

# Elder Financial Exploitation: Background and Key Facts

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Preventing Elder Financial Exploitation: Research, Policies, And  
Strategies, April 3, 2024

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## Medicare fraud scams target seniors and expose personal information

Melissa D. Berry Lead Compliance Attorney Editor / Regulatory Intelligence / Thomson Reuters

## *A Mexican Drug Cartel's New Target? Seniors and Their Timeshares*

One of Mexico's most violent criminal groups, Jalisco New Generation, runs call centers that offer to buy retirees' vacation properties. Then, it empties its victims' bank accounts.

## When cybercrime leaves the web: FBI warns that scammers could come right to your door



[Betty Lin-Fisher](#)  
USA TODAY

## *How Fraudsters Break Into Social Security Accounts and Steal Benefits*

Thousands of people receiving Social Security benefits have had their money diverted into criminal accounts. Here's what to know.

## Oklahoma attorney general warns of rising Bitcoin ATM scams

by KOKH STAFF | Tue, March 19th 2024 at 10:37 AM  
Updated Tue, March 19th 2024 at 10:37 AM

## Seniors shelling out thousands of dollars in crypto scam, police warn

By Derick Waller | Published December 28, 2023 8:51pm EST | Fairfax County | FOX 5 DC | [↗](#)

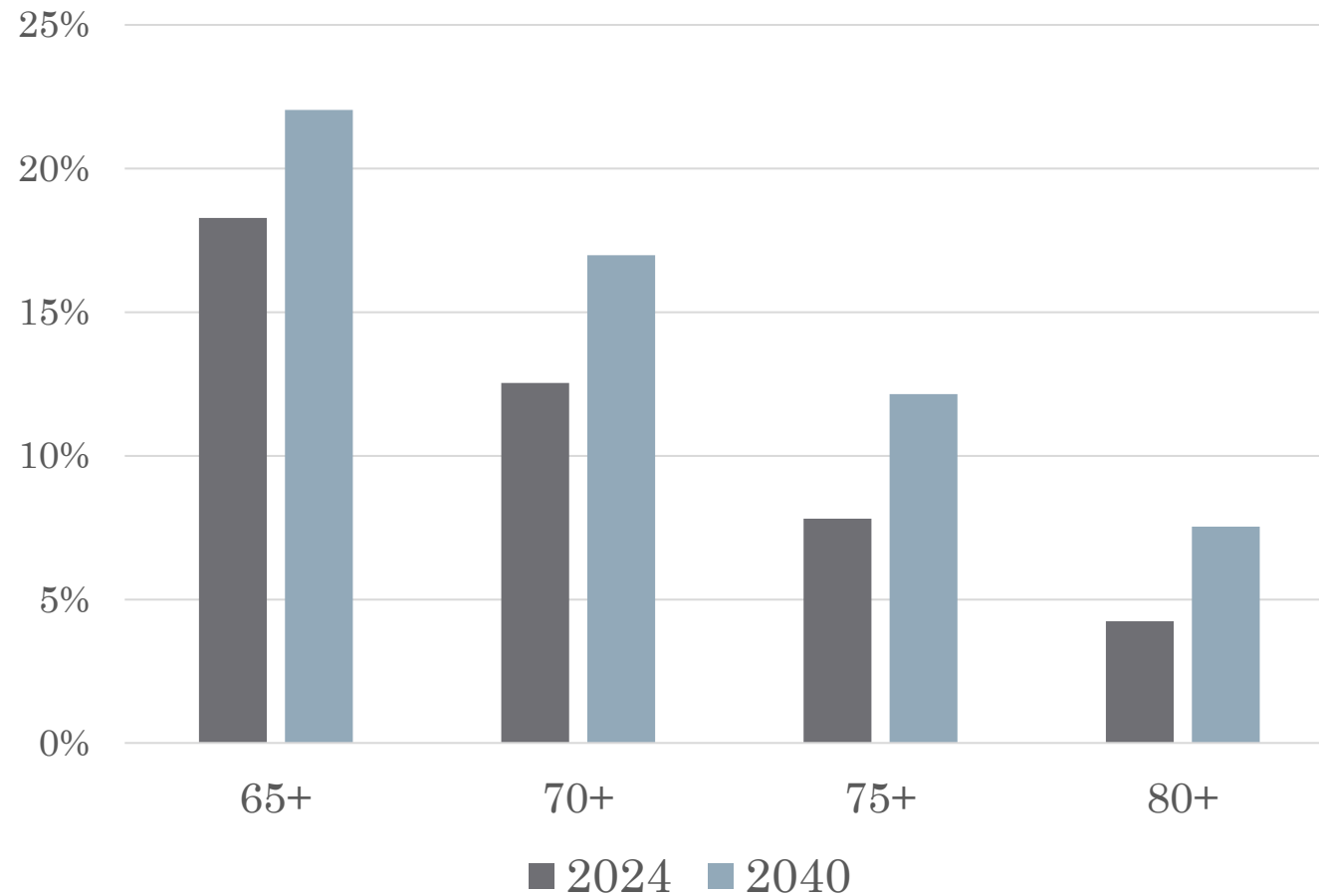
# What is Elder Financial Exploitation?

