



## July 2025 APS TARC Podcast Transcript

### FINRA Fundamentals: What APS Workers Should Know

#### Introduction

**Andrew Capehart:** Welcome to the Adult Protective Services Technical Assistance Resource Center podcast. We come to you with the goal of sharing promising practices and innovations from the adult protective services field, and to highlight what is achievable with new ideas and partnerships to help you envision what may be replicated in your program. Let's join our host, Jennifer Spoeri, APS TARC subject matter expert, and guests in conversation.

#### Discussion

**Jennifer Spoeri:** Welcome to the APS TARC Podcast. Today, we're going to talk with Olivia Valdes, the principal research analyst, and Christine Kieffer, the senior director of the FINRA Investor Education Foundation. We will explore the important role FINRA plays in the financial regulation and investor protection. Our guests will share valuable research insights and practical resources that can help APS professionals identify and combat financial exploitation. Let's start with you, Christine. Many of our listeners work with financially exploited clients daily, but may not fully understand how FINRA fits into the protection landscape. Could you explain what FINRA and the FINRA Foundation are? In brief, how does their work intersect with adult protection?

**Christine Kieffer:** Well, thanks for having us here today, and thank you to the audience for taking time to listen. You may have heard of FINRA and you might not have. FINRA is the Financial Industry Regulatory Authority. And FINRA is a private, not-for-profit membership organization, and we are responsible under federal law for supervising our member firms. And by member firms, I mean brokers, brokerage firms, and registered brokers in the United States. And there is a multi-tiered investment professional regulation in the United States. There's state regulators, there's federal regulators — that's the Securities and Exchange Commission — and there's FINRA. FINRA's mission is to protect investors and safeguard market integrity to ensure that everyone can invest with confidence. And we are considered a self-regulatory organization because we're not part of the federal government, but we do operate under the oversight of the Securities and Exchange Commission. So it might be a little bit confusing, but know that the SEC, the state securities regulators, and FINRA are all working together to collaborate on investor protection in the United States. FINRA writes rules, enforces rules, and we can impose disciplinary action on our members, and that could include fines, suspensions, and if warranted, barring a member from the securities industry.

So you in APS may find a situation where you're conducting a financial exploitation investigation and it involves some sort of financial professional, an investment professional, and FINRA, as a regulator, would be interested to know about that, and you can look to see if they're a registered professional using a tool called Broker Check



that FINRA runs. And Broker Check gives you APS and others, anybody in the public, an opportunity to see if investment professionals and firms are registered as they're supposed to be, with few exceptions, and whether there's any sort of disciplinary history. And so Broker Check can be a tool. I mentioned that because FINRA can fine, suspend, and if warranted, disbar members. You will be able to find that on Broker Check, and in some cases of financial exploitation, that might be a situation where you run into someone who has disciplinary history, and that could be part of your investigation, and you could be using our Broker Check tool. We refer matters to APS throughout the year. In the last 10 years, for instance, we've made about 500 referrals to APS through our vulnerable adults and seniors team that I'll talk about a little bit later.

And lastly, just to introduce the FINRA Foundation, the FINRA Investor Education Foundation, where Olivia and I spend a lot of our time, is a subsidiary of FINRA that really focuses on the consumer, on the retail consumer, and we pursue research and educational initiatives that empower Americans with knowledge, skills, and tools that they need to invest with confidence and make sound financial decisions. And so we pursue a combination of education and research in order to do that.

**Jennifer Spoeri:** Prevent. I see that as a prevention.

**Christine Kieffer:** And it's not just fraud, it's also to empower people to understand financial issues and be able to make those decisions that we all need to make every day with our finances, with some level of confidence.

**Jennifer Spoeri:** Yeah, manage their finances responsibly so they don't end up an APS client, right? So you guys cover a lot of territory, and as most of our listeners are likely aware, financial exploitation cases are among the most complex that APS professionals handle. Complex and I would add time consuming, because sometimes the number of accounts and documents are obscene. So could you share how the foundation is specifically addressing financial exploitation through its various initiatives, Christine?

