well as loans issued against property by unauthorized parties
- Unauthorized investments—Includes any investment made without knowledge or consent
- Inappropriate insurance products—Includes the sale of insurance products the consumer does not need and/or unauthorized trading of life insurance policies

Curious what made the hit list for 2015? Tops Scams of 2015- AARP December 2015

1. **IRS Impostors.** Generating 24 percent of all reports to the Better Business Bureau’s Scam Tracker, this remains the nation’s biggest scam. Watch out for phone calls from fraudsters posing as IRS agents who threaten arrest, deportation or seizure of property or businesses unless immediate payment is made for alleged back taxes. Recently, **bogus mailings and faxes** have been added to the scam. Just remember, the real IRS doesn’t call out of the blue or demand immediate payment, especially by prepaid debit card or wire transfer.

2. **Tech Support Scam.** These impostors claim to be from Microsoft and other tech companies and lie about a **supposed computer virus.** The AARP reports 3.3 million Americans will have paid an estimated $1.5 billion to these fraudsters for bogus “tech support.” In addition, victims often allow scammers remote access to their computer files and passwords which may lead to identity theft.

3. **Lotteries/sweepstakes** These scams try to get you to pay up-front “taxes” and processing fees to claim your prize. If you ever receive a check for “partial payment” it is counterfeit AND you’re on the hook for funds drawn from its deposit. In a real lottery, it’s your responsibility to notify the lottery commission. “You win!” phone calls, letters or emails are scams. As always, if it sounds too good to be true, it probably is (The odds of winning Publishers Clearing House are1 in 1.3 billion).
Q. How many cases of elder abuse are reported against a family member of the victim?
Answer: C, 90%

Trusted individuals are often the most likely perpetrators of elder financial abuse. The National Adult Protective Services Association (NAPSA) lists the most common potential perpetrators within the circle of trust:
• Caregivers
• Family members
• Neighbors
• Friends and acquaintances
• Attorneys
• Bank employees
• Pastors
• Doctors or nurses

<(National Adult Protective Services Association, http://www.napsa-now.org/policy-advocacy/exploitation/ from 719067.1.0)>
Earlier we talked about how only 1 in 45 cases of elder abuse are reported. You can begin to see how that could happen, with the large majority of offenses occurring within family circles. Another contributing factor is the deterioration of mental function which can further impact detection.

Diminished mental capacity is most often associated with dementia. Alzheimer’s disease is the most common type of dementia, but similar symptoms of dementia are associated with Parkinson’s and Huntington’s disease. Those who suffer from any of the diseases that decrease one’s ability to think and reason, can become victims of financial fraud.

You should be aware of these signs of diminished capacity <read list on slide>

While individuals with dementia are at risk for financial abuse, even older adults without any form of cognitive decline are also at risk.

<Diminished Capacity: 719067.1.0>
Now that we have reviewed the common scams and signs of diminished capacity, let's review the Red Flags. If you see these warning signs, it is possible a fraudulent act is underway.

According to the Consumer Financial Protection Bureau and Consumer Reports, here are ten common signs of financial exploitation:

1. Inconsistent banking activity
2. Money or property is missing
3. Unexplained withdrawals from bank accounts, frequent ATM use or large wire transfers
4. Unpaid bills
5. Bank statements or bills stop arriving in the Mail
6. Changes in spending patterns, such as purchases of items the senior doesn't need
7. Excessively large reimbursements or "gifts" to caregivers or friends
8. Changes to beneficiaries on a will, a life insurance policy or retirement funds especially at a time when the senior's mental capacity is questionable
9. Excessive interest in the senior's finances by a caregiver, friend, or relative
10. A caregiver, friend or relative suddenly begins handling the money without legal support or documentation of the arrangement

(Source: www.eversafe.com)
Up until now, we’ve talked about the risks and warning signs.

And at this point, you might be saying ‘ok, so what can I do about it?’

That’s what the second half of this workshop is all about!

So let’s talk about how to help protect your assets.
To help protect your assets we will review two areas:
1. Understand Cyber Fraud and how criminals can target your digital identity
2. Develop an estate plan: Review planning documents and procedures that can help you protect your assets
According to the Federal Bureau of Investigation (FBI), the most common, current internet schemes identified by the Internet Crime Complaint Center are:

**Phishing:** Phishing is the act of sending an email falsely claiming to be an established legitimate business in an attempt to dupe the unsuspecting recipient into divulging personal, sensitive information such as passwords, credit card numbers, and bank account information after directing the user to visit a specified website. The website, however, is not genuine and was set up only as an attempt to steal the user's information.

