

## **TACKLING INVESTMENT SWINDLES OF SENIORS AS A MEDICAL PROBLEM: 24 SECURITIES REGULATORS ACROSS U.S. TO TRAIN DOCTORS TO SPOT & REPORT ELDERLY FINANCIAL VICTIMIZATION**

*22 States, D.C. & Puerto Rico Unveil Joint Nationwide Effort by Investor Protection Trust, State Securities Regulators, Adult Protective Services Professionals, Medical Experts.*

*AL, CA, CO, DE, GA, ID, IL, IN, IA, KY, MI, NE, NC, NJ, NM, OK, OR, PA, TN, UT VT, WA, DC and Puerto Rico to Participate in Grassroots-Level Outreach to Docs, Other Medical Professionals.*

**WASHINGTON, D.C./November 17, 2010**///With new medical research showing that more than a third of Americans over the age of 71 having mild cognitive impairment (MCI) or Alzheimer's disease that make them particularly susceptible to investment swindles and other financial abuse, 24 securities regulators have joined in a major national "Elder Investment Fraud and Financial Exploitation Prevention Program". The unprecedented effort will educate thousands of U.S. medical professionals about how to spot older Americans who may be particularly vulnerable to investment fraud abuse and then to refer these at-risk patients to state securities regulators and adult services professionals.

Senior citizens have long been the target of unscrupulous investment scam artists. According to the 2010 Investor Protection Trust (IPT) Elder Fraud Survey, more than seven million older Americans – one out of every five citizens over the age of 65 – already have been victimized by a financial swindle. For more information about the IPT survey, go to <http://www.investorprotection.org/learn/research/?fa=eiffeSurvey> on the Web.

The 24 participating states and other jurisdictions are: Alabama; California; Colorado; Delaware; District of Columbia; Georgia; Idaho; Illinois; Indiana; Iowa; Kentucky; Michigan; Nebraska; North Carolina; New Jersey; New Mexico; Oklahoma; Oregon; Pennsylvania; Puerto Rico; Tennessee; Utah; Vermont; and Washington.

Based on a successful pilot program in the state of Texas, the "Elder Investment Fraud and Financial Exploitation Prevention Program" is a collaboration between the Investor Protection Trust, the Investor Protection Institute (IPI), the North American Securities Administrators Association (NASAA), and the National Adult Protective Services Association (NAPSA) in cooperation with leading U.S. medical associations, including the American Academy of Family Physicians, American College of Physicians, American Geriatrics Society, National Area Health Education Center Organization, and the National Association of Geriatric Education Centers. This program was created by the Baylor College of Medicine with grant funding from the Investor Protection Trust.

Irving Faught, administrator, Oklahoma Securities Commission, and chairman, Investor Protection Institute, said: **"There is a medical component to elderly investment fraud that has been overlooked and cannot be addressed solely by state securities regulators. As state agencies, we need to combine our efforts with the unique front-line perspective of doctors and other professionals to get help to victims, and those most at risk of becoming victims, at the earliest possible point. By partnering with medical practitioners, together we can help protect our seniors and their money."**

Robert Lam, chairman, Pennsylvania Securities Commission, said: **"When it comes to protecting older investors, the name of the game is to take action before the money is gone. The Pennsylvania Securities Commission is joining the 'Elder Investment Fraud and Financial Exploitation Prevention Program' because it will give us an important new way to tap into medical professionals who are working directly with the elderly and can be taught the warning signs of investment scams. This way, we can get better information earlier and do more to shut down scams at an earlier stage."**

Don Blandin, president and CEO, Investor Protection Trust and Investor Protection Institute, said: **“We now know that a shockingly large number of older Americans are already victims of financial swindles and millions more are in danger of being exploited in such a fashion. Given that front-line medical professionals who deal everyday with older Americans are ideally positioned to spot the impaired mental capacity that can leave seniors vulnerable to financial abuse, our new program seeks to inform doctors, nurses and others about the warning signs of elder investment fraud and financial exploitation. Our goal is to improve the communication among medical professionals, older Americans, adult children and state securities regulators in order to head off financial swindles before the damage is done.”**