**Christine Kieffer:** I'll talk a little bit about FINRA first, and then also just mention the foundation. So FINRA is long been, I mean, investor protection is at our core. So it's long been focused on senior investor protection in particular, and recently announced a new focus of several key initiatives, and they're known as FINRA Forward. And one of the very first FINRA Forward initiatives is to combat cybersecurity and fraud risk, and that includes financial exploitation. And these initiatives collectively are meant to improve FINRA effectiveness and efficiency in pursuing our mission and investor protection and market integrity, and so really bringing to the fore at the very front that fraud and cybersecurity risk are great to our customers, to our country, to all of us, has been a really valuable way for FINRA to kind of wrap a blanket around all of the work that we already do around senior investor protection. So for instance, we have a vulnerable adults and seniors team and a securities helpline for seniors, which can be a resource for APS, and I'll give you the URL and the number there in just a second, but our vulnerable adults and seniors teams help coordinate our investigative efforts related to senior investor protection issues. And the securities helpline for seniors takes calls from consumers, but can also take calls from APS. So let's say you have a statement, a financial statement, that looks like an investment account statement,



and you're not sure about something on it, you could call our securities helpline for seniors and ask them questions, and we can figure help you figure out who the regulator is, whether this individual is actually registered or not. Maybe this might be a true sort of scam fraud situation. And you can reach our securities helpline with, I'll give you URL. It's [www.finra.org](http://www.finra.org). Because we're a nonprofit we're a .org, /senior helpline, and we have a toll-free number as well that's available on there.

So our FINRA Forward initiatives, just like as I said, just sort of wraps a blanket around a lot of things that we're already doing. We have convenings for internal and external stakeholders, including you, Jen, as part of roundtables to understand our collective efforts to protect consumers, particularly seniors. We have some senior financial exploitation rules, which I can describe a little bit later, and as well as professional development for member firms so that they can better protect their customers through our annual conference, through spotlight webinars, and other topic-focused conferences. And the FINRA Foundation engages in a great deal. I mentioned we really want consumers to understand the financial landscape and understand the financial decision that they make, but we're also particularly interested in this fraud and exploitation space, and so we use a combination of research and professional development and consumer outreach to try to impart protective messaging into the community.

**Jennifer Spoeri:** Great. I'm just sitting here thinking, when I began in APS back in the stone ages, I needed to learn more about finances when we got some cases in there, so this could really be a support some of the stuff that's about investor education could be good materials for APS professionals.

**Christine Kieffer:** Absolutely. And let me just add, we have a series of articles on our website, [finra.org](http://finra.org), in the investor section, and they're called investor insights, but they go in-depth on lots of different financial topics. So let's say you have a case that involves promissory note or variable annuity or a certain type of security, and you think maybe there's been some churning, which means buying and selling to generate commissions going on. You might find some more detail in those investor insights articles that helps you understand that issue. Just to your point.

**Jennifer Spoeri:** Gotcha. Yeah, I remember learning about an annuity that investor or an advisor had put a 95-year-old woman into a 10-year annuity, and I thought, What in the world? They're banking on her living to be 105? So things like that that, you know, you learn through the casework, but financial exploitation has definitely reared its ugly head in the past 20, 25 years, as you mentioned, and you mentioned cyber security and fraud risk — that's gone through the roof. So I hope our listeners keep in mind that they can call that securities helpline or go to [finra.org](http://finra.org), backslash senior helpline. So at this point, let's go to Olivia, Olivia Valdes. Christine mentioned research as a cornerstone of the foundation's approach. Could you walk us through your research program on financial exploitation?