- Elder financial exploitation (EFE) is the illegal or improper use of an older person's funds, property or assets
  - Perpetrators can be strangers or close trusted contacts
  - Our research discussion will mainly focus on fraud by strangers as this much more widely reported
  - Risk factors and policies will also differ

# Why Focus on Older Individuals?

1. Older individuals have several risk factors for experiencing financial exploitation
  - Declines in executive functioning with aging
  - Greater loneliness, social isolation
  - Lack of sophistication with technology
2. They are a rising share of the population

# Older People are a Rising Share of the Population

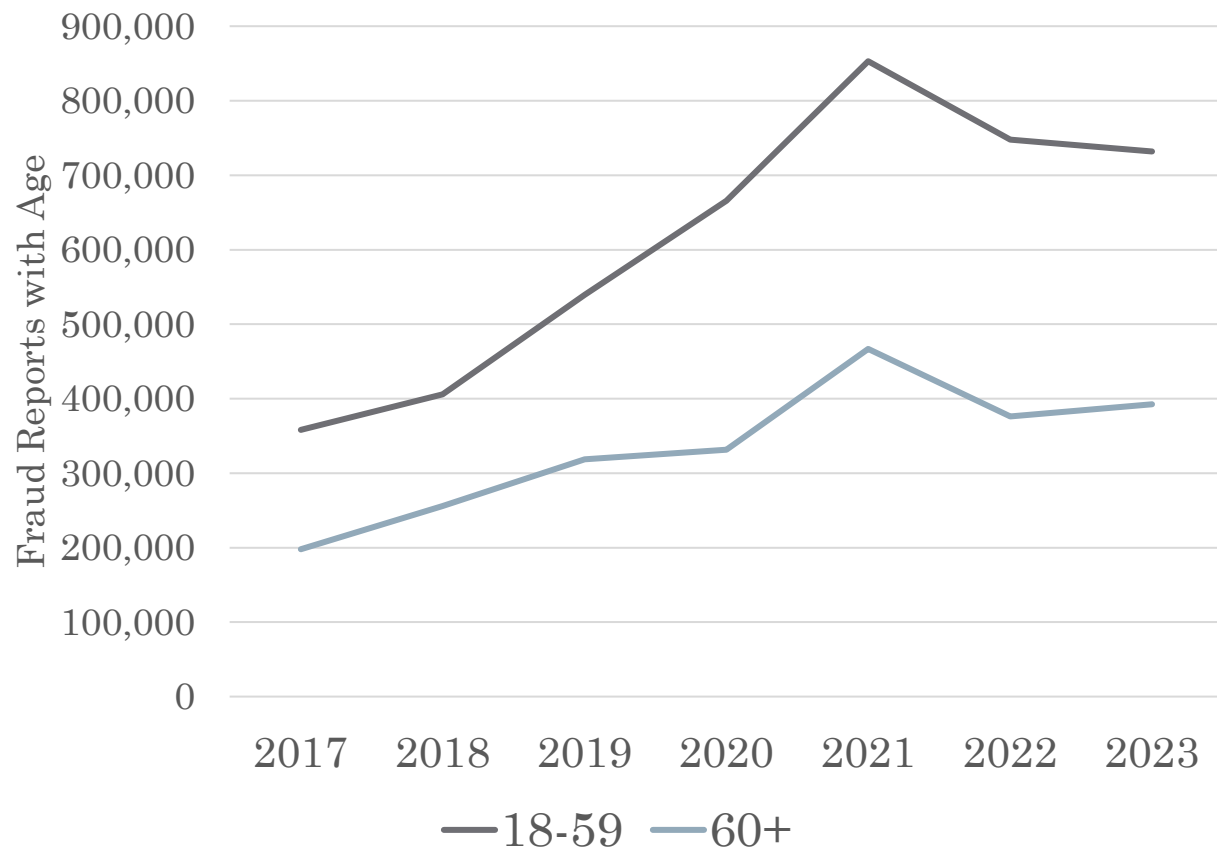


Source: US Census Bureau

# How Pervasive is Financial Exploitation?

- There are 3 main sources of data to study EFE.  
Fraud is reported to several agencies including:
  - Consumer Financial Protection Bureau (CFPB)
  - FBI's Internet Crime Complaint Center (IC3)
  - Federal Trade Commission (FTC)
- However, most fraud goes unreported ... this is a huge caveat to all statistics

