Elder Justice Coordinating Council Meeting

Wednesday June 10, 2020
Lance Robertson

ACL Administrator and Assistant Secretary for Aging
U.S. Department of Health and Human Services
Administration for Community Living
Elder Justice Coordinating Council Meeting

Gary Barksdale
Chief Inspector
U.S. Postal Inspection Service
Elder Justice Coordinating Council Meeting

Antionette (Toni) Bacon
Associate Deputy Attorney General
U.S. Department of Justice
Elder Justice Coordinating Council Meeting

Elad Roisman
Commissioner
U.S. Securities and Exchange Commission
Elder Justice Coordinating Council Meeting

Lois C. Greisman

Elder Justice Coordinator, Bureau of Consumer Protection
Federal Trade Commission
Elder Justice Coordinating Council Meeting

Christa Shriber
Deputy Chief Counsel
U.S. Department of Veterans Affairs
Elder Justice Coordinating Council Meeting

Louisa Quittman

Director, Financial Security/Education
U.S. Department of the Treasury
Elder Justice Coordinating Council Meeting

Deborah Cox-Rousch
Director Senior Corps
Corporation for National and Community Service
Elder Justice Coordinating Council Meeting

Brent Elrod
Acting Division Director, Division of Community & Education
Division of Family and Consumer Sciences
Division of Youth and 4-H
U.S. Department of Agriculture
National Institute of Food and Agriculture
Elder Justice Coordinating Council Meeting

Darryl LaCounte
Director
Bureau of Indian Affairs
U.S. Department of the Interior
Elder Justice Coordinating Council Meeting

Cameron Quinn
Director, Civil Rights and Civil Liberties
U.S. Department of Homeland Security
Elder Justice Coordinating Council Meeting

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Wednesday June 10, 2020
Meeting Agenda

• “Exposed to Scams: What Separates Victims from Non Victims?”

• COVID-Related Government Imposter Scams

• Enforcement Against COVID-Related Government Imposter Scams

• Financial Exploitation Prevention Training Program

• Protecting the Delivery of Federal Benefits Payments
Question or Comment About Today?

EJCC@acl.hhs.gov
“Exposed to Scams: What Separates Victims from Non Victims?”

Gary Mottola (FINRA) and Emma Fletcher (FTC)
Elder Justice Coordinating Council
June 10, 2020
Gary Mottola, FINRA Foundation
Emma Fletcher, Federal Trade Commission*

*The views expressed are her own and not necessarily those of the Commission or any individual Commissioner.
Use of BBB Scam Tracker Data

- Crowd-sourced
- Searchable by consumer location and comments
- Sentinel data contributor
Methodology

18 in-depth interviews

Online survey of BBB Scam Tracker reporters

- 1,408 responses
- Fielded August 2018
The Path to Victimization

Engaged and not victimized: 30%

Engaged and victimized: 23%

Did not engage: 47%
## Financial Insecurity Associated with Victimization

<table>
<thead>
<tr>
<th>Question</th>
<th>Victims</th>
<th>Non-victims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend more than monthly income</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>Financially fragile*</td>
<td>38%</td>
<td>20%</td>
</tr>
<tr>
<td>I have too much debt</td>
<td>39%</td>
<td>28%</td>
</tr>
</tbody>
</table>

*I Measured as “could definitely not” or “probably could not” cover a $2,000 emergency expense.

“I was overwhelmed with debt.”
Social Isolation Increases Risk of Victimization

Among respondents who engaged...

• Nearly twice as many victims as non-victims did not have anyone available to discuss it with.
• Those who chose not to discuss the solicitation with anyone while it was happening were more likely to lose money.

“I talked to my kids and they said they were pretty sure it was a scam.”
“[The store supervisor] informed me that I should be very suspicious of the transaction because there had been a run of Apple Card purchases for that very scam”

“I said that it was for a puppy . . . she warned me that it may be a scam and showed me [a form] where it showed that money order scams were prevalent for puppies and other items!”
“Looking back, it was so obvious that it was a scam. I guess I wanted it to be true... I'm so embarrassed.”
Preventing Fraud

What reduced the likelihood of engaging?

