

Regulator Warning: Older Investors Are Being Targeted by Scammers

Scammers using social media to target older investors

Summary

[Plan Advisor](#) recently wrote: Fraud targeting investors who are age 65 and older is growing increasingly sophisticated, bold, and prevalent as scammers leverage advancements in both financial and personal technology, according to a panel of regulators. "They're getting very smart with crypto, finding people on WhatsApp, Facebook, and other social media," Suzanne McGovern, a senior adviser with the U.S. Securities and Exchange Commission, said on a virtual webinar hosted by the [North American Securities Administrators Association](#) last week. McGovern, who does investor advocacy and education for the SEC, said new scam tactics include having older investors put money into a cryptocurrency account, having them watch it triple, and then sending the earnings back to show real returns before continuing with the scam.

Remediation

It's crucial for financial advisers, firms, and trusted contacts such as friends and family to be aware and on the lookout for scams targeting older investors, according to the panel, which also included members of the Financial Industry Regulatory Authority and National Adult Protective Services Association.

Potential Indicators of Elder Financial Exploitation



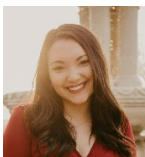
The following red flags could indicate the existence of elder financial exploitation. This list of red flags identifies only possible signs of illicit activity:

Erratic or unusual banking transactions, or changes in banking patterns:

- Frequent large cash withdrawals, including daily maximum currency withdrawals from an ATM;
- Sudden Non-Sufficient Fund activity;
- Uncharacteristic nonpayment for services, which may indicate a loss of funds or access to funds;
- Debit transactions that are inconsistent for the elder;
- Uncharacteristic attempts to wire large sums of money;

Interactions with customers or caregivers:

- A caregiver or other individual shows excessive interest in the elder's finances or assets, does not allow the elder to speak for himself, or is reluctant to leave the elder's side during conversations;
- The elder shows an unusual degree of fear or submissiveness toward a caregiver, or expresses a fear of eviction or nursing home placement if money is not given to a caretaker;
- The financial institution is unable to speak directly with the elder, despite repeated attempts to contact him or her;
- A new caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the elder without proper documentation;
- The customer moves away from existing relationships and toward new associations with other "friends" or strangers;
- The elderly individual's financial management changes suddenly, such as through a change of power of attorney to a different family member or a new individual;
- The elderly customer lacks knowledge about his or her financial status, or shows a sudden reluctance to discuss financial matters.



Meet Account Manager Annalicia Carlson

Annalicia Carlson is the Member Engagement Specialist / Account Manager at FS-ISAC. You can expect to receive communication from her regarding your membership benefits, business review meeting requests, and update on invoices. Annalicia's role concerning CIAC members is extremely flexible! Whether your firm needs any FS-ISAC information, a re-education meeting, an overview of benefits, or anything FS-ISAC related, Annalicia is your go-to person. Her virtual door is always open!

The Financial Services Information Sharing and Analysis Center (FS-ISAC) is the only global cyber intelligence sharing community solely focused on financial services. Serving financial institutions and in turn their customers, the organization leverages its intelligence platform, resiliency resources, and a trusted peer-to-peer network of experts to anticipate, mitigate, and respond to cyber threats. Headquartered in the US, the organization has offices in the UK and Singapore. Member financial institutions represent over \$35 trillion in assets under management, with 15,000 users in more than 70 countries. To learn more, visit [fsisac.com](https://www.fsisac.com).