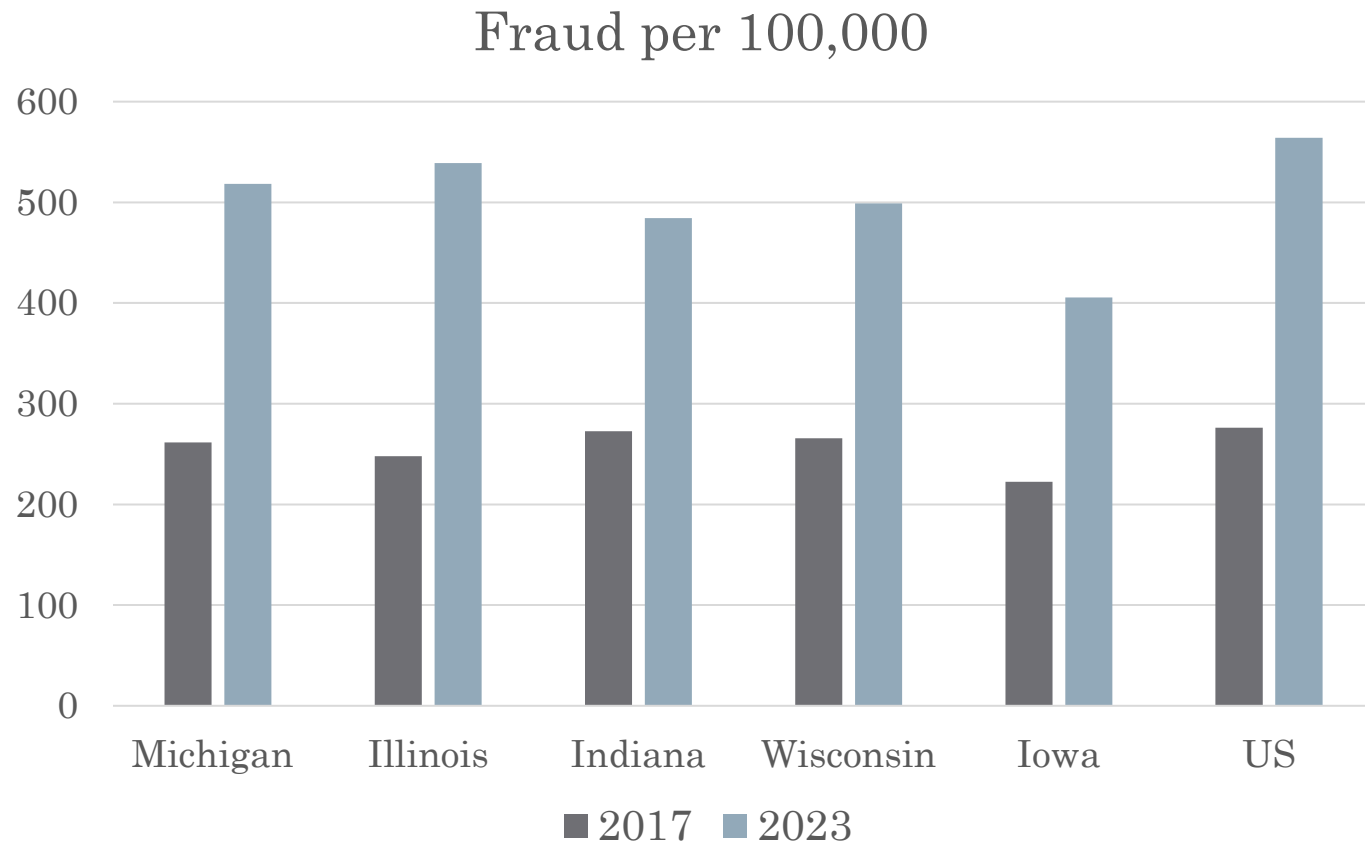
# Reports of Fraud Have Risen Sharply



- Less than half of fraud reports include the age of the victim
- Most reports are only about fraud from strangers
- One study finds that **8.7 percent of those 