Prior Knowledge!

- Knowing about the **methods** of scammers in general
- Having **experience** with scams
- Knowing about the **specific scam** you are targeted by—80% less likely to engage, and 40% less likely to be a victim
### Learning About Fraud

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>News story</td>
<td>60%</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>40%</td>
</tr>
<tr>
<td>Website</td>
<td>20%</td>
</tr>
<tr>
<td>Social media</td>
<td>30%</td>
</tr>
<tr>
<td>TV/radio announcement</td>
<td>35%</td>
</tr>
<tr>
<td>In-person...</td>
<td>10%</td>
</tr>
<tr>
<td>Educational brochure</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Where did you learn about scams?**

**What would be a good source to learn about scams?**
EJCC Member Panel: COVID-Related Government Imposter Scams

Jeffrey Buckner (SSA)
Ronald Burke (VA)
Social Security:
Fraud Prevention and Reporting

Securing today and tomorrow

Produced at U.S. taxpayer expense
COVID-19 Scams

Two examples:

• Suspension of Social Security benefits due to suspension of in-person service
• Fraudulent COVID-19 test
COVID-19 Anti-Scam Efforts

- Fraud advisory;
- Monitoring COVID-19 scam trends;
- Added question to online reporting form;
- COVID-19 webpages in English and Spanish;
  - SSA.gov/coronavirus & SSA.gov/espanol/coronavirus
  - Viewed over 5.7 million times;
- Educational Webinar
Non-COVID 19 Anti-Scam Efforts

- Prevent scammers from spoofing our phone numbers;
- Suspension or termination of phone numbers used by scammers;
- TV and Radio Public Service Announcement;
  - With over 830 million estimated impressions;
  - Over 6,500 radio commitments
“Gateway Carrier” Litigation

- SSA OIG worked with DOJ to help gather evidence to stop foreign-based calls into the U.S.
  - Led to a civil filing; and
  - Temporary and permanent injunctions;
- FCC and FTC sent warning letters to other gateway carriers.
Slam the Scam Day

Our Office of the Inspector General
Designated
March 5th
as
National “Slam the Scam Day”
**Future Activities**

We continue to look for opportunities to partner with others and combat abuse:

- SSA, SSA OIG and USPIS signed a MOU;
- AAMVA committed to sharing our anti-fraud messaging.

We welcome opportunities to work with others to help prevent elder abuse, neglect and fraud.
You Mail reported:

- SSA scams no longer in the Top 20 robo-call

- SSA scams have decreased by 50% from its peak in October 2019
Future Activities

We continue to look for opportunities to partner with others and combat abuse:

– SSA, SSA OIG and USPIS signed a MOU;
– AAMVA committed to sharing our anti-fraud messaging.

We welcome opportunities to work with others to help prevent elder abuse, neglect and fraud.
Thank you

Securing today and tomorrow
Ronald S. Burke, Jr.

Executive Director
Pension and Fiduciary Service
Field Examiners now interview fiduciaries virtually, adapting to COVID-19

- Improved process for appointing Fiduciaries
- VA holds Fiduciaries accountable for illegal use of funds
- Scammers attempt to target Medal of Honor recipients
- Multiple exciting Elder Abuse workgroups being formed by VA
Securing today and tomorrow
EJCC Member Panel: COVID-Related Government Imposter Scams – Enforcement

Lois Greisman (FTC)
Antoinette Bacon (DOJ)
Gary Barksdale (USPIS)
Michael Herndon (CFPB)
Government Imposters and COVID-19 Scams

Lois C. Greisman
FTC Elder Justice Coordinator
www.ftc.gov/exploredata

Explore Age & Fraud Loss
Source: FTC’s Consumer Sentinel Network

Select Year: 2020 YTD

Fraud affects every generation differently.
Government Imposter Reports
www.ftc.gov/exploredata