**Olivia Valdes:** Yeah, sure. So in terms of the research that we do at the foundation, we look at fraud victimization and fraud and financial exploitation really from all angles. So from trying to understand what factors are the



ones that contribute to one's susceptibility to losing money to fraud to, you know, once fraud has happened, how can we best react in the aftermath of a fraud? So just to give a brief overview of some of the things that we do, we, I mean, understanding that there really is a scam for everyone. We still try, we try to understand, and we're interested in trying to uncover how we can best protect people by identifying what are the risk factors and what are the protective factors that exist against fraud victimization. So what are the characteristics, the demographic factors, the personality traits, the psychological profiles, all of these things that may lead some people to lose money to fraud. So for instance, we had a recent study that we just published a couple weeks ago where we were trying to identify, you know, does the way that people view the world is that associated with fraud victimization? You know, there are so many different types of fraud now there's the opportunity type fraud. So fraud said involve like, quote, unquote, winning a lottery or a romantic relationship. That's really fraudulent to those that poses threats, like the government impersonation scams, or the grandchild scams, where a grandchild is in need of assistance. So there's so many different types of scams that identifying the characteristics of who's vulnerable to scams is really very, very complicated. It's not an easy task, and so we're continuously coming up with new research and trying to identify where are these susceptibility factors.

So another important endeavor that we have at the foundation is trying to understand how we can prevent fraud. So what are effective mechanisms? Can education help? Can structural intervention help? So when we talk about structural interventions, these are really ways to intervene right before the scam happens — an effort by an organization, a company, an agency, that can intervene and stop the scam right then. So for instance, if a bank teller warns customers against making a large withdrawal, or an employee of a wire transfer service tells you, you know, maybe that high dollar value gift card isn't such a good idea. How what are what's helpful in these types of endeavors? And, you know, one thing and one study that I'll mention quickly, we looked at the role of education in an experiment, and we found that education really is effective. We showed people these short educational videos as well as short like really small pamphlets with some information about investment fraud, and we saw that it really did decrease their interest in fraudulent investment opportunities. These effects do decay over time, but with repeated exposure education really does work.

**Jennifer Spoeri:** That, and I could just have to jump in here really quick, because when you said an intervention, I was thinking calling APS and then utilizing the report and hold laws that I'm going to ask Christine about in a little bit, but the education, that's fascinating, that there's actually research to support this. So we need to start getting into like elementary schools, teaching kids about finances, get them while they're young, right?

**Christine Kieffer:** Well, Jen, you know, one of the things here we always have to think about, and Olivia pointed out, that effects decay, right? And so repeated exposure to messaging. So it's not just about what you learn in elementary school. You have to be repeatedly exposed, as well as exposed at a time where it's relevant to you. And so as we think about, and Olivia mentioned structural interventions, a structural intervention would be, you know, a bank teller or maybe a sales person at the front of the local grocery store who intervenes when someone's trying to either make a withdrawal or buy a lot of gift cards or something like that. That's a structural



intervention. So you have this combination of education of the consumer, the structural interventions that we as sort of intermediaries, and APS could be one of those intermediaries puts in place, as well as then the sort of investigatory side at the end.

**Jennifer Spoeri:** You need a perfect storm. Sorry, Olivia, we digress. Yes.

**Olivia Valdes:** And then the last thing that I'll mention here in the large overview is that, as Christine mentioned earlier, we're really interested in trying to understand how age intersects with scam susceptibility. So we know that older adults are disproportionately targeted by many scams and financial exploitation. It's not just, you know, it's not just older adults. We do see a lot of young people losing money. Some cases, more young people say that they lose money than older adults, but when we talk about dollar values, older adults are losing a lot of money and so and especially for them, it can be particularly devastating because they don't have the benefit of time to recover some of those losses. There's also, like an emotional toll, and so we've been very interested in looking at age, age-related changes, cognition, but beyond cognition, how those things are associated with decision-making as well as fraud victimization.

**Jennifer Spoeri:** This is fascinating, and I just kept on thinking, and as the APS professionals on this call know, a majority of APS cases involve banks. But all of this research really translates over all of this, you know, because it's just researching, you know, education, prevention, on finances and the age-related changes. So it's not specifically on investment fraud. It can cover many areas of financial exploitation, which is awesome. So, Olivia, your research on aging and financial decision-making seems particularly relevant for our audience. Could you share some findings about how the aging-related changes may affect financial vulnerability? Like what specific warning sign should APS professionals be looking for?

