



**Investor  
Protection  
Trust**



**Investor  
Protection  
Institute**

**Results from the  
Investor Protection Trust/  
Investor Protection Institute**

**Elder Investment Fraud and  
Financial Exploitation  
Survey of Experts**

**Released on August 15, 2012**



**[www.investorprotection.org](http://www.investorprotection.org)**






# IPT/IPI SURVEY ON CFPB REQUEST FOR INFORMATION








## 1. What is your profession?

|                                    |  | Response Percent | Response Count |
|------------------------------------|--|------------------|----------------|
| State securities regulator.        |  | 9.0%             | 68             |
| Financial planner.                 |  | 4.1%             | 31             |
| Other investment professional.     |  | 1.5%             | 11             |
| Health care professional.          |  | 4.1%             | 31             |
| Social worker.                     |  | 15.9%            | 120            |
| Professional geriatric care giver. |  | 0.8%             | 6              |
| Other caregiver.                   |  | 0.4%             | 3              |
| <b>Adult protective services.</b>  |  | <b>22.7%</b>     | <b>171</b>     |
| Law enforcement.                   |  | 3.3%             | 25             |
| Elder law attorney.                |  | 4.0%             | 30             |
| Financial educator.                |  | 7.8%             | 59             |
| Other academic.                    |  | 5.4%             | 41             |
| None of the above.                 |  | 20.8%            | 157            |
| <b>answered question</b>           |  |                  | <b>753</b>     |
| <b>skipped question</b>            |  |                  | <b>3</b>       |





## 2. How often do you deal with the elderly victims of investment fraud/financial exploitation?

|                          |   | Response Percent | Response Count |
|--------------------------|---|------------------|----------------|
| Very often.              |  | 33.2%            | 243            |
| Somewhat often.          |  | 31.5%            | 230            |
| Not very often.          |  | 25.6%            | 187            |
| Never.                   |  | 7.9%             | 58             |
| Don't know/not sure.     |  | 1.8%             | 13             |
| <b>answered question</b> |   |                  | <b>731</b>     |
| <b>skipped question</b>  |   |                  | <b>25</b>      |








## 3. How serious would you say the problem of elderly investment fraud/financial exploitation is today?

|                          |  | Response Percent | Response Count |
|--------------------------|--|------------------|----------------|
| Very serious.            |  | 75.4%            | 539            |
| Somewhat serious.        |   | 21.3%            | 152            |
| Not very serious.        |   | 0.7%             | 5              |
| Not serious at all.      |   | 0.1%             | 1              |
| Don't know/not sure.     |   | 2.5%             | 18             |
| <b>answered question</b> |  |                  | <b>715</b>     |
| <b>skipped question</b>  |  |                  | <b>41</b>      |








#### 4. How vulnerable would you say that older Americans are to investment fraud/financial exploitation today?

|                          |  | Response Percent | Response Count |
|--------------------------|--|------------------|----------------|
| Very vulnerable.         |  | 77.6%            | 554            |
| Somewhat vulnerable.     |   | 21.6%            | 154            |
| Not very vulnerable.     |   | 0.4%             | 3              |
| Not vulnerable at all.   |  | 0.0%             | 0              |
| Don't know/not sure.     |   | 0.4%             | 3              |
| <b>answered question</b> |  |                  | <b>714</b>     |
| <b>skipped question</b>  |  |                  | <b>42</b>      |










**5. What financial education, counseling, or personal finance management programs do you think are best tailored to the unique financial needs of older Americans and their families or caregivers? (Pick up to three of the below.)**

|   |  | Response<br>Percent | Response<br>Count |
|---|--|---------------------|-------------------|
| Programs delivered by securities/investment regulators at the state and national governmental level.  |     | 24.5%               | 175               |
| Programs delivered through senior centers and other facilities catering to older Americans.   |     | 65.0%               | 464               |
| Programs delivered by senior-oriented national and local organizations.   |     | 54.9%               | 392               |
| Programs delivered through the news media and mass media, such as public television.  |     | 42.0%               | 300               |
| <b>Programs delivered by local professionals, such as caregivers, adult protective services workers, law enforcement agencies, and health care professionals.</b> |  | <b>70.6%</b>        | <b>504</b>        |
| Other.  |   | 4.2%                | 30                |
| Don't know/not sure.  |   | 4.1%                | 29                |
| <b>answered question</b>  |  |                     | <b>714</b>        |
| <b>skipped question</b>   |  |                     | <b>42</b>         |







**6. What do you think the best practices are today in providing seniors financial literacy and robust, practical information on personal finance management? (Pick up to three of the below.)**

|  |  | <b>Response Percent</b>  | <b>Response Count</b> |
|--|--|--------------------------|-----------------------|
| <b>Availability primarily in person.</b>                             |  | <b>70.7%</b>             | <b>498</b>            |
| Availability in person and via the Internet.                         |   | 35.4%                    | 249                   |
| Availability through recorded media, such as CDs and DVDs.           |   | 17.8%                    | 125                   |
| Quantification of participation.                                     |   | 15.9%                    | 112                   |
| Measurement of results in terms of improved awareness/understanding. |   | 52.0%                    | 366                   |
| Other.   |   | 5.8%                     | 41                    |
| Don't know/not sure.   |  | 10.9%                    | 77                    |
|  |  | <b>answered question</b> | <b>704</b>            |
|  |  | <b>skipped question</b>  | <b>52</b>             |