<table>
<thead>
<tr>
<th>Year</th>
<th>TOTAL NUMBER OF REPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>389,892</td>
</tr>
</tbody>
</table>

**TOP GOVERNMENT IMPOSTER SCAMS**

1. Social Security Administration
2. Health & Human Services/Medicare
3. IRS Imposter
4. Police, Sheriff, or FBI
5. Government Grants

**Type of Imposter**

- All

**Reports and Losses**

- 389,892 reports
- $153.01M total losses
- $1,100 median loss
- 4.8% reported a loss
www.ftc.gov/exploredata
www.ftc.gov/coronavirus
Fake Treatments & Cures

- Vaccine offers
- Test kit offers
- Miracle cures
- Medicare-related scams

Coronavirus cure? Not so fast.
Learn the facts at ftc.gov/coronavirus
Robocalls

- Health-related calls
  - Cures! Prevention! Test kits! Telemedicine! Health insurance!

- Cleaning supplies

- Social Security Administration scams

- Mortgage relief scams

- Student loan debt relief scams
Government Stimulus Scams

FTC Takes Action to Stop Company Posing as SBA Lender and Preying on Small Businesses

"SBA Loan Program" falsely claims to be part of emergency government loan programs

FOR RELEASE
April 17, 2020

The Federal Trade Commission has charged a Rhode Island-based company and its owner with falsely claiming to be an approved lender for a federal coronavirus relief lending program and asked a federal court to immediately halt their misrepresentations.

The FTC’s complaint alleges that First Choice Investments, LLC, also doing business as SBA Loan Program and SBA Loan Program.com, and its owner, John C. Potts, have been falsely claiming an affiliation with the U.S. Small Business Administration (SBA) and marketing themselves to small businesses as an approved lender under SBA’s Paycheck Protection Program (PPP). The PPP is a program authorized as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). According to the FTC, the defendants are neither affiliated with the SBA in any way, nor are they an SBA-authorized lender.

“In this time of incredible challenge for all Americans, it is disturbing to see these defendants preying on desperate businesses looking for ways to keep their employees financially secure,” said FTC Chairman Joe Simons. “The FTC is on guard, and we will act to protect consumers from scammers looking to take advantage of this crisis.”

According to the FTC’s complaint, the defendants have called small businesses directly, claiming to be representing the SBA and soliciting loan applications on behalf of the businesses’ banks. They also have made statements on their website like “WE ARE A DIRECT LENDER FOR THE PPP PROGRAM!” and “[w]e are currently offering stimulus relief spending under the Economic Security Act (Cares Act).”
Stay Informed

• Get the FTC’s Consumer Alerts: ftc.gov/subscribe

• Report scams or questionable claims: ftc.gov/complaint
  or www.ftc.gov/queja

• Know the latest on the Coronavirus
  – COVID-19 Scams: ftc.gov/coronavirus
  – Federal gov’t response: usa.gov/coronavirus
Thank you
Antoinette Bacon

Associate Deputy Attorney General & National Elder Justice Coordinator
LARGEST ELDER FRAUD SWEEP IN HISTORY

400 Defendants – **54% more** than 2019!

<table>
<thead>
<tr>
<th>Year</th>
<th>Defendants</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 sweep</td>
<td>+ 250</td>
<td>+ $500,000</td>
</tr>
<tr>
<td>2019 sweep</td>
<td>+ 260</td>
<td>+ $750,000</td>
</tr>
<tr>
<td>2020 sweep</td>
<td>+ 400</td>
<td>+ $1 billion</td>
</tr>
</tbody>
</table>
Most Outreach Events Held

- Rhode Island: 26 events
- DC: 16 events
- Arizona: 14 events
- Pennsylvania Western: 11 events
- West Virginia Southern: 10 events