**Olivia Valdes:** Yeah, so like I mentioned, this is really an important focus for us, and so we've partnered with researchers at Rush University Medical Center, and we've done a couple of different studies together to try to look at how these age-related changes are associated with financial decision-making. And one of the reasons why we partnered with them is because they have this really great panel where they assess older adults. So it's called Rush's Memory and Aging Panel. It's a large group of older study participants, about 1,500 people, and they've agreed to be followed over time. So year after year, these folks are assessed on their financial and health decision-making-related abilities, so things like their financial and health literacy, how susceptible they are to scams, decision styles, risk preferences. They get assessed a lot, and they also undergo some pretty robust clinical evaluations, so we have information on their health measures, their psychological measures, and all of these different financial characteristics. It's really a really great panel for us to do research on, and we've found a lot of really interesting insights from it.

So one of the things that we've seen is that many older adults are at risk of poor decision-making. They're vulnerable to making errors in their decision-making and being exploited by bad actors. And it's not just older adults with dementia or older adults with mild cognitive impairment disorder, it's really everyone. So it's really



common, even among people that are seemingly cognitively intact. So about 30% to 40% of older adults without MCI, without Alzheimer's dementia, are exhibiting a suboptimal decision-making. And you know, sure cognition is a really important factor, but it's really not the only one. We've seen that there's a couple of other factors that can be associated with older adults' susceptibility to fraud. So their financial state, their emotional and psychological well-being also play a critical role.

**Jennifer Spoeri:** Yeah, it's complicated. Yeah, all of us are susceptible. That's comforting, really.

**Olivia Valdes:** Yeah, I guess, if you look at it that way.

**Jennifer Spoeri:** Well, and that's again, where Christine had mentioned the interventions and the ongoing messaging and just keeping it on everyone's, you know, the front of mind, you know, these kind of things that are going on. So great. Thank you. Did you have something to add?

**Olivia Valdes:** Yeah, I have so much. But, I mean, I'm sure that we have to cut a lot of it, but I have a lot of notes on me.

**Jennifer Spoeri:** No, that's fine. This is all good stuff for our listeners.

**Olivia Valdes:** So in terms of, like specific things that we found, we've seen that lower financial literacy as well as declines, those are associated with poor decision-making. Those are things that, you know, APS workers can look forward to if you're seeing big changes in literacy rates, in cognition. It's not just those baseline levels, but declines. Those are indicators that something may be there. Fewer resources. So seeing if what their financial state is like, do they have high levels of debt? Are they financially fragile? We have seen that older adults who are more financially fragile, they're more prone to being victimized by fraud, especially some types of fraud that have to do with opportunity, you know, where there's the opportunity of having, you know, more money or being financially less fragile. It seems that, of course, they're more susceptible to these types of fraud. And then the other thing that would be really important to look out for is changes in emotional state. We have seen that older adults who are more isolated, who report higher levels of loneliness, depression, they're also more susceptible to poor decision-making and and.

**Jennifer Spoeri:** All right. Boy, full of good news there, aren't you? But I also am sitting here thinking that we could keep in mind that people don't have to have a lot of money to be exploited. You know, it could be just a pension that's going and it's still at a brokerage or an investment firm. You know, it doesn't have to be millions of dollars. You know, there's people out there that have some kind of securities, or I'm probably using the wrong terms, but you know, it doesn't have to be a lot of money to be exploited. And sometimes I'd also argue that hurts worse than, you know, I always used to always say, somebody that's got \$2 million and \$10,000's taken from them, that that's a lot of money, but it doesn't hurt them as much as somebody who gets \$1,200 a month and a half of their income's taken every month. So you know, it's, it's just an interesting way to look at it. Like you said, opportunity and access too plays a huge role so.



So I'd like to shift our focus now to Christine and how this research translates into practical action. Christine, could you share some of the foundation's strategies to help prevent and intervene in cases when exploitation has already occurred, and what resources are available for APS professionals to use in their day-to-day work?

