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Fraud Prevention for Seniors

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Abstract

Various studies have reported that the senior population has been a target for fraudulent crimes. The determined contributing factors for the senior population being susceptible to fraud is they are gullible, they lack knowledge of strategies to prevent fraud, and they have cognitive decline due to aging. Fraudulent crimes can have major consequences such as increased risk of death, monetary cost and unreported cases. Fraudulent crimes against seniors is a growing issue and must be addressed. In order to address this issue within the community a capstone project was developed and implemented in collaboration with the Monterey County District Attorney's Office of Consumerism and Environmental Protection Division. This project focused on serving the Spanish speaking senior population in the Salinas city area of Monterey County. The objective of the project was to offer education and strategies on how to prevent fraud for seniors. Participants learned about various types of fraud, how to detect possible fraud, how to protect themselves from fraud, and how to contact and identify helpful resources in the community. Results from the evaluation of the project suggest that the presentation was effective and useful for educating and promoting empowerment for seniors to be able to protect themselves from being victims of fraud by using strategies and resources to ultimately prevent fraud.

Keywords: Fraudulent crime, seniors, fraud prevention, strategies, Spanish-speaking population

Agency & Communities Served

The Monterey County District's Attorney's Office mission statement is to "Promote justice and ensure that the rights of victims are upheld by treating them with dignity, respect and compassion, and to aggressively and fairly prosecute those who violated the law" (Monterey County, 2018). Their vision is to ultimately protect the community and enhance the quality of life in our community, by aggressively advocating the cause of justice, and seeking to enhance the criminal justice system (Monterey County, 2018). The Consumerism and Environmental Division, specifically focuses on "investigating and prosecuting cases involving fraudulent, deceptive and illegal business activity that victimizes Monterey County residents and law-abiding businesses." They also prosecute those who threaten public safety, or endanger our local environment and natural resources (Monterey County, 2018).

The population they serve is all residents of Monterey County, especially those who have been victims of crime. Some partner organizations in which this agency collaborates and works closely with are the Monterey County District Attorney Criminal Justice Division, the U.S Department of Justice, the IRS, the Department of Real Estate and other agencies that need their assistance. A couple of services provided by this agency for the community are representing the people of the state and investigating peoples' complaints and proceeding with a legal case if enough evidence and reasonable cause has been found. They provide referral services to other agencies in case they are not the most appropriate to handle the person's concern. They provide programs such as the bad check program which attempts to reduce the loss of money from receiving faulty checks, and for the people and businesses to get reinstated funds in case they have suffered monetary loss. They mainly handle civil cases but will proceed with a criminal case if necessary, depending on the case. Many of the cases that this agency handles involve

fraudulent crimes such as telemarketing schemes, charity fraud, false sweepstakes, false retail advertisement, pyramid schemes, mail soliciting and more. For these types of crimes there are certain populations who are at risk.

Problem Description

The population that is most at risk for fraudulent crimes is the elderly population. They are the most susceptible and fall easily into schemes. Unfortunately, these financial crimes against seniors are often underreported and many do not know how to reach out for help or how to recognize the red flags. There is a need for a prevention strategy to inform and educate these individuals on how to be more vigilant when making financial decisions and what to do if they have been victims of such crimes. According to the National Council on Aging, 1 in 10 Americans age 60 and older have experienced some form of elder abuse and the most common and self-reported has been financial exploitation (NCOA.org, 2018). Most of the few studies directed to measuring the prevalence of financial abuse stated that this is a common and underreported problem that needs further attention from researchers and policy makers (Burnes, 2017).

Contributing Factors

Some contributing factors are that seniors are gullible, lack knowledge and have cognitive decline due to aging. The FBI reported that con artists or fraudsters (strangers who trick others into believing something that is not true) take advantage of the elderly because they know that it is difficult for the elderly to say “no” or hang up the telephone (FBI, 2018). Once they are on the phone they are easily persuaded by con artists to think they won a prize and they believe offers that may sound too good to be true. According to a UCLA study, older age adults

tend to perceive others to be trustworthy much more than younger adults do. Even when the elderly were presented with pictures of faces with untrustworthiness cues they still perceived the face to be trustworthy (Castle, 2012). This high perception of trustworthiness puts them at risk for becoming victims of fraud because they tend to easily trust people.