Most Defendants Charged

- California Central: 86 defendants charged
- New York Southern: 25 defendants charged
- Florida Southern: 16 defendants charged
- Nevada: 15 defendants charged
- Florida Middle: 13 defendants charged
NATIONAL ELDER FRAUD HOTLINE
1-833-FRAUD-11
1-833-372-8311
• Two of the largest carriers of fraudulent robocalls in the US

• Sample 23-day period, 720M robocalls
Robocalls from TollFreeDeals.com to U.S. Phones
May 20-26, 2019

- 250,000 to 1 Million
- 1 Million to 5 Million
- 5 Million to 15 Million
- 15 Million to 23 Million
<table>
<thead>
<tr>
<th>Department of Justice (DOJ)</th>
<th>Federal Bureau of Investigation (FBI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Financial Protection Bureau (CFPB)</td>
<td>U.S. Treasury Inspector General for Tax Administration (TIGTA)</td>
</tr>
<tr>
<td>U.S. Postal Inspection Service (USPIS)</td>
<td>National Association of Attorney’s General (NAAG)</td>
</tr>
</tbody>
</table>
CUT OFF THE CASH

- DOJ took action against 600 money mules
- Operate in every state
CONSUMER ALERT

If someone told you to purchase gift cards to

• Post bail for a relative
• Pay a fine or fee to ANY government agency
• Claim lottery or sweepstakes winnings

you are being scammed!

Call your local police or contact the Cuyahoga County
Department of Consumer Affairs at 216-443-SCAM (7226)

consumeraffairs.cuyahogacounty.us
AVOID CORONAVIRUS SCAMS

Scammers are taking advantage of fears surrounding the Coronavirus disease 2019 (COVID-19) to steal money and personal information. Don’t let them.

Hang up on robocalls.
Scammers are using illegal robocalls to pitch everything from scam Coronavirus treatments to work-at-home schemes.

Verify information.
Contact trusted sources to confirm information is correct. For the most up-to-date information about the Coronavirus, visit the Centers for Disease Control and Prevention (CDC) at www.cdc.gov.

Know who you’re buying from.
Online sellers may claim to have in-demand products, like cleaning, household, and health and medical supplies when, in fact, they don’t.

Don’t click on links from sources you don’t know.
They could download viruses onto your computer or device.

Do your homework.
Don’t let anyone rush you into making a donation. If someone wants donations in cash, by gift card, or by wiring money, don’t do it.

Protect Yourself
If you believe you were a victim of a scam, call local law enforcement and file a complaint online or by phone:

National Center for Disaster Fraud (NCDF): 1-866-720-5721; disaster@leo.gov
www.IC3.gov (cyber)

Additional Information

www.cdc.gov
www.coronavirus.gov
www.FDA.gov
ftc.gov/coronavirus
www.justice.gov/usao/gan
Thank You
COVID-19 Related Fraud

- DOJ-led Task Forces
- COVID-related fraud
- Hoarding and Price Gouging
- Stimulus Payments/state unemployment insurance scams
Enforcement Actions Examples

April 24, 2020; Eastern District of New York
• Long Island Man Charged Under Defense Production Act with Hoarding and Price-Gouging of Scarce Personal Protective Equipment

April 28, 2020; Northern District of California
• Michigan Man Charged With COVID-19-Related Wire Fraud Scheme

April 9, 2020; Northern District of Georgia
• Georgia resident arrested for selling illegal products claiming to protect against viruses
Enforcement Actions Examples

Illegal robocalls
- First of its kind enforcement action
- John Kahen, et al. telecom provider
Results

• Benefits of collaboration
• Systemic solutions
Gary Barksdale
Chief Postal Inspector
U.S. Postal Inspection Service
Elder Justice Coordinating Council

Government Imposter Scams

Michael Herndon
Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter’s own and may not represent the Bureau’s views.
Imposter Scams – Government Official

Basic parts:

- Call notifying that you won a lottery or sweepstakes and several calls follow as purported administration of winnings
- One may come from an imposter claiming to be a specific government official who confirms your winnings
- Suggests you look them up on the agency website
- Told that to collect the prize, you must pay the taxes first
- You send the money and never hear from any of the callers again
Imposter Scams – Similar Names

Basic Parts:
• Deceiving affiliation – “Federal Document Assistance Administration, Inc.”
• Marketing like an official government notice with a seal and called a “regulatory notification.”
• Falsely claimed assistance in retrieving restitution from CFPB enforcement actions in the form of credit-card debt reduction.
• CFPB is monitoring for signs of debt relief & foreclosure rescue scams exploiting the COVID programs.
Have a complaint?