**Christine Kieffer:** Yes, and we do use research to inform all of our programming, and we share that research broadly. And by our I mean the FINRA Foundation in this case, but we also share that with our colleagues at FINRA that are doing supervisory work and looking at these issues broadly, so that we can share that with industry as well. And so a couple of resources that APS could take advantage of, the FINRA Foundation has used our research to translate into trainings. So for instance, we work with the National White Collar Crime Center to offer a series on targeting investment fraud. So if you're someone who works cases that touch on investment fraud, and I don't just mean these transnational criminal scams, but some of the more traditional Ponzi or exploitation-oriented frauds, you can also sign up for those with the National White Collar Crime Center, and they'll contact us and say, Oh, they're not law enforcement, but they or you might be law enforcement in your role, and we still allow participation for professionals in that. We also conduct trainings with the National Center for Victims of Crime, including at the National Training Institute, which takes place, usually annually, every fall. And we do find a lot of social workers in APS that attend that conference, so just as an FYI. And Jen, you know I participate as a member of NAPSA's financial exploitation advisory board. And so we take our research and share that with the board, and then share it through World Elder Abuse Awareness Day events, as well as the Elder Financial Exploitation Summit, which attaches to the NAPSA conference. So we try to also share this with industry and with other peer professionals like you, APS, more broadly.

Something interesting that we've been doing lately. We've seen, we saw, at least for a period, a gap in services in this mental health community. Olivia mentioned that there is emotional impacts to exploitation and fraud victimization, and so we've been developing mental health counselor training so that we can build more supports in the community for family members, but also for people that have been victimized in an exploitation situation. And so, you know, mental health counselors oftentimes, they're, they're, they're well trained to deal with the PTSD that is often caused by a financial exploitation situation. So there's grief and trauma, you know, big T trauma can be very impactful. You mentioned, you know, for somebody to lose a small amount of money relative to their overall portfolio is one thing, but when it's even a small amount of money in real terms, but it's a large percentage of their wealth and their, their income, their ability to buy food and pay their rent and all that, it has really tremendous emotional impacts, and they last a long time.

So we're trying to build more supports in the broader community in the mental health area. So if you in your work with APS, end up intersecting with mental health professionals and other social workers, encourage you to connect with organization called Give an Hour, give an, A N, hour, and giveanhour.org/financial fraud, they have resources that you can take advantage of as well as trainings. We're right in the middle of a series of trainings for mental health counselors that are available on demand, as well as a follow on. So there's, there's lots of different ways to kind of get up to speed on these topics and to enhance the work that you're doing in



APS through these kinds of trainings. And the last thing I'll add is, you know, you mentioned when exploitation has already occurred, some of the mental health counseling space is what we're working on there. But we've also developed, with two different partners, peer support programs for people that have been victimized. And separately, one of these organizations also provides them for family. So let's say you're working a case, and there's family members that are having difficulty coping with and understanding and communicating with their family member who's been exploited and why that happened. And it's very, you know, it's an emotional experience for everybody involved, including the periphery family members. And so Give an Hour, I mentioned, is also providing drop-in support programs for victims of fraud and exploitation, as well as separately for family members.

And then we work with another group called Fight Cyber Crime, which developed a series of counseling sessions for individuals affected by romance scams. Romance scams are perhaps the most egregious of all of the financial scams, because they are, they tear at our hearts and at our wallets, and they tend to be really long lasting and, and so they may play out over a series of months or years. And so Fight Cyber Crime has developed the romance scam recovery group, where you can refer individuals to participate in their virtual 10-week programs, and they're proctored by mental health counselors, and they go through a series of trainings, and it provides a sense of community for these individuals. Olivia mentioned isolation can be a key risk factor for financial exploitation, not just the first exploitation, but for follow on exploitation. And so one of the things that we can all do to arrest a secondary scam or follow on scams is to try to fill the gap of that isolation right away, even if they've already been exploited once. Let's try to stop it from happening again.

