

Financial Exploitation & Scams Are a Crime: Correcting Misperceptions and Collecting Evidence

Voiceover

00:00

Welcome to *The Beat*—a podcast series from the COPS Office at the Department of Justice. Featuring interviews with experts from a varied field of disciplines, *The Beat* provides law enforcement with the latest developments and trending topics in community policing.

Jennifer Donelan

00:16

Today our guests are joining us by phone.

Hello, and welcome to the Beat. I'm Jennifer Donelan, your host. Today, we're talking about financial exploitation and scams. Joining us is Larry "Skip" Swain of the Fresno County Sheriff's Office Elder Abuse Unit, and Detective Chuck Szatkowski. He's a detective with the Special Victim Section of Crimes against At-risk Adults Unit of the Colorado Springs Police Department. Gentlemen, thank you so much for joining us.

Detective Szatkowski, I'm going to start with you. Financial scams and financial exploitation, getting a lot of attention, but are there still misperceptions around these crimes? Can you tell our listeners the difference between financial exploitation and financial scams? Are they both crimes?

Detective Charles "Chuck" Szatkowski

01:02

Financial exploitation and the financial scams are both crimes. They both target the individuals' vulnerabilities. We differentiate between financial exploitation and scams based upon the relationship of the perpetrator to the victim. Most of the perpetrators in the financial exploitation cases are typically no strangers. They're people that have gained trust to the older individual, including family members, business associations, and service professionals, where the perpetrators of the scam are normally somebody that the victim hasn't previously known or met. In a lot of the cases, they just receive a blind call from a scammer.

Donelan

01:41

So the difference between financial exploitation and scams is really boiled down to the relationship between the victim and the perpetrator. Detective Swain, is there anything you'd like to add to that?

Detective Larry “Skip” Swain

01:52

I often say where there’s smoke, there’s fire, or it’s a barbeque. But it’s our job to look over the fence to figure out whether it’s a fire or it’s a barbeque. Sometimes, just from looking over the fence, we cannot tell. So that’s where further investigations come in and we have to actually open that gate and go in to that backyard and figure out whether it’s a barbeque or it’s actually a fire. Because oftentimes with financial scams and financial exploitation of elders, they don’t know what’s going on and they don’t know how they’ve become victimized. So it’s hard for us to get those answers without really diving into it. And sometimes you dive into it and find out, oh, this isn’t criminal or it is criminal.

But there’s a difference between the scams and the exploitation. Exploitation is often done where it’s just a financial crime. And normally, it’s 90 percent of the time done by a family member or someone close to the victim themselves, you know, whether it’d be a care provider or a family member but it’s often sometimes in their inner circle.

And with the financial scams, oftentimes, it can be an international lottery scam. It can be a grandparent scam. It comes from who knows where and oftentimes very, very hard to track or trace because they’ll spoof a phone number. They’ll use offshore accounts. They’ll use electronic wire transfer cards, which are very, very hard to trace. And oftentimes, they’re chameleons and they’re changing as we get close to them.

Donelan

03:39

Detective Szatkowski, describe for our listeners some of the misperceptions around this notion that financial exploitation is a civil matter. What might law enforcement be overlooking then? What should law enforcement ask or look for when investigating financial exploitation?

Szatkowski

03:54

These cases are really challenging because adults have the inherent autonomy of freedom to make decisions regarding their personal affairs and finances. They might make decisions that others might not choose for them. But also, at the same time, they have the right to be free from exploitation. It’s often a delicate balance for us to— challenge for us to balance the difference between those two. We have to remember, too, that an agent under a power of attorney has a fiduciary responsibility to act in the best interest of the principal. That’s the person who granted those authority. So we should be looking at how the agent used their authority or misused their authority.

Undue influence plays a significant role in exploitation cases. The perpetrators use their position of power and control to exploit the victim. In 2010, Quinn, Goldman, Nuremberg, and Piazza published a model that we use to look at, examine undue influence cases here. They look at four factors so these factors affecting. One is the factor affecting the susceptibility or the vulnerability of the victim. Another is the roles and the relationships between the victim and the perpetrator. Then we look for

psychological manipulation. And finally, we look at the outcomes—who benefitted from the transactions.

Donelan

05:06

Thank you, Detective. Detective Swain, your turn. What else? What might law enforcement be overlooking when we're talking about financial exploitation?

Swain

05:14

Well, sometimes you know, first responders are patrol officers, normally. And remember something, they handle all sorts of calls. They don't just handle the elder financial call; they're going to handle the trespass call. They're going to handle the residential burglary call. They're going to handle the identity theft call. They're going to handle the domestic violence, the child abuse, the sex offense, the suspicious subject, the my-neighbor-cut-my-tree-down call and everything in between those. So they wear many hats and oftentimes, there's not a lot of education or training when it comes to elder financial crimes.