50+** experienced some type of fraud over the past 5 years

Deliema et al (2020)

# Fraud Rates in Fed's 7<sup>th</sup> District States



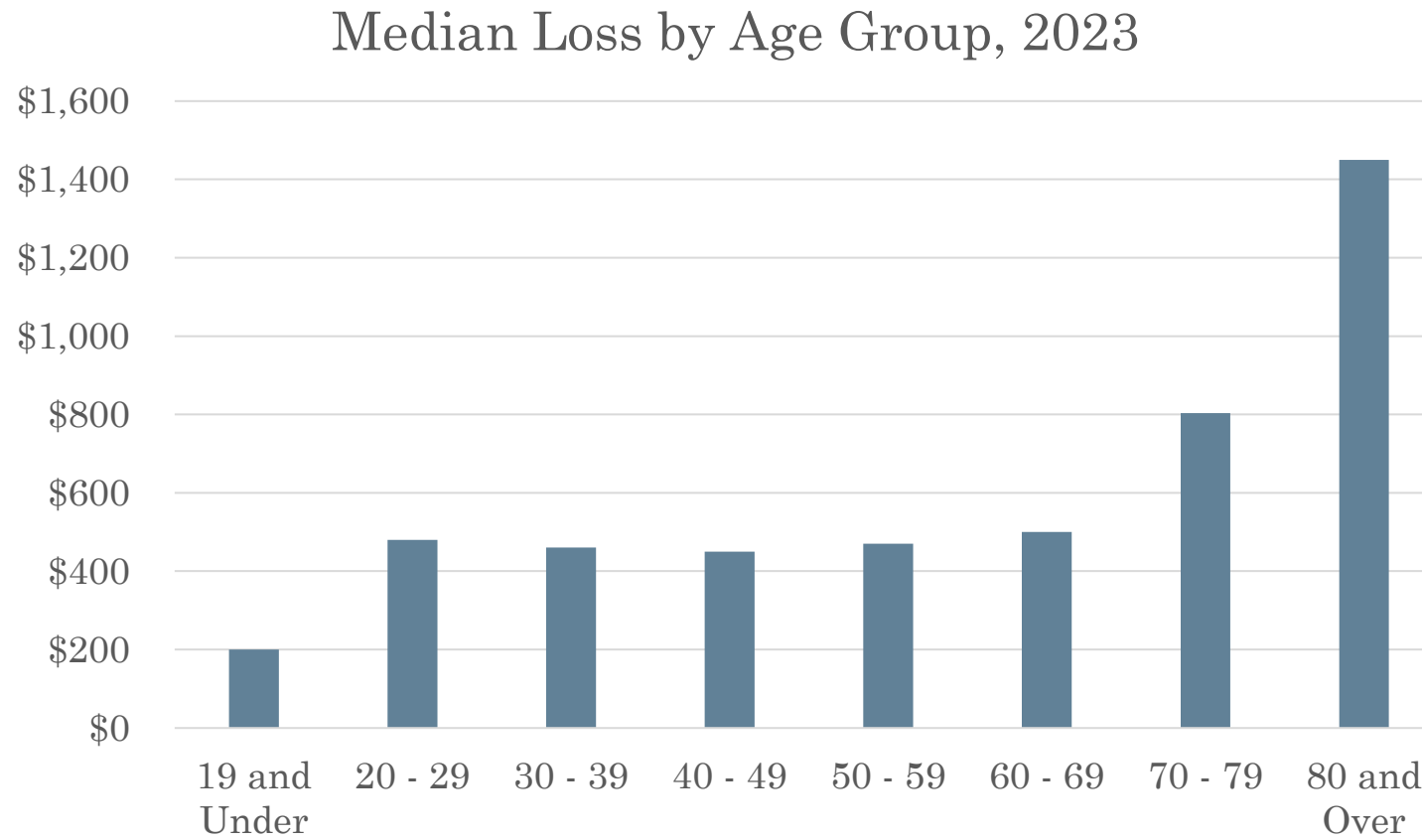
Source: Consumer Sentinel Network, Federal Trade Commission