If you have a problem with a financial product or service:

- Reach out to the company first
- CFPB helps consumers connect with financial companies to understand issues, fix errors, and get direct responses about problems.

Submit a complaint online to CFPB:

consumerfinance.gov/complaint

- To report scams, consumers should visit the FTC’s website:

www.ftccomplaintassistant.gov
Imposter Scams – Social Security

Scams involving your Social Security number and benefits are on the rise!

Here are the facts:

- Government employees will not threaten to take away benefits or ask for money or personal information to protect your Social Security card or benefits.
- Scammers can fake your caller ID. So don’t be fooled if the call seems to be from the SSA’s real phone number (800) 772-1213 or the SSA Inspector General’s Fraud Hotline number.
- If a caller asks for your Social Security number, bank account number or credit card information, hang up.

Commitment to supporting consumers

centerfinance.gov/coronavirus

- Central hub
- Resources in English and Spanish
- Check back for updates
AARP Financial Exploitation Prevention Training Program

Jilenne Gunther (AARP)
Think. Do. Disrupt.

Jilienne Gunther, MSW, JD
National Director of BankSafe
1  THINK  
What is the problem?

2  DO  
How can we get ahead of the problem?

3  DISRUPT  
How can we work together to outsmart the perpetrators?
What is the Problem?

RETIREMENT SAVINGS LOST:
The average victim loses $120,000

EXPLOITATION
THE $1 BILLION PROBLEM
The Cost of Financial Exploitation Extends Beyond Victims

Victims may turn to public assistance after being exploited.

Caregivers pick up an average of $36,000 in direct costs due to the exploitation of family members.
The Ultimate Betrayal: Family Members as Perpetrators

**Family Members as Perpetrators**

- **AMOUNT OF MONEY STOLEN PER CASE**
  - Family Members: 2x
  - Strangers: 1x

- 60% to 90% of cases where people are exploited by family members.
The Problem is Only Going to Get Worse

People age 65 and older as a percentage of the U.S. population

Increase in complaints by people age 60 and over

- 2010:约120000
- 2011:约150000
- 2012:约180000
- 2013:约150000
- 2014:约180000

1. AARP
Methods of Exploitation

MOST COMMON WAYS TO ACCESS MONEY

By Family
- Financial Institutions

By Strangers
- Multi-Service Businesses (i.e. Money Transfer Businesses)

MOST COSTLY METHODS

- Home Theft
- Accounts
41% of customers trusted their financial institution more based on how it handled an exploitation situation.

85% prefer their financial institution’s employees to be highly trained to detect and prevent exploitation. Consumer wanted this more than discounts.
How Do We Get Ahead of the Problem?

Real action **before** the money leaves the account…
How Can We Work Together to Outsmart the Perpetrators?

TRAINING & EDUCATION
Developing the BankSafe Training: Collaboration is Key

Developed and Reviewed by 200+ Financial Experts

Tested by 2,000 Financial Industry Employees
The BankSafe Training: Key Platform Features

- 60-minute **interactive online training** that can be completed in one sitting or employees’ own pace
- Enables staff to **put knowledge to the test** through interactive scenarios, games and quizzes
- 20+ activities and bite-sized exercises **fit into the busy schedules** of frontline staff
VA Tech Study on Effectiveness of BankSafe Training

1,816 completed the BankSafe training
1,042 in the BankSafe trained group
774 in the control group

Scientific random process to assign control group vs. intervention group

Control Group

Intervention Group

People in this group were BankSafe trained

Majority of sample in both the intervention and control group had taken a financial exploitation course within the last year
1 KNOWLEDGE
Did the BankSafe Training Increase Knowledge?

