

ALABAMA SECURITIES COMMISSION

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Together We Can End Elder Financial Abuse

Montgomery, AL (June 15, 2022) – In recognition of World Elder Abuse Awareness Day, the ASC shares this recent financial exploitation report of an Alabama woman as a reminder to Alabamians to be watchful for signs of financial exploitation.

In October of 2021, Ms. Smith* withdrew \$50,000 from her investment account for “home repairs” and “a new lawnmower.” When she returned three short months later to withdraw another \$35,000, her financial advisor knew something was amiss. The financial advisor contacted the Alabama Securities Commission (ASC) to report suspected financial exploitation of the client. The ASC investigation revealed Ms. Smith spent a total of \$150,000 in an advance fee scam. She was initially contacted through Facebook and sent cash and gift cards through the mail as “fees” for a small business loan. To help protect Ms. Smith from further financial exploitation, her son was granted conservatorship in order to help manage her finances.

“The ASC is committed to protecting vulnerable adults from investment fraud. Elder abuse of any kind is devastating. This month we are focusing on informing the public of the ways seniors are affected by financial abuse and how the public can play a role in preventing financial abuse,” said ASC Director Joseph P. Borg.

Ms. Smith’s report was received pursuant to the Protection of Vulnerable Adults from Financial Exploitation Act, which became law in 2016. Under the Act, financial professionals are required to report, with reasonable belief, that financial exploitation to a “vulnerable adult” may have occurred, has been attempted, or is being attempted. Essentially, the legislation targets the wrongful or unauthorized taking, withholding, use, conversion or control of money, assets, or property of a vulnerable adult. This legislation is a powerful mechanism to ensure that suspicious financial activity is reported, and has prevented millions of dollars from being lost to fraud. Reports from the financial community and the public can be obtained by visiting the ASC website or calling the ASC for the form.

“Anyone exploiting the financial well-being of seniors in Alabama is breaking the law. Aggressive enforcement actions serve as a deterrent for fraudsters targeting Alabamians and help provide closure for victims,” said ASC Chief Deputy Director Amanda Senn.

As the population of senior Alabamians increases, fraudsters have a greater opportunity to prey on vulnerable residents. You can help prevent these crimes by proactively taking notice of any unusual circumstances. If you suspect someone may be a victim of financial abuse, ask yourself the following questions:

- Is the person in a vulnerable state of physical, mental, or emotional health?
- Has the person distanced themselves from existing relationships and started new associations with apparent strangers?
- Has a new acquaintance in their life shown a strong interest in their financial status and security?
- Are you no longer able to speak directly with the apparent victim despite repeated attempts to contact them; is someone speaking on their behalf?
- Is that person avoiding discussions about their financial status or financial strife?

If you answered “yes” to any of these questions, then their financial security may be in jeopardy. To combat elder financial abuse, the ASC urges Alabamians to keep in regular contact with older family members, friends, and neighbors. Educating your loved ones about the threat of fraudsters and scammers can minimize or prevent the risk of investment fraud.

The ASC urges those who are suspicious of possible elder financial abuse to call the ASC at 1-800-222-1253. Also contact ASC to verify the required registration of any person making you an offer and for their product. If they are not registered, hold on to your wallet! For more resources and information, visit the ASC website at www.asc.alabama.gov.

*The name has been changed to protect the identity of the victim.

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For further information contact 1-800-222-1253 and ask for Public Affairs.

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