**Credit Card Fraud:** Credit/debit card numbers can be stolen from unsecured websites, or can be obtained in an identity theft scheme.

**Identity Theft:** Can occur online when personal, confidential information is shared or hacked. Make sure you monitor your credit and report suspicious activity.

(Source: www.ic3.gov)
Your credit report is very important. It’s what loan officers look at when they determine if you qualify for a loan, and at what rate.

You probably already know that you’re entitled to receive a free credit report once per year. But here’s a tip for monitoring your report much more frequently:

There are three major bureaus who issue reports: Equifax, TransUnion, and Experian

Here’s the thing: You don’t have to get reports from all three at once. By staggering your free reports over the year, say Equifax in February, TransUnion in June, and Experian in October, you can get much more up-to-date reporting, much more frequently.

No matter which report you get when, you want to check it for inaccuracies, such as:
• Accounts that don’t belong to you
• Addresses where you haven’t lived
• Employers you haven’t worked for

Errors like this are signs of mistakes or fraud, both of which need to be corrected.

One more thing to keep in mind: your credit SCORE is actually different from your credit REPORT, and in fact you won’t find your score in any of the reports released by the three major bureaus. Your credit score might be on your credit card statement, and if not, certain companies offer that for free, such as CreditKarma.com, or credit.com.
As cyber fraud continues to evolve, it is more critical than ever to take measures to protect your identity and mitigate potential security risks. Here are six keys to better protect your identity, your accounts, and your technology.

1. **Manage your devices**: Install the most up-to-date antivirus and anti-spyware programs on all devices, and update these software programs as they become available. Run these programs regularly to provide maximum protection for your device.

2. **Protect all passwords**: Regularly reset your passwords, including those for your email accounts. Avoid using common passwords across a range of financial relationships.

3. **Surf the Web safely**: Do not connect to the Internet via unsecured or unknown wireless networks, such as those in public locations like hotels or cybercafés. These networks may lack virus protection and are highly susceptible to attacks, so should never be used to access confidential personal data.

4. **Protect information on social networks**: Limit the amount of personal information you post on social networking sites. Never post your Social Security number (even the last four digits). Consider keeping your birth date, home address, and home phone number confidential.
Consider whether you want to post information about births, children's birthdays, or the loss of loved ones. Sharing too much information can make you more susceptible to fraudsters and allow them to quickly pass a variety of challenges related to the authentication of your personal information. Never underestimate the public sources individuals will use to learn critical facts about people.

5. **Protect your email accounts:** Delete any emails that include detailed financial information beyond the time it’s needed. In addition, continuously assess whether you even need to store any personal and financial information in an email account. Use secure data storage programs — such as cloud storage and/or online vaults — to archive critical data and documents. Review unsolicited emails carefully. Never click links in unsolicited emails or in pop-up ads, especially those that warn that your computer is infected with a virus and request that you take immediate action. Establish separate email accounts for personal correspondence and financial transactions.

6. **Safeguard your financial accounts:** Review all your credit card and financial statements as soon as they arrive or become available online. If any transaction looks suspicious, immediately contact the financial institution where the account is held. Never send account information or personally identifiable information over email, chat, or any other unsecure channel. Be suspicious of any unsolicited email requesting personal information.

<Source: <684151.8.1>
Our final area of focus today will be creating an estate plan. Having a plan in place may be one of the best steps you can take in protecting your assets.

We’ll discuss three areas:
- Elements of an Estate Plan
- What a Will may accomplish
- and how Power of Attorney documents can help protect you and your loved ones

Let’s get started
There are several hard-working elements common to many sound estate plans. Let’s take a quick look at these key estate-planning tools...

**Wills and Power of Attorney documents are pillars of an estate plan, but we’ll get to those in a moment.**

First, let’s discuss these other common elements:

A **living will** can state a person’s wishes regarding the use of life support procedures should that person become incapacitated...while a **health care proxy** names the individual who has authority to make terminal and non-terminal medical decisions for another if a person is unable to make those decisions him- or herself. A health care proxy is usually executed as a supplement to a living will. Please note that state law differs with respect to the form and enforceability of these documents. You should consult with your attorney as to your state's laws.

