

Money Talks July 2023

By: David Helscher

You come to the bank to affect an unusual financial transaction. The Bank's service representative asks you some questions and you are feeling a little annoyed and that they are being nosy. You may be just trying to send a wire transfer, obtain a cashier's check, or make a sizable cash withdrawal and sending it to someone unusual for you. The Bank's service representative is not just being nosy but is attempting to protect you from financial exploitation or outright fraud.

Financial exploitation is increasingly pervasive among seniors, with enormous potential for detrimental effects. Criminals often target seniors due to their perceived vulnerability, trusting nature, and accumulated wealth. Older adults are increasingly falling victim to financial scams, whether they be fraudulent investments schemes, telemarketing tactics, or an array of malicious emails and internet scams. These pose a significant threat to your financial, emotional and physical well-being, endangering your savings as well as lifestyles.

The ever-changing digital world makes up-to-date digital literacy necessary and may require strong cognitive skills. Unfortunately, cognitive functions generally decline as we age, especially for seniors. With an aging population, twice as many Americans are expected to be affected by some form of dementia by 2050.

In particular, exploitation targeting Medicare and healthcare systems is an emerging threat to seniors. Seniors utilize health care to a greater degree than other age cohorts, making them especially vulnerable. Fraudulent billing and identity theft are some of the scams aimed at healthcare services and insurance plans. Recent innovations in artificial intelligence have equipped con artists with an even more manipulative scam. The FTC recently alerted seniors to a tactic known as voice cloning, which weaponizes artificial intelligence to replicate the voice of a loved one in need of financial help. The scammer uses a loved one's voice to tell you they have been arrested or had a car accident and tell the elder relative they need a large sum of money, gift card, or wire transfer to help them get out of trouble. This is where the nosy bank service representative comes into play, attempting to protect you from a scam.

There are some things you can do to protect yourself. First, if a scheme seems to be too good to be true, it probably is false: trust your gut instinct. Review your statements, billings, and other periodic reports for unusual activity. Develop or strengthen your relationship with trusted advisors, whether it be a family member, your banking relationship, legal or medical professional, or other knowledgeable individuals with whom you have a confidential relationship. Work to improve your digital literacy and be aware of common scams. Implement a secure password for family members to use in the event of an emergency, to prevent voice cloning scams, and insist on calling relative back on a known phone number if you receive a request for money in an emergency.

Finally, be proactive on maintaining your cognitive abilities. This can take the form of creating a support network, circle of friends, or volunteering to help to support activities in which you have an

interest. These are all means to combat social isolation, a major cause of cognitive decline. It can also increase communication among seniors, enabling them to share stories and identify threats before exploitation hits too close to home.