2 CONFIDENCE
Did the BankSafe Training Increase Confidence?

3 SAVE MONEY
Did the BankSafe Training Group Save Consumers’ Money?
KNOWLEDGE

Does the BankSafe Training Increase Knowledge?
The AARP BankSafe Training Increases Knowledge

Post-test scores improved 133% among those who had gone through the BankSafe training, indicating a significant increase in knowledge of financial exploitation.

Increase in Knowledge Assessment Scores

- **133%**
- **33%**

[Image: AARP logo with text: Real Possibilities]
CONFIDENCE

Does the BankSafe Training Increase Confidence?
After the training, BankSafe learners reported having **four times as much confidence** in recognizing, preventing, and reporting cases of exploitation than before the training compared to the control group.
SAVE MONEY

Did the BankSafe Trained Group Save Consumers’ Money?

Real action before the money leaves the account…
AARP BankSafe Trained Group Reported Exploitation at a Significantly Higher Rate

The BankSafe trained group reported exploitation at a rate 4 times higher than the control group.

Number of Cases Reported

- Intervention Group: 123
- Control Group: 25
The AARP BankSafe Trained Group Saved a Significant Amount of Money

The BankSafe trained group saved just under $1 million, which is 16 times more than the control group.

Total Funds Saved

- Intervention Group: $900,915
- Control Group: $54,384

16x
CONCLUSION

The BankSafe training met its goal, resulting in significant financial savings and substantially higher reporting of financial exploitation.
BankSafe Training
Social Impact Snapshot

SOCIAL IMPACT

7 Million
Consumers Better Protected

$17 Million
Saved from Exploitation
BankSafe’s Approach to Social Impact

1. Designing for Industry Impact
2. Proving an Industry Business Case
3. Building Collaborative Industry Partnerships
4. Using Industry Distribution Networks
5. Leveraging Brand
Designing for Impact

- Builds **empathy in learners** through videos and activities
- Creates **positive messaging**
- Emphasizes **action steps and builds skills** to prevent exploitation
- Best e-learning principles for **interactive** training
Proving an Industry Business Case

- Reputational risk
- Prevents loss
- Creates stronger member relationships and trust
- Improves employee morale and performance

$15M

In almost a year, BankSafe has saved over $15 million.

POWER IN HEARING FROM PEERS

WHY JOIN THE FIGHT?

PERCEIVED BARRIERS EXCHANGED FOR BUSINESS JUSTIFICATION

- Increases brand distinction
- Saves money
- Meets regulatory guidance
Building Collaborative Industry Partnerships

• Engaging with the industry to make voluntary changes
• Making it easy and inexpensive to implement
• The training was developed in partnership with the industry in over 20 workshops, 200 industry reviewers and 2000 industry employees testing the training
Using Industry Distribution Networks

- Trade associations are key partners in training distribution
- BankSafe is a value-add offering for association members

CUNA  SBAs  AACUL  ICBA
Leveraging Brand

- Using our brand to **scale social impact**
- A majority of consumers **will listen to AARP** on which institutions are proactive in preventing exploitation
“[The BankSafe training is] the gold standard in the industry.”

“...huge asset to banks and credit unions around the country.”

“The BankSafe training is a game changer...”

“...a win-win for everybody. How would you not take advantage of this type of training?”

“The BankSafe training really has the fingerprints and the approval of banks all across the country.”

“One of the best things about working on BankSafe has been how collaborative AARP has been ...”
Results: AARP BankSafe Training
Social Impact Snapshot

SOCIAL IMPACT

7 Million Consumers Better Protected

$17 Million Saved from Exploitation
Thank You
Protecting the Delivery of Federal Benefits Payments

Ronda Kent (Treasury)
Protecting the Delivery of Federal Benefit Payments

Ronda Kent

Elder Justice Coordinating Council

June 10, 2020
Every day, millions of Americans have financial interactions with the federal government.