**Up-to-date beneficiary designations and gifting arrangements**...help make sure insurance payments, retirement assets, and other possessions end up in the right hands and the right amounts.

**Trusts**... are established to organize and implement the way assets will pass to designated beneficiaries...

**Life insurance**….helps ensure an estate can meet immediate cash requirements
Your estate plan should change to fit your stage in life. Given the stakes and complexity, you’ll want to involve your attorney and tax advisors in the estate planning process.

It is also important to store your will, and other important documents related to your estate (including your durable power of attorney, health care proxy, and trust documents), in a safe place where they will be easily available. If you store them in a bank safe deposit box, they may not be easily accessible to your beneficiaries after your death. Also, make sure to tell your named executor or trusted family members where these documents can be located.
Wills...A Will is the most basic of estate planning documents. It can establish your wishes and give directions on how they should be followed after your death.

How many of you have a will? [Respond to audience.]

Why wait? If you die without a will, known as “intestate,” state laws will dictate how your assets will be distributed. In other words, your spouse, your children, other loved ones or your favorite charity may not get the property or money that you would want them to receive.

More than any other tool, a will spares your survivors unnecessary work and expense. That’s why it’s important to work with an experienced attorney to prepare this basic written document.

Generally, a will should...

...state how a person wants his/her property to be distributed at death, if the property does not pass outside his/her will...

...name an EXECUTOR (also called a personal representative or an executrix in some states) for the person’s estate...

...and
if he/she has minor children, the person’s will should also designate a GUARDIAN for his/her minor children.

Once you have a will, it's important to review and adjust it regularly...say, every three to five years. However, certain life events should trigger an AUTOMATIC REVIEW. These events include: marriage, divorce, the birth or adoption of a child or grandchild, significant changes in financial circumstances, the death of an executor or guardian, or a move to a new state or country.
Time for a question.

Wills or Beneficiaries? What trumps? If you name a beneficiary on a retirement account (employer or personal) and you name beneficiaries in your will, which instruction is followed?

The beneficiaries named on your accounts supersede the direction in your will. If you forget to update the beneficiaries named on your accounts; thinking they are accurate in your will, the named beneficiary on the account will inherit it. A common example is in the case of divorce. If you list your ex-spouse on your retirement account (like your 403(b) or IRA), and your current spouse is listed in your will...your ex-spouse will inherit the value of your retirement account.

Bottom line: Make sure you update beneficiaries directly with each financial account. DO NOT think the direction in your will can over-rule any prior direction.
**Finally: Power of Attorney documents** authorize someone to act on behalf of another. The person/entity who is given the power can be given the authority to exercise control and management over assets for the benefit of another.

You’ll want to consider including a power of attorney (or POA) in your estate plan. This instrument helps an individual prepare for the unexpected. A will provides for key decisions upon death, but what if the individual should become incapacitated during his/her lifetime? With a durable power of attorney, another designated person can step in to manage the individual’s financial affairs in accordance with the terms of the POA at the time of illness or other incapacitation. A non-durable power of attorney is generally used in more limited circumstances; for example, to permit another to conduct a single transaction on another person’s behalf while that person was out of the country.

A POA typically authorizes someone to act on another’s behalf with regard to financial affairs, and is often executed by one spouse for another. If a person decides to set up a durable power of attorney, there are several considerations to keep in mind. Any competent adult can serve as an agent. The durable power of attorney can be general, or it can be limited and apply only to particular assets or accounts. It can take effect immediately or at the time of the person’s incapacity.
Although a power of attorney is often exercised if one spouse does become sick or unable to act on his or her own behalf, it can also be exercised in other circumstances. For example, the document can be drafted in such a way that would allow an “agent” to act on another’s behalf for a certain period of time or only with respect to a particular transaction.

Given that a person is giving another individual authority to make important decisions on his/her behalf, it’s important that the person exercises great care in granting these privileges.
Now that you better understand why having a plan for your future is so important (to avoid fraud and protect yourself and your loved ones), let’s put a plan in place.

1. Schedule a 1:1 consultation. The easiest way to get started is to meet 1:1 with a representative.
3. Talk about it. Open dialog is the key. As you prepare a plan and create these documents, make sure the important people in your life understand your wishes, who to contact, and where to find your estate planning information.
Let us help

Or call 800-642-7131
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