**Jennifer Spoeri:** That's incredible. I love the peer support programs because there is so much shame associated with, you know, when somebody has money stolen from them. And in that vein, I'd love to talk to Olivia about the countless hours that APS professionals spend interviewing financial exploitation victims and their families and where every word can impact case outcomes and victim recovery. So the words matter, they really do, and your research has examined the power of language in these sensitive conversations. So can you share specific findings about communication approaches that help victims share their experiences versus terminology that might shut them down or cause them to additional trauma or cause them to kick an APS worker out the front door. Get out of my house. We hear that occasionally. Enlighten us.

**Olivia Valdes:** Yeah. I mean, we started this project because we thought that this was happening in the financial crime space, right, that victims of fraud and scams were too often blamed for the crime that they had experienced. It's not new or unique to financial crimes, this concept of victim blaming, but we know that it has important consequences. We've seen it in other forms of crime. So we were really interested in, you know, trying to see how this was occurring in fraud and scams. And so we looked at how we talk about victims in different layers. We wanted to see, you know, how do the victims talk about themselves? How do their families talk about them? And then, you know, the organizations like APS, or, you know, law enforcement, how they interact with victims and how they talk to them, to just society at large, like how we talk about victims in the



media, how we talk about the perpetrators in the media. So it was we kind of were covering all the bases there of how we think about victims and how we talk about them, and essentially, we found that victims themselves, they are just like you mentioned, Jen and Christine. They're, they're blaming themselves a lot. They are the first ones that are super ashamed, blaming themselves, especially in fraud that have to do with romance scams. That's even more so.

When we look at their friends and families, inadvertently, we found that there's a lot of support, a lot of empathy, a lot of compassion, but the way that we talk about victims, you know, sometimes it's well intentioned but misguided, and it could actually exacerbate some of those feelings of shame. So for instance, asking like, you know, how could you let this happen? Or what were you doing that this happened? That kind of language can just make people feel worse about it. The way that we talk about victims, it makes a big difference. One of the things is shifting the subject from the victim to the criminal. So instead of talking about the victim as if it's their responsibility that this crime happened, we wouldn't do that in like property crime, or, you know, why would we do that here in financial crime? So instead of portraying the victim as culpable, portraying criminals as the villains, you know, focusing on the ugly side of that of scam rings, of the rate of the reach that they have, the nefarious tactics and their sophistication. Because it's not that the victims were dumb or didn't know what they were doing. These are really sophisticated enterprises, so just shifting that language is really helpful.

**Jennifer Spoeri:** Yeah, thank you. Those insights are really valuable. I heard a presenter years ago say, you know, instead of saying, How much did you give that person? say, How much did they steal from you? Just a subtle shift in that saying, you know, this was a crime, this was theft. So thank you, Olivia. So Christine, has the foundation developed any specific materials or resources based on the research that Olivia has outlined that APS professionals could use to improve their communication with victims?

**Christine Kieffer:** Yes, we have. And in fact, I was going to give the example you just did, which is, you know, providing some, some guidance and tools have said instead of this, say this, kind of guidance, and we have a little bit of a cheat sheet that we developed with AARP that builds on the research Olivia was just talking about the blame and shame report. And I just want to emphasize that, as APS workers, you've all been trained in trauma-informed care and just applying that, remembering that financial crimes can, and most often are traumatic to an individual, and that that same level of empathy and care needs to come into play. And so your example of, you know, saying, instead of saying to the victim, how much do you give them, it's how much did they steal, right? You put the verb on the on the perpetrator. And so we do have a resource, I would recommend checking out the FINRA Foundation's website. So previously I mentioned finra.org. Well, this is FINRAfoundation.org/fraudfighter, and in our Fraud Fighter section, we have references to the different types of trainings that I've talked about earlier in the podcast, as well as to some resources for how to assist victims, including recommendations and suggestions for how to adjust our language accordingly. There's also a journey map, which is quite interesting, which we developed with Give an Hour that explores the mental health and emotional journey of a fraud victim from the moment of discovery to a moment of recovery, and what those



different intervention points are along the way that could help them towards recovery sooner than later. And so take a look at the journey map and the how to talk to victims handouts, as well as some victim empowerment resources, and you can access all of the partner support group resources that I mentioned at that website, FINRA foundation.org/fraudfighter.