# Financial Losses from Fraud

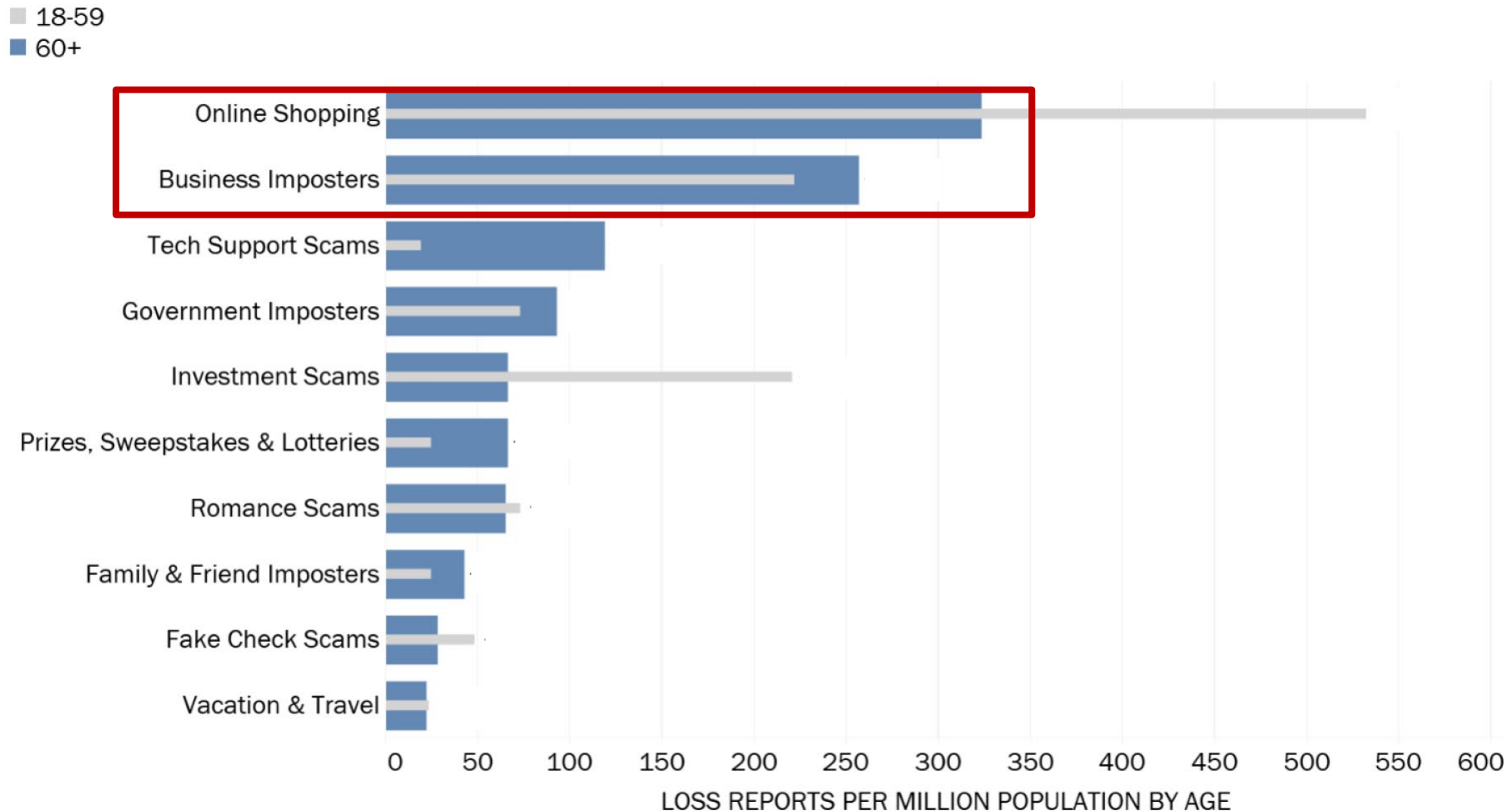
- Total losses from *reported* fraud in the US amounted to over \$10 billion in 2023
- Older individuals (60+) are actually *less* likely to report a loss from fraud than other adults
- But, when older people do experience losses, they tend to be much higher
- In total the FTC thinks that the total cost of EFE in 2022 was between \$5.9 and \$48.4 billion