And if someone showed a power of attorney, the misconception is often that that's a court document and they have all the power to do whatever they want and now it's a civil matter. And once somebody has a power of attorney, they can create some serious difficulty for the victim and the victim may not even know what all is going on. And it ties into making sure that we educate our first responders on what a power of attorney is, and really it's just an agreement between one person and another person for them to handle their business.

A lot of the times, we don't collect enough information on the front side in that investigation. That's where detectives become involved. You're trying to get information out of somebody who has been exploited or may not have the capacity to give you the information.

It's like searching for a needle in a haystack sometimes and finding somebody who can give you the information or really just having to search for it yourself because the elder themselves who have become victimized, they don't want to give you information over the phone. Hello, they've just been scammed or they've lost money. They've trusted somebody with their information. How do they know that I'm who I am if our first responder hasn't gotten the information that I've needed to look into the accounts or the crimes alleged? Then I'm going to have to drive out there. I'm going to have to drive to the house and sit down with them, gain their trust and oftentimes, that's even difficult. And sometimes they don't have the capacity to even give me the information.

Donelan

07:32

There's so many challenges as you raised. Thank you. What kind of evidence, Detective Szatkowski, might a law enforcement officer need to really be focused on when collecting evidence in these type of investigations?

Szatkowski

07:44

Well, some of the most important items are the financial and banking records of our victim, and we go back at least a year before the perpetrator gained access to the account to see what the spending patterns are. It's also important to get the financial records for the suspect to see what they're spending patterns were before they got access to the victim's financial records. Again, they also look for signature cards and samples of signature because we know as we age, our signatures change. My signature is definitely different than it was 30 some years ago when I opened my bank account here in Colorado Springs. Then we want to get copies of documentations like the powers of attorney, any wills, or trust documents, even copies of deeds and associated paperwork for them to see who they're signed and when they're signed because that's important, especially if we deal with the person that has been ruled incapacitated by the courts.

Medical records are key because we can use those medical records to establish that the person that, at some point in time, was going to either undergo a permanent or temporary impairment that resulted from some debilitating reaction to either a loss or some onset of disease. With those medical records, too, we want to look for, get the records of who called and cancelled appointments. That's important to show a manipulation and control the individual.

Finally, we just need to interview friends, families, and financial institutions just to see what— any changes and behavior or activity that they noticed in the victim in over the years, especially since the perpetrator came into their life.

Donelan

09:15

Thank you so much, detective. Detective Swain, how would you advise officers on how to work with financial institutions in these cases?

Swain

09:24

Well, we have been experiencing a lot of fresh financial crimes where someone finds out that their credit card has been used somewhere. And if they can identify where it was used and when it was used, the victim themselves oftentimes will get a call from their bank. Then that first responder has the ability to go to the bank and say, hey, look, can we preserve this video? Here's the case number.

I've been investigating elder crimes now for coming up on eight years. In that eight years, I've established relationships with a lot of the financial institutions and their fraud investigators. Once I get a contact, I keep that contact and I call upon them when I need the help.

I rely upon those resources that I've made and those connections that I've made within the financial institutions, whether they'd be the law enforcement investigator or just a fraud investigator themselves. And also, I ask that they give me a victim impact statement also so that we can get a restitution order for

the bank themselves because oftentimes, they write that crime off. They write that loss off. A lot of institutions don't investigate crimes under a certain amount. So if I can get that restitution order, maybe we can get some of that money back into the bank's themselves rather than just absorbing it on the backs of the American consumer.

Donelan

10:44

Detective, thank you so much. Such eye-opening information. Detective Szatkowski, let me ask you. How would you advise officers on how to work with financial institutions when dealing with these cases?

Szatkowski

10:56

What we need to do is we need to take the first step. We need to go out and make those contacts with the fraud units for the banks and credit unions in our area and talk to the branch managers. We conduct a lot of local trainings here at the local branches for the employees and the managers to help them better identify and report possible exploitation cases. We have our greatest success with the locally-owned or state-owned institutions. It's a struggle with some of the larger national institutions because we just haven't been able to establish that personal relationship. That goes so far in helping us with our investigations.

Donelan

11:33

Gentlemen, I cannot thank you enough for joining us on this episode of *The Beat*. How can our listeners find out more about your work? I'll start with you, Detective Szatkowski.

Szatkowski

11:42

Well, my desk phone number is 719-444-7594. And my email, it's rather long. It's S like in Sam, Z like in zebra, A-T-K-O-C-H-at-C-I-dot-C-O-L-O-S-P-G-S-dot-C-O-dot-U-S. [szatkoch@ci.colospgs.co.us]

Donelan

12:09

Detective Swain, can people contact you regarding this topic? What's the best email?

Swain

12:13

My email is larry.swain@fresnosheriff.org. It's L-A-R-R-Y-dot-S-W-A-I-N-at-F-R-E-S-N-O S-H-E-R-I-F-F-dot-O-R-G.

Donelan

12:30

Gentlemen, thank you so much. Listeners, thank you for joining us. Once again, for *The Beat*.

Voiceover: *The Beat* Exit

12:37

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Voiceover: Disclaimer

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