**Jennifer Spoeri:** That is great information for APS professionals to be able to give their clients, you know, to hopefully avoid revictimization, because we know that once you're a victim, sometimes it happens too far too often again. So.

**Christine Kieffer:** It might even be that that working, there's family members that you're also communicating with through your investigation, that the family member might need that. They haven't had the trauma-informed care, they haven't had

**Jennifer Spoeri:** They need to get their head around it.

**Christine Kieffer:** Right? It might help them.

**Jennifer Spoeri:** Yeah.

**Christine Kieffer:** Better support their family.

**Jennifer Spoeri:** Gotcha. Yeah, it's not everybody is an APS professional social worker or we, you know. So we've been talking about some of the great research and resources from the FINRA Foundation, but I know many of our listeners might not be familiar with how FINRA itself, as a regulatory organization, has created rules to help protect their clients. So and these rules are really, really important when APS is called. So Christine, could you explain what these rules are like and, and about temporary holds, suspicious transactions? I'll let you take it from here, because this is where the rubber meets the road, as far as.

**Christine Kieffer:** Absolutely. So I think it was said a number of years ago now, not less than 10 years ago, so it was about seven years ago FINRA implemented a series of rules, and we've enhanced them in that time period. So let me just explain. The one that you'll most likely interact with is our ability for financial firms that are FINRA regulated, so these are the investment firms, the brokers and brokerage firms, to place a pause on the transactions or disbursement of funds from a securities account in the case where they suspect financial exploitation. So they can't just pause it because they want to, right? I mean, under federal rules and under the securities laws, they need to, this is the client's money. It's the customer's money. But in the case of financial exploitation, the firms wanted more help figuring out how they could help their clients, and how they could help their clients when they really suspect that something's wrong. So in the case of financial exploitation, the firms have a safe harbor to place a pause on a transaction. So by transaction, somebody might say, liquidate \$40,000 of this, of this security. And, you know, give me the money overnight, and they might tell you something like, because I'm going on a, you know, a cruise, Baltic cruise. And that might be true, but to the extent that the, the



rep or the firm has reason to believe that they're actually not legitimately using it for that purpose, and then there's some sort of undue influence or exploitation going on, the firm doesn't even have to sell the security, and they can just say, hey, let's investigate, and they put a pause. And in doing that pause they have to do there are a couple of things they must do, but they must refer to APS. So you at APS might get a call from an investment firm that has put a pause on a transaction, and they need, you know, there's a certain number of days that they conduct an investigation. They notify APS. They also have to notify a trusted contact on the account if there is one. That's a second set of rules that I'll talk about in just a second.

But if you, APS, receive a notice from a firm, and it's maybe not something you were previously investigating, and they say we believe there's financial exploitation happening here, and we're placing a pause on this transaction while an investigation takes place, and then you also initiate an investigation, it's really helpful, if you have a way without violating anybody's privacy, to let the firm know that you are conducting an investigation, because then they can hold it longer. So there's limitations on how long they can hold it, and if they know an investigation is going on, then they can extend that hold and, and so it's really important, I mean, as part of your multidisciplinary teams in your community to include these financial institutions and get to know the people so that you can share that open communication to the extent that there's no violation of privacy laws.

And I'll just mention again that the trusted contact is another rule that FINRA put into place. It was an enhancement of our customer information rules, and the trusted contact rule applies to actually every account. So it's not just about age, but the firms are required to make a reasonable attempt to obtain a trusted contact on every account. And by reasonable attempt, they need to notify their customers and provide encouragement. And FINRA has put out some resources that the firms can use to provide encouragement to customers. A trusted contact is not a power of attorney. It's not someone who can transact in the account, necessarily, unless your trusted contact is the same as whoever your power of attorney is, but a trusted contact is someone that the firm can call if they're going to enact the transaction holds, and also if they have other questions. So for instance, you know, they can't reach you. They've been trying to reach you, and they're concerned, they can reach out to the trusted contact and say, Hey, I've been trying to reach, you know, Betty, she's not answering. It's been a while. And this person might say, Oh, wow. Betty lives in South Florida, and there was a hurricane, and she's not home anymore, right? It might be something like a natural disaster. It might be a financial exploitation situation, but it might simply be that there you are on that Baltic cruise.