# Reported Fraud Losses are Especially Large for Those Over 70



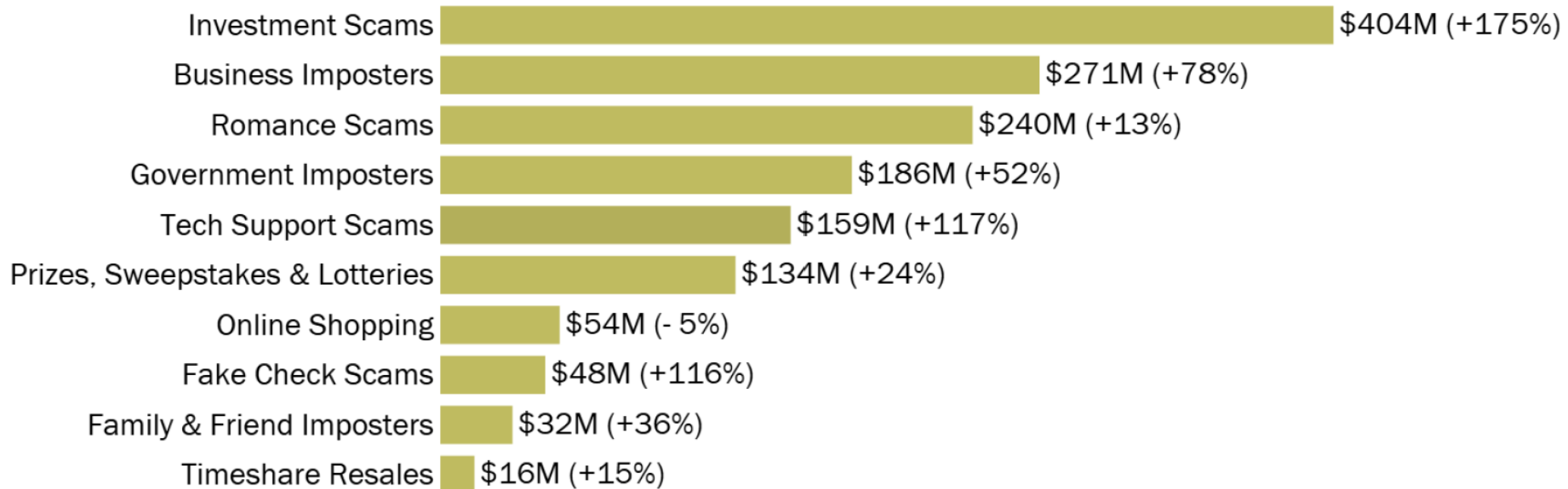
Source: Consumer Sentinel Network, Federal Trade Commission

