

# MONTHLY UPDATE

June 2017



## Four Steps to Protecting Our Parents from Financial Fraud

by

By Newlin Archinal, CFP®, AIF®, CRPC®,  
Vice President

May and June are hallmark months for so many reasons; there is graduation day for students, not to mention Mother's Day and Father's Day all within weeks of each other. While it's nice to shower mom and dad with brunch, cards, and flowers- is there a more meaningful way we can show our parents that we care? I would argue that this is a great time of year to make sure our parents are protected from financial fraud. Just as we check smoke detectors during daylight savings, this could be an ideal time to make sure that our parents don't become a silent statistic.

How prevalent is financial fraud among seniors? It is one of the fastest growing areas of financial abuse. According to a recent survey by the National Center on Elder Abuse, about 1 in 8 related cases of abuse relates to finances and the average fraud takes about \$30,000 out of a senior's pocket.

### EXAMPLES OF FINANCIAL FRAUD:

Unfortunately, most scammers prey on the elderly because it's easy. Other than family, seniors fear losing their autonomy above all else. With slipping cognitive and physical abilities and loneliness, seniors often become less confident in their decision making. That makes them the perfect target for financial fraud.

One recent example involved the IRS. Seniors were getting calls from an alleged "agent" who claimed that taxpayers had unpaid income taxes due and if they didn't make an immediate payment, they would be arrested or taken to court.

First of all, the IRS always contacts taxpayers by mail before calling and will never demand immediate payment via wire transfer. But, it makes the less sophisticated an ideal target.

### 4 WAYS TO HELP PROTECT OUR PARENTS: GO D.E.E.P

What is D.E.E.P? An acronym that may be useful in remembering how we can help protect our aging parents: Document, Engage, Empower and Protect.

1) *Document: Unfortunately, fraud can happen both outside a family and within it. One way to prevent any abuse is to review mom and dad's power of attorney documents. Are they up to date and do they reflect their current wishes? Is the agent who holds the "power" a trusted family member or friend?*

*Another useful document is a financial disclosure agreement with mom or dad's advisor. This allows the advisor to discuss financial affairs with a trusted family member and can help prevent fraud. Consider the case of a parent who requests a wire transfer to Nigeria for no apparent reason. If the advisor is suspicious, the document allows him/her to call the appointed contact and verify the parent is sending money for legitimate reasons*

2) *Engage: Talk, talk, talk. According to Allianz Life, when seniors discuss their finances with a friend, family member or professional, they are significantly more likely to take preventive steps to prevent financial abuse. That means checking with Mom or Dad when you hear about a scam on the news. Encouraging them to talk about it takes away the fear of losing independence and can boost their confidence.*

3.) *Empower: A great way to empower mom and dad is to have them invested in the process. Consider having them sign up for a fraud watch alert. For instance, the AARP's Fraud Watch Network sends out a monthly email describing prevalent scams, and it offers a map showing instances of financial fraud in different states. It's a free service and you*

Enjoy the beginning of summer this month and remember to let your disciplined approach drive your investment policy – not the regret of a perceived missed opportunity demonstrated by a single asset class.

can sign up by visiting: [https://action.aarp.org/site/SPage-Navigator/FWN\\_Registration\\_Page.html](https://action.aarp.org/site/SPage-Navigator/FWN_Registration_Page.html). Empowering them to be vigilant can only be beneficial.

4.) Protect: Make sure that mom and dad are shredding the mail. Everything from credit card solicitations and other offers should be shredded. They should also limit giving out their sensitive information like bank account or social security numbers over the phone. Lastly, remind them to change passwords and document the changes in a safe place. Protecting their identity is key, just as it is for any of us.

Lastly, if you suspect that your parent has been the victim of a scam, you can call your local police department to report the abuse. AARP also has a fraud watch help line at 877-908-3360. Lastly, Adult Protective Services is another resource. To find your local office <http://www.na-sa-now.org/get-help/help-in-your-area/pennsylvania/>

**DISCLOSURES SECURITIES AND ADVISORY SERVICES ARE OFFERED BY BPU INVESTMENT MANAGEMENT, INC. member FINRA and SIPC, an SEC registered investment advisor.**

Please be advised that the accuracy and completeness of this information are not guaranteed. The opinions expressed are those of the author(s) and are not necessarily those of BPU Investment Management, Inc. or its affiliates. The material is distributed solely for informational purposes and is not a solicitation of an offer to buy any security or instrument or to participate in any trading strategy, and should not be relied on for accounting, legal or tax advice.

IRS CIRCULAR 230 NOTICE: To ensure compliance with requirements imposed by the Internal Revenue Service, we inform you that any U.S. tax advice contained in this communication (or in any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this communication (or in any attachment).

Certified Financial Planner Board of Standards, Inc. owns certification marks CFP® and CERTIFIED FINANCIAL PLANNER™ in the U.S.

**BPU Investment Management, Inc.**  
**One Oxford Centre**  
**301 Grant Street, Suite 3300**  
**Pittsburgh, 15219**  
**800.822.6585**  
**[www.bpuinvestments.com](http://www.bpuinvestments.com)**