

FinCEN Analysis: Bank Secrecy Act Reports Filed by Financial Institutions Help Protect Elders from Fraud and Theft of Their Assets

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WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) today released a new strategic analysis (/sites/default/files/shared/FinCEN%20Financial%20Trend%20Analysis%20Elders_FINAL%20508.pdf) of Bank Secrecy Act (BSA) reporting, indicating that elders face an increased threat to their financial security by both domestic and foreign actors. Elder financial exploitation Suspicious Activity Report (SAR) filings increased dramatically over the six-year study period, from about 2,000 filings per month in 2013 to reaching a peak of nearly 7,500 filings per month in August 2019. The yearly dollar amount of suspicious activity reported for elder financial exploitation also rose. Financial institutions, including banks, credit unions, brokerages, and money services businesses (MSBs) are generally required to file SARs when they know or suspect that illegal activity is occurring in their transactions.

“The SARs that financial institutions file with us are used to protect our nation and its people from harm. They provide unique and valuable information on crime and other threats happening in the U.S. and around the world impacting our families and communities,” said FinCEN Director Kenneth A. Blanco. “These SARs are also important to filer banks and MSBs because they show trends and patterns in criminal activity. Every financial institution wants to protect its customers, and SAR reporting helps them do that. Awareness of these reporting trends and potential exploitation methods can also help consumers protect themselves.”

Many SARs filed by MSBs indicated elders fell victim to **scams** in which they sent money overseas.

Several major scam categories were identified, including:

- **Romance:** Scammers establish a romantic relationship with their victims and then request money for “hardships” they experience, or to “visit” the victim (but never do).
- **Emergency/Person-in-need:** Scammers prey on victims’ emotional vulnerability by claiming to be a loved one who needs money quickly to help with an emergency.
- **Prize/Lottery:** Scammers coerce their victims into sending an “import tax” or “fee” in order to receive the money they have supposedly won in a lottery.

Many depository institution and brokerage firm SARs identified **theft** from elders. When an elder is the victim of theft from a bank or brokerage account, according to SAR reporting, family members and non-family member caregivers are most often implicated. Reporting also frequently identified theft victims as suffering from some type of incapacitation, such as cognitive decline. SARs indicate the average amounts reported for theft were more than double that for scams.

FinCEN continues to collaborate with other governmental bodies and financial institutions to identify, prevent, and combat elder financial exploitation. The Department of Justice (DOJ) announced today a concentrated effort across the country and around the world to halt money mule activity. Money mules assist fraud schemes by receiving money from victims, many of them elderly, and forwarding proceeds to foreign-based perpetrators. During the two-month initiative, U.S. law enforcement disrupted mule networks that spanned from Hawaii to

Florida and from Alaska to Maine. Actions were taken to halt the conduct of over 600 domestic money mules. The DOJ also tripled the number of criminal prosecutions brought against money mules as compared to last year's initiative. Learn more here (<https://www.justice.gov/opa/pr/justice-department-announces-landmark-money-mule-initiative>).

FinCEN also collaborates directly with the Consumer Financial Protection Bureau, Federal Trade Commission, and other federal and state partners, to educate consumers and financial institutions, and to ensure appropriate use of SARs to identify and pursue those victimizing our senior population.

For additional information, please refer to the following resources:

The Department of Justice has an interactive tool (<https://www.justice.gov/elderjustice/roadmap>) for elders who have been financially exploited to help determine to which agency they should report their incident, and also a senior scam alert (<https://www.justice.gov/elderjustice/senior-scam-alert>) website.

The Federal Bureau of Investigation's Internet Crime Complaint Center receives complaints at this website (<https://www.ic3.gov/>) or by calling 1-800-225-5324.

The Federal Trade Commission has a website (<https://www.ftccomplaintassistant.gov/>) and a phone number (1-877-382-4357) where victims can file complaints that then are made available to law enforcement.

The Administration for Community Living, part of the Department of Health and Human Services, has an excellent resource (<https://eldercare.acl.gov/Public/Index.aspx>) for finding services specifically for elders and their families.

The Consumer Financial Protection Bureau website has information (<https://www.consumerfinance.gov/practitioner-resources/resources-for-older-adults/protecting-against-fraud/>) on how to protect older adults from fraud and financial exploitation.

FINRA published a report (<https://www.finrafoundation.org/files/exposed-scams-what-separates-victims-non-victims>) created in collaboration with the BBB Institute for Marketplace Trust, the Stanford Center on Longevity, and the Federal Trade Commission that explored how cognitive and behavioral variables are often the difference between scam victims and non-victims.

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The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from illicit use, combat money laundering, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.



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