A USC geriatrics professor, Laura Mosqueda stated that, many of the elderly population fall into what is now referred to as the “grandparent scheme” where they are simply contacted by someone who pretends to be a relative and requests money, and they are unable to detect the red flags or how to verify if it’s an actual emergency, so they end up wiring the money and getting scammed (Sommer, 2018). The elderly also lack knowledge on what to do if they have been victims. As stated by the FBI, “Older Americans are less likely to report fraud because they don’t know who to report it to, are too ashamed at having been scammed, or don’t know they have been scammed” (FBI, 2018). Elderly victims may not know they have been scammed or may not report crimes because they feel concerned that relatives may think they are no longer capable to take care of their own financial affairs (FBI, 2018).

As they are aging their cognitive abilities are declining and this has a tremendous effect on their memory, their socioemotional functioning, decision making and math skills. According to a study by *Journals of Gerontology* as they get older their brain changes and the insula (the area that processes affective and social information and raises interoceptive awareness) thins down causing their “gut feeling” to diminish and they become less vigilant to threat, which in result makes them more susceptible to becoming victims of financial crimes (Spreng, 2017).

Consequences

The consequences for this problem of fraudulent crimes against seniors are loss of funds, higher risk of death and it is a growing issue. Ultimately, they end up being victims and some might not know what to do because they may not be aware of the resources out there or how to take legal action. Another major consequence of these fraudulent crimes is that they are very costly. In fact, an “Estimated range of \$2.9 billion to \$36.5 billion are the annual costs reported for elder financial abuse and fraud to older Americans” (NCOA.org, 2018). Finally, this is a growing issue because the elderly population is continuing to grow. According to the National Center on Elder Abuse the “Boomer Generation” effect will continue for decades and by the year 2050, there will be a considerable growth and it is estimated to almost double of the current population (NCEA, 2018).

Furthermore, many of the elder financial abuse cases are underreported and there may be many victims out there that have not been counted for. According to the National Adult Protective Services Associations “Elder abuse is vastly under-reported; only one in 44 cases of financial abuse is ever reported” (NAPSA, 2019). Situations like financial abuse can cause ongoing stress and financial strain for an older adult, which can limit their ability to take care of themselves (Health Link BC, 2018). This can affect their health by “Reducing the resources available for proper housing, good nutrition, medication and healthy activities” (Health Link BC, 2018). A study suggested that “Elders who have been abused have a 300% higher risk of death when compared to those who have not been mistreated” (NCOA.org, 2018). Below is a chart of the problem model of fraudulent crimes against seniors.

Problem Model

Contributing Factors	Problem	Consequences
Being gullible	Fraudulent crimes against seniors	Increased risk of death
Lack of knowledge		Cost (monetary loss)
Cognitive decline due to aging		Growing issue, unreported cases

Capstone Project Description and Justification

Capstone Project: Fraud Prevention for Seniors

Prevention is the first line of defense and for this issue education and accessible information is key. An effort to prevent people from being victims of these crimes was a single informative presentation. The presentation provided knowledge and tools to detect the red flags of schemes and fraudulent crimes. The presentation was provided for the at-risk population, seniors, at a local church, to empower them and help prevent them from becoming victims of these fraudulent crimes that target their population so much. The presentation was offered in Spanish and pamphlets in Spanish with comprehensive information were provided.

Project Purpose

The purpose of the informative presentation was to educate the participants and promote awareness by teaching them about how to prevent themselves from becoming victims of fraud. The goal for this project was for participants to learn and be aware of the various types of fraud, how to detect possible fraud, how to protect themselves from fraud, and how to contact and identify helpful resources in the community. As established in the problem model it is evident that the senior population is often targeted and vulnerable to fraudulent crimes. Many of them

lack knowledge and are too gullible, are unable to detect the red flags or how to verify if it's an actual legitimate offer or business, so they often end up getting scammed. The presentation was intended to serve the Hispanic population in Salinas. Majority of these individuals are Spanish speakers, therefore to better serve this population the presentation was in Spanish.