American citizens expect that:

- the government is an efficient steward of their financial resources;
- financial information provided by the government is accurate;
- their financial interactions with the government are modern, seamless and secure.
Treasury’s Bureau of the Fiscal Service disburses 87% of all payments for the federal government.

Includes benefit, tax refund, salary, and more

Payments totaled more than $3.7 trillion in FY 2019

95% of all payments were made electronically

Delivered to 248 countries, using 146 currencies
Supporting American Citizens
Payment Landscape

Over the years, Fiscal Service has evolved with the payment industry, financial technology, and the public’s needs.

A paper government check replaces the 40+ year old green punch card version.

Began sending EFT payments through alternative accounts.

Delivered first “Direct to Debit” payment to payees’ account.

 Introduced Stored Value Cards, (EagleCash), for the armed services overseas.

The Direct Express® Debit MasterCard® launches for those without a bank account.

Launched Direct Express® Debt Mastercard® mobile app.


First Electronic Funds Transfer (EFT) payment made by U.S. Air Force.

Treasury introduces checks with special watermarks to minimize fraud.

Electronic payments of all federal benefits becomes mandatory, and Go Direct® launches a public education campaign.

Same Day ACH
The Electronic Payment Journey
Why Electronic Payments?

Did You Know?
Nearly 50% of problems with Treasury-disbursed payments are related to checks even though checks constituted only 5% of all Treasury-disbursed payments.

Electronic payments are **faster**
Electronic payments are **cheaper**
Electronic payments are **safer**

**Going electronic improves customer value**
Specifically for Benefit Payments...

<table>
<thead>
<tr>
<th>Paper checks are 11-times more likely to be lost or stolen</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Paper checks are 30-times more likely for “non receipt” claim</th>
</tr>
</thead>
</table>

| Nearly 30,000 Social Security and SSI checks were reported lost or stolen in 2019 |

Paper checks are 11-times more likely to be lost or stolen.

Paper checks are 30-times more likely for “non receipt” claim.

Nearly 30,000 Social Security and SSI checks were reported lost or stolen in 2019.
Direct Express® Debit Card Program

Provides 4.5 million Americans with an electronic payment option that promotes financial capability and enables access to the financial mainstream.

Cardholder demographics:

- 53% are age 50 or older
- 57% have benefits as sole source of income
- 70% are unbanked
- 97% receive SSA or SSI
Mitigating Fraud

- Regulation E protections
- 24/7 customer service
- EMV chip and PIN technology
- Purchases protected by Mastercard Zero Liability
Preventing Financial Exploitation

• Majority of Direct Express® cardholders do not have a bank account
  – Limited familiarity with debit cards and other financial products

• Blog posts and social media on DirectExpress.info website
  – Useful tips on how to protect personal privacy and identify common online scams

• Direct Express® mobile app
  – Sign up for text or email alerts for deposits and transactions
  – Access account from smartphone or computer

• Working with partners
  – SSA, VA, AMBA, AARP
Promoting Financial Education

- Direct Express® sees financial education as a critical part of its mission

- PayPerks for Direct Express®
  - Allows cardholders to continue and grow their financial education
  - Educates cardholders on fraud prevention
  - Contains more than 150 tutorials
  - Topics range from card basics to budgeting and savings, privacy and security, and reducing unnecessary fees
Meet Don: Direct Express® Cardholder
Closing Remarks

Lance Robertson
ACL
Thank You!

Speakers

EJCC Members
Elder Justice Coordinating Council Meeting

Aiesha Parry  
Aging Services Program Specialist  
Administration for Community Living

Elizabeth Petruy  
Aging Services Program Specialist  
Administration for Community Living

Stephanie Whittier Eliason  
Elder Rights Team Lead  
Administration for Community Living

U.S. Department of Health & Human Services
Thank You!

Speakers

EJCC Members

Attendees
Elder Justice Coordinating Council Meeting

Wednesday June 10, 2020