**7. What do you think are the most common types of fraudulent, unfair, abusive or deceptive financial practices target Americans age 62 and over? (Pick up to three of the below.)**






|  |   | <b>Response<br/>Percent</b> | <b>Response<br/>Count</b> |
|--|---|-----------------------------|---------------------------|
| Financial scams perpetrated by strangers.  |    | 46.5%                       | 327                       |
| "Affinity fraud" schemes perpetrated by individuals, groups or institutions known to a senior. |    | 34.1%                       | 240                       |
| <b>Theft or diversion of funds or property by family members.</b>                              |   | <b>79.4%</b>                | <b>558</b>                |
| Theft or diversion of funds or property by caregivers.   |    | 49.4%                       | 347                       |
| Promotion of inappropriate or excessively risky financial products.                            |    | 23.3%                       | 164                       |
| Promotion of overpriced or poorly performing financial products.                               |  | 11.0%                       | 77                        |
| Exploitation of the equity in the senior's home.   |  | 14.2%                       | 100                       |
| Abuses under power of attorney or guardian situations.   |  | 41.1%                       | 289                       |
| Don't know/unsure.   |  | 1.4%                        | 10                        |
| <b>answered question</b>   |   |                             | <b>703</b>                |
| <b>skipped question</b>  |   |                             | <b>53</b>                 |

**8. What types of fraudulent or deceptive practices target older veterans and/or military retirees? (Pick up to three of the below.)**





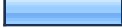
|  |   | Response<br>Percent | Response<br>Count |
|--|---|---------------------|-------------------|
| "Affinity fraud" schemes perpetrated by individuals, groups or institutions known to a senior.   |    | 36.8%               | 257               |
| VA Aid and Attendance fraud, in which veterans are advised to transfer retirement funds into irrevocable trusts that cause them to lose access to the funds and also become ineligible for Medicaid benefits.          |    | 23.0%               | 161               |
| Military pension buyout schemes, in which veterans are offered cash payments in return for their military pension payouts in a manner that could ultimately deprive the veteran of the majority of his or her pension. |    | 18.6%               | 130               |
| <b>Veterans/military retirees face basically the same and deception risks as other older Americans.</b>  |  | <b>50.6%</b>        | <b>354</b>        |
| Other.   |  | 3.1%                | 22                |
| Don't know/not sure.   |  | 34.8%               | 243               |
| <b>answered question</b>   |   |                     | <b>699</b>        |
| <b>skipped question</b>  |   |                     | <b>57</b>         |



**9. How able do you think older Americans are to determine the legitimacy, value, and authenticity of credentials held by their financial advisors and planners?**

|                          |   | Response Percent | Response Count |
|--------------------------|---|------------------|----------------|
| Very able.               |  | 2.1%             | 15             |
| Somewhat able.           |  | 35.9%            | 251            |
| <b>Not very able.</b>    |  | <b>51.2%</b>     | <b>358</b>     |
| Not able at all.         |  | 6.6%             | 46             |
| Don't know/not sure.     |  | 4.1%             | 29             |
| <b>answered question</b> |   |                  | <b>699</b>     |
| <b>skipped question</b>  |   |                  | <b>57</b>      |

**10. How effective do you think current efforts are for maintaining the legitimacy, value, and authenticity of credentials held by financial advisors and planners?**

|                            |   | Response Percent | Response Count |
|----------------------------|---|------------------|----------------|
| Very effective.            |  | 2.6%             | 18             |
| Somewhat effective.        |  | 33.0%            | 229            |
| <b>Not very effective.</b> |  | <b>38.0%</b>     | <b>264</b>     |
| Not effective at all.      |  | 9.1%             | 63             |
| Don't know/not sure.       |  | 17.3%            | 120            |
| <b>answered question</b>   |   |                  | <b>694</b>     |
| <b>skipped question</b>    |   |                  | <b>62</b>      |






**11. How effective do you think existing accountability controls are when it comes to deterring the misuse of “senior advisor credentials”?**

|                            |  | Response Percent | Response Count |
|----------------------------|--|------------------|----------------|
| Very effective.            |  | 1.3%             | 9              |
| Somewhat effective.        |  | 17.3%            | 121            |
| <b>Not very effective.</b> |  | <b>41.8%</b>     | <b>292</b>     |
| Not effective at all.      |  | 17.2%            | 120            |
| Don't know/not sure.       |  | 22.5%            | 157            |
| <b>answered question</b>   |  |                  | <b>699</b>     |
| <b>skipped question</b>    |  |                  | <b>57</b>      |

**12. How adequate are resources available to seniors when it comes to explaining to the subject matter expertise presented or implied by individuals touting specific senior-oriented certifications and designations?**

|                           |  | Response Percent | Response Count |
|---------------------------|--|------------------|----------------|
| Very adequate.            |  | 1.0%             | 7              |
| Somewhat adequate.        |  | 19.3%            | 134            |
| <b>Not very adequate.</b> |  | <b>45.5%</b>     | <b>317</b>     |
| Not adequate at all.      |  | 17.8%            | 124            |
| Don't know/not sure.      |  | 16.4%            | 114            |
| <b>answered question</b>  |  |                  | <b>696</b>     |
| <b>skipped question</b>   |  |                  | <b>60</b>      |

**13. How effective are available resources for seniors when selecting a financial advisor with appropriate knowledge to address their specific financial needs?**

|                            |   | Response Percent         | Response Count |
|----------------------------|---|--------------------------|----------------|
| Very effective.            |  | 1.7%                     | 12             |
| Somewhat effective.        |  | 27.8%                    | 191            |
| <b>Not very effective.</b> |  | <b>42.4%</b>             | <b>291</b>     |
| Not effective at all.      |  | 10.9%                    | 75             |
| Don't know/not sure.       |  | 17.2%                    | 118            |
|                            |   | <b>answered question</b> | <b>687</b>     |
|                            |   | <b>skipped question</b>  | <b>69</b>      |