# Loss Report *Rates* by Types of Fraud



Source: Consumer Sentinel Network, Federal Trade Commission, Data for 2022

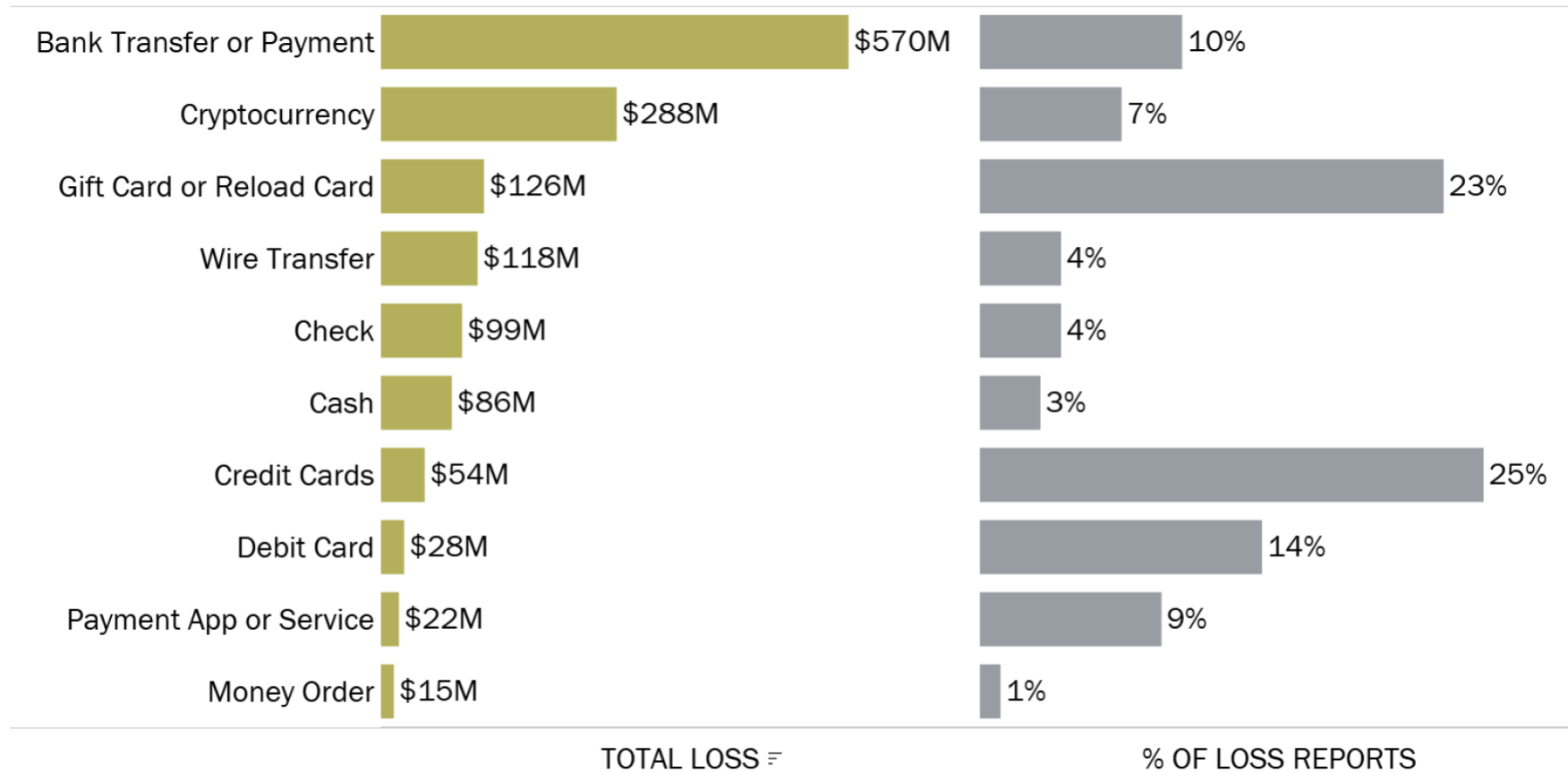
# Total Losses by Types of Fraud (60+)



TOTAL LOSS (% CHANGE FROM 2021)

Source: Consumer Sentinel Network, Federal Trade Commission, Data for 2022

# Total Losses and Loss Reports by Types of Payment (60+)



Source: Consumer Sentinel Network, Federal Trade Commission, Data for 2022