Project Justification

Through the nation more and more states are providing fraud prevention programs. According, to the Institute on Aging, elder abuse prevention programs educate and prevent elder abuse through creating awareness and partnering with other agencies such as Adult Protective Services (ioaging.org, 2015). Other prevention programs like the one funded by the AARP foundation in Colorado “fights the financial exploitation of older Coloradans through education and outreach, data collection, and providing assistance” (AARP.org, 2013). Prevention programs like these have been effective in educating and preventing the elderly from becoming victims of fraud that is why this proposed Senior Fraud Prevention project was effective and tangible. Additionally, multiple studies have shown that people are more likely to use resources, if they're in their first language (health.gov, 2010). In this case the targeted population elderly Hispanics predominantly speak Spanish so the presentation was in their primary language, Spanish.

Project Implementation

The implementation plan for this capstone project initiated with conducting research on the topic, outreach to potential community partners, developed a curriculum on fraud prevention, created a PowerPoint presentation, created flyers and pamphlets, translated all curriculum and materials in Spanish, and created a pre and post survey for project evaluation. Initially information from reliable websites such as the FINRA or the FBI website (which offers fraud prevention information that is tailored for the senior population) was used as a source to gather

useful information for the presentation. Potential community partners were contacted to collaborate with information in regards to this topic such as Legal Services for Seniors (which are agencies that offer services to the elderly). Additionally, interviews with investigators, attorneys, legal assistants and or other office members were conducted for the purpose to gain insight and to identify some commonalities that fraud cases from this area may have. Specifically focusing on the Spanish speaking individuals. Specific questions regarding fraud cases where seniors were the victims were the focus.

Based on the information gathered from all sources an informative curriculum was developed and translated into Spanish. The curriculum contained strategies on how to detect the red flags of possible fraud, various types of fraudulent crimes such as schemes and financial exploitation, which are the most common that target seniors. And what to do if they have been a victim of a fraudulent crime, how to file a complaint and where to report it to. Based on the curriculum an informative PowerPoint was created. Websites such as Canva were used to create and edit pamphlets and flyers for the presentation. Pamphlets were created and translated in Spanish. The pamphlets contained the following information, a list of community agencies in the area that already offer legal and other services for seniors and their contact information and a note if they are bilingual. A list of tips on how to protect oneself from becoming a victim, and the types of services that are offered in the community. A more detailed implementation plan and timeline is presented in the Scope of Work in Appendix A.

Assessment Plan

A Post-survey was handed out to measure the participants' knowledge based on the presentation information. Taking into consideration the possible different literacy levels of participants, a post-discussion was also conducted. The participants' responses to the post survey and post discussion, were used to assess the effectiveness of the project presentation.

Expected Outcomes

The purpose of the project was to educate participants on how to prevent themselves from becoming victims of fraud. Through the presentation participants become knowledgeable on fraud prevention. The participants were able to detect red flags of schemes, and it raised their level of confidence in doing so. Participants learned and were more aware of the various types of fraud, how to protect themselves, and who to contact and identify helpful resources in the community.

Project Results**Project activities**

The presentation was held at a venue in a local church. All materials and information were provided in Spanish. The participants were handed a questionnaire to answer prior presentation, then all participants were handed a pamphlet. The pamphlet served as a guide for the presentation and had lists of important information. The pamphlet included a column of the most common types of fraudulent crimes that target the senior population and a brief description of each crime and its red flags. Another column had strategies on what to do to prevent being a victim and had websites that can be useful for participants. Another column contained

information about community resources that provide free legal assistance to seniors that are 62 years old. The last two other columns provided contact information to organizations that regulate companies and businesses and protect consumers from fraudulent crimes, such as the Federal Trade Commission (FTC), The Better Business Bureau (BBB) and the Consumer Financial Protection Bureau (CFPB).

The presentation was delivered using PowerPoint Presentation and a short video with an example of a typical IRS scam was shown to demonstrate how common and easily people fall victims of fraud. The presentation initiated with stating the objective and the agenda of the presentation. Then went over how fraud happens which is via telephone, mail, email, internet and even in person. The typical common types of frauds were identified which are Telemarketing, lottery and sweepstakes, the “grandparent” scam, IRS imposters, and lawyer imposters. Each of the common frauds was described and a strategy to prevent each of fraud was given, such as making sure to verify and check for business legitimacy before making major financial decision. After, a list of credible and official websites was given to participants to use as reference in case they had a question or wanted to get more informed. Other useful websites such as, The State Bar website, which verifies lawyers’ credentials, to help prevent those who are seeking legal services from being victims of lawyer imposters. Also, information about community resources was offered to participants. A brief description of what each agency does was given to the participants to inform them about the services they offer. References to online resources were also given to participants so they can search those websites in case they have questions or want to get more information.