Dr. Robert Roush, director, Texas Consortium Geriatric Education Center, Huffington Center on Aging, Baylor College of Medicine, SAID: **“Many aspects of normal aging and disease can contribute to older adults’ vulnerability to elderly investment fraud and other financial abuse. This is no ‘commentary’ on seniors and their judgment; it is a simple medical fact of life. Knowing that there are medical reasons that increase the likelihood of success for investment swindles targeting so many older Americans, we have two choices: We can ignore that fact and allow the problem to go on, or we can figure out how to enlist medical and adult services professionals to be part of the solution. State securities agencies deserve credit for being able to think outside of the box and take an important new tack to reducing the scourge of elderly investment scams.”**

Lynn Koontz, president, National Adult Protective Services Association, said: **“Adult Protective Services professionals are the first responders to elder financial abuse, so they see the devastation these crimes wreak in older persons’ lives every day. It is imperative that a serious national campaign be launched to end rampant elder financial exploitation and to protect and help vulnerable older victims.”**

The “Elder Investment Fraud and Financial Exploitation Prevention Program” will educate medical professionals who see older people in their practices about how to spot older Americans who may be particularly vulnerable to financial abuse and then to refer suspected investment fraud involving these at-risk patients to state securities regulators and/or to local Adult Protective Services (APS) professionals.

State securities regulators and participating medical professionals now have available the project’s Clinician’s Pocket Guide and an informational brochure for patients/investors. The pocket guide – which outlines common red flags, how to ask about a patient’s financial capacity and what types of referral may be needed – can be used to train medical staff, as well as functioning as a handy reference card. The brochure tells how to protect against elder investment fraud and where to get help.

For more information about the EIFFE Prevention Program, go to <http://www.investorprotection.org>.

## **BACKGROUND: THE ELDERLY AND INVESTMENT FRAUD**

Senior citizens have long been the target of unscrupulous investment scam artists. This is especially true of seniors who have mild cognitive impairment (MCI). According to the 2010 Investor Protection Elder Fraud Survey released in June, 7.3 million older Americans – one out of every five citizens over the age of 65 – already have been victimized by a financial swindle. The IPT survey also found that half of older Americans exhibit one or more of the warning signs of current financial victimization. For example, more than one out three seniors (37 percent) are currently being pitched by “people (who) are calling me or mailing me asking for money, lotteries, and other schemes,” while a much lower 19 percent of adult children believe that their parents are being pressured in such a fashion.

Of particular concern are seniors with mild cognitive impairment who can perform most daily functions, but have trouble or become confused with others, like following their medicine regimen and managing their finances. A 2008 Duke University study found that about 35 percent of the 25 million people over age 71 in the U.S. either have mild cognitive impairment or Alzheimer’s disease. This makes them especially vulnerable to financial exploitation, including investment fraud. And researchers at the

University of Alabama in Birmingham and University of Iowa have shown how older persons with cognitive impairment are more prone to make financial errors and willing to gamble with their money. In the earlier Texas pilot test, doctors taught by the Baylor College of Medicine team used the “red-flag” questions in the clinician’s pocket guide to find and refer vulnerable older adults to help prevent fraud from occurring.

## **ABOUT THE GROUPS**

The Investor Protection Trust (<http://www.investorprotection.org>) is a nonprofit organization devoted to investor education. The primary mission of IPT is to provide independent, objective information needed by consumers to make informed investment decisions. Founded in 1993 as part of a multi-state settlement to resolve charges of misconduct, IPT serves as an independent source of unbiased and non-commercial investor education materials. IPT operates programs under its own auspices and uses grants to underwrite important investor education and protection initiatives carried out by other organizations. The IPT provides investor education at both the state and national levels.

The Investor Protection Institute (<http://www.protectinvestors.org>) is a nonprofit organization that promotes investor protection by conducting and supporting research and education programs.

NASAA (<http://www.nasaa.org>) is the oldest international organization devoted to investor protection. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada and Mexico.

The National Adult Protective Services Association (<http://www.apsnetwork.org>) is a national non-profit 501 (c) (3) organization with members in all fifty states, including the District of Columbia, the U.S. Virgin Islands, and Guam. It was formed in 1989 to provide state Adult Protective Services (APS) program administrators and staff, who are the first responders to abused elders and younger adults with disabilities, with a forum for sharing information, solving problems and improving the quality of services for these vulnerable victims.

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**EDITOR’S NOTE:** A streaming audio recording of the news event will be available on the Web as of 4 p.m. EST on November 17, 2010 at <http://www.investorprotection.org>.