So the trusted contact is just a resource for the firms and but you at APS will most interact with that transaction hold and I, at the beginning of our podcast, I mentioned Broker Check as a tool if you're ever working a financial exploitation case, encourage you to check Broker Check. It's [finra.org/brokercheck](https://finra.org/brokercheck), and just verify if the individuals in question are registered, who they're registered with. FINRA, the state's SEC. We have connected systems, and so you can find that out, and it's just a great tool for you to use.



**Jennifer Spoeri:** Yeah, it's like a background check on the perp.

**Christine Kieffer:** Yeah, and they don't know that you're doing it right?

**Jennifer Spoeri:** Right. Exactly. And I just want to reiterate the whole giving the firms the information that APS is still working on a case. That is critical, and I know we have some strict confidentiality laws across the country. Every state, even some counties, can be different, but you've got to give to get and something as subtle as saying, you know, we're still investigating that, that gives the firms the words they need to continue that hold if there's still ongoing concerns. So in the interest of protecting your client's finances while you're still investigating, you know, give a little so that's my plea out there.

**Christine Kieffer:** And Jen, I want to just plug one more thing that I forgot to mention. FINRA has also put into place some rules around beneficiaries and accounts, and so we have some restrictions on financial professionals being named as beneficiaries and even the family members of financial professionals. And while that's not a super common situation, it does happen and you again, in APS, you might be looking at documents, you might have records that you've obtained. And so particularly, if you run into a situation where it looks like a financial professional has been named as a beneficiary on an account, you should do some more digging.

**Jennifer Spoeri:** Gotcha, it's a little red flag where there's smoke, there's fire?

**Christine Kieffer:** Yeah, and there are some cases where it's okay. So I'm not saying it's always a situation of exploitation, but we have pretty strict rules around that now, and it would certainly be worthwhile reaching out to a firm and investigating that.

**Jennifer Spoeri:** Gotcha. Well, thank you. So before we let you go, I want to make sure our listeners know where they can stay connected with FINRA and the FINRA Foundation. Olivia, where should they go to access all the resources and research that we've discussed today?

**Olivia Valdes:** Well, Christine has done a really good job of doing this across the podcast, but yeah, everything that we've talked about is at the finrafoundation.org so all of the things about, you know, helping be a fraud fighter, protecting yourself against scams. All of that is on finrafoundation.org. The information on finra.org, Broker Check, all more information of the rules if you're interested, all of that is available. I'll make a plug for the research center. So all of the research that we talked about, you can easily find that at finrafoundation.org, on the top research center, there are a couple of different filters. So if you're interested in seniors specifically, you can filter that out. If you're interested in aging and decision-making, in consumer financial fraud specifically, there's a lot of different filters that you can toggle, and you can read specific reports, specific short research articles, on anything that may interest you. And I'll just say, we always update our LinkedIn. So if you want to follow the FINRA Foundation, FINRA on our LinkedIn, Facebook channels, please, please do so.



**Jennifer Spoeri:** Great. Well thank you so much. I really appreciate both of you, Christine and Olivia, for taking the time to speak with me and offer our listeners invaluable information about FINRA. And I hope you all enjoy the rest of the day. Thank you.

**Christine Kieffer:** Thank you.

**Olivia Valdes:** Thank you.

**Andrew Capehart:** Thanks so much for listening. To give us feedback on this podcast or reach out to us, please visit our website at APSTARC.acl.gov. This podcast was created by the Adult Protective Services Technical Assistance Resource Center, administered by WRMA, Inc. under contract number 140D0424F1178, from the U.S. Department of Health and Human Services, Administration for Community Living, Administration on Aging. Special acknowledgement to the National Adult Protective Services Association, who contributed to this podcast. The views expressed in this podcast do not necessarily reflect the views or policies of the Administration for Community Living or the U.S. Department of Health and Human Services.