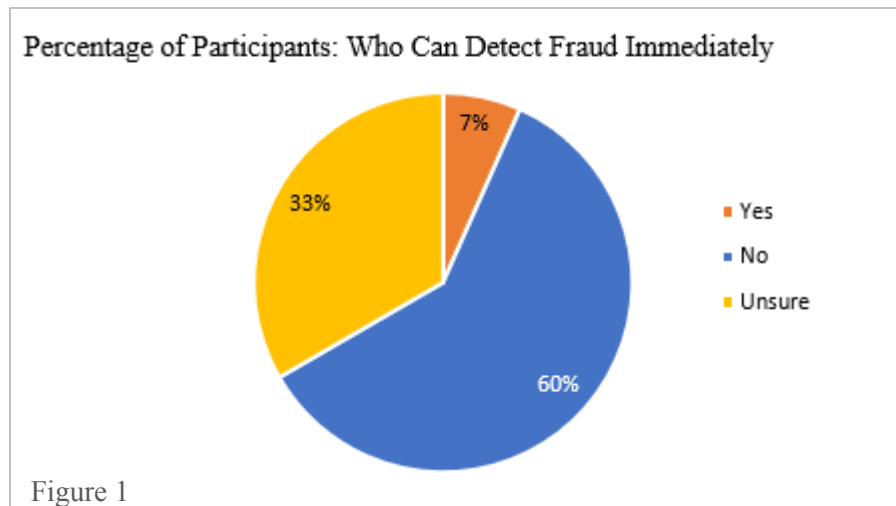
Project outcomes

Ultimately the expected outcomes of this project were met and there is further explanation on the finding and results below.

Findings/results

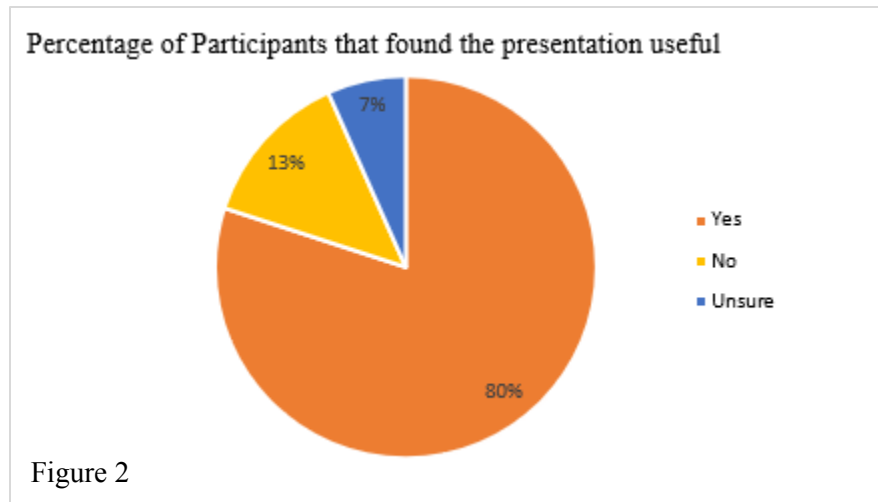
The method of data collection used to gather evidence to measure the project outcomes was a pre and post survey questionnaire. A total of fifteen participants participated and answered both the pre and the post survey. The pre-survey questionnaire asked a series of five questions. These five questions were used to measure the participants knowledge prior to the presentation. After the presentation a post survey questionnaire, including six questions was handed out to measure their gained knowledge from the presentation, and to see their perception of whether they thought the presentation was helpful and useful for them. After the collection of the pre and post questionnaires, the responses from the participants have been recorded and analyzed to measure the expected outcomes.

Majority of the participants responded in the pre-questionnaire, to not knowing how to detect fraud, which is shown in Figure 1. A majority responded that they did not know what are the



most common fraud crimes that target their population and majority did not know of strategies on how to prevent themselves from being victims of fraud.

Also, a majority responded that they did not know of the local agencies that offer services to seniors and legal assistance. Lastly, the responses to the post questionnaire suggested that majority of the participants found the presentation helpful and the pamphlet to be useful as a reference, which is shown in Figure 2. Majority of participants also stated to feeling more



confident in being able to detect the red flags of fraudulent crimes and know ways to protect themselves. This suggests the presentation did not only inform them, but

most importantly promoted self-empowerment by giving them strategies and resources that can be used to their benefit and protection. After analyzing the responses of the pre and post survey this capstone project has met the expected outcomes because majority of the participants lacked knowledge on how to prevent fraud and about fraud in general as well as what to do if they have been victims of fraud and where to seek help if they need assistance. Even though, the project achieved its expected outcomes, there is always room for improvement and modification to improve its effectiveness. Having a bigger number of participants will have a greater impact and help decrease the disparity of the issue, that immensely affects this population.

Conclusion & Recommendations

After the implementation of the project, the agency would benefit from continuing fraud prevention workshops or presentations for the elderly population, specifically towards the Hispanic population in Salinas. This population is underserved and the agency needs to do more outreach towards this community. Considering that many are Spanish speakers the presentation and materials need to be in Spanish.

Also, another improvement for the agency to better serve the community is to have the agency website be translated into Spanish. Many of the population in Salinas and in other parts of Monterey County are only Spanish speakers. Unfortunately, when they seek services from this agency and the information is not in their language this creates a barrier to service. Translating the website and other useful materials into Spanish will make the information more accessible.

Lastly, the most important improvement is for this agency, as well as law enforcement, is to establish a better relationship with the community. Specifically, in the East Salinas community there is a large population of people that live in the shadows and fear their everyday life due to their legal status. It is unfortunate that many of them fear to reach out to the authorities or the legal system when they have been victims of crime because they fear possibility of deportation. In order to have more of this population come forward and report their crimes, the agency must conduct outreach in a way that focuses on informing the community, of their right to report crime even if they do not have legal status in the country.

It is imminently important that law enforcement continues to receive training that specifically focuses on promoting inclusivity in the community as a whole. In some cases, many of the undocumented do not trust law enforcement or any other legal agencies because of fears. Training law enforcement and other legal agencies on cultural humility and raising awareness of

people coming from different backgrounds will improve the service delivery. It will also be beneficial to have trainings on to how to better communicate with the community and to establish trust with the community, on coming forward when they have been victims of crime. As well as, having trainings focused on how to manage these situations and inform those susceptible to these types of crimes and abuse. This will ultimately help to better serve and protect the entire community of Monterey County.

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Appendix A

Scope of Work

Activities	Deliverables	Timeline/Deadlines	Supporting Staff
Development of capstone ideas	N/A	February-Current	Louis Santa Ana
Conducted research on fraud prevention strategies	N/A	Continuous	Louis Santa Ana
Researched Fraud and Financial Abuse	N/A	February-March	Louis Santa Ana
Conducted research on common fraud crimes that target seniors	N/A	Continuous	Louis Santa Ana
Discussed with staff fraudulent crimes towards seniors	N/A	Continuous	Louis Santa Ana
Creation of event flyer	Yes	April	Louis Santa Ana
Call to possible collaborative partner Legal Services for Seniors	N/A	September	Jorge Ramirez
Call to church to set appointment	N/A	August	N/A
Development of Curriculum to be presented	Yes	September	Jorge Ramirez, Andrea Robles
Development of PowerPoint Presentation	Yes	September-October	Jorge Ramirez, Andrea Robles

Creation of Pamphlets	Yes	September	Andrea Robles
Development of survey questions (Pre and Post)	Yes	September	N/A
Handout Pre-Survey questionnaire	Yes	October 6, 2019	N/A
Handout Pamphlets	Yes	October 6, 2019	N/A
Deliver Presentation	Yes	October 6, 2019	N/A
Handout Post Survey questionnaire	Yes	October 6, 2019	N/A
Conduct Post discussion	N/A	October 6, 2019	N/A
Review pre and post surveys	N/A	October	N/A
Reflect on post discussion	N/A	October	N/A
Reflect on presentation delivery	N/A	October-November	N/A
Evaluation of Capstone Project	N/A	October-December	N/A
Improvement Recommendations for agency	N/A	October-December	N/A