NAVIGATING A CHANGING LANDSCAPE

Current Considerations When Addressing Senior Financial Fraud

Bates Research

Background

By now, many in the financial industry are familiar with the targeting and exploitation of seniors and other vulnerable investors. The growing elderly population, combined with their personal stories and the ubiquity of the reporting around this issue, has created political momentum for federal and state government action. The result is a changing legislative and regulatory landscape that imposes significant new compliance obligations on financial firms and practitioners and significantly increases enforcement risk. This paper provides an overview of that landscape and some considerations for those who work in the litigation, regulatory and compliance and financial crimes space and what comes next.

The Issue

The term "financial exploitation" is defined in the Older Americans Act Section 102(18)(A)[1] as the "fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual, including a caregiver or fiduciary, that uses the resources of an older individual for monetary or personal benefit, profit, or gain, or that results in depriving an older individual of rightful access to, or use of, benefits, resources, belongings, or assets."[2]

How big an issue is it? Big. The Securities Industry and Financial Markets Association ("SIFMA") notes that seniors lose roughly $2.9 billion annually "as reported by the media, and only an estimated 1 in 44 cases of exploitation are ever reported to the authorities."[3]

Another indication of the size of the problem may be reflected in a recent Department of Justice ("DOJ") sweep against fraudsters targeting the elderly.[4] These cases, which included "criminal, civil and forfeiture actions across more than 50 federal districts," charged over 250 defendants with victimizing more than a million Americans for an estimated $500 million in stolen assets.

Types of Fraud that Target the Elderly

The Consumer Financial Protection Bureau ("CFPB"), the Federal Trade Commission ("FTC") and the Financial Industry Regulatory Authority ("FINRA") provide strategies[5] for seniors to protect themselves against many types of financial exploitation. They list the following types of fraud included under the above definition: *exploitation* by someone in a fiduciary relationship with the senior; *theft* of money or property by a family member, caregiver or in-home helper; *investment fraud or scams*, such as "free-lunch seminars" or selling inappropriate or fraudulent financial products; *lottery and sweepstakes scams; tax and debt collection scams; charity scams; telemarketing, mail and internet scams; identity theft; reverse mortgage fraud;* and *contractor or home improvement scams*.

The Securities and Exchange Commission ("SEC") offers a guide for seniors[6] to address investment fraud as defined above. The agency lists the following high-incident categories: *"ponzi" and pyramid schemes*, in which initial investors are paid off with money taken from new investors until "the scheme collapses, investors lose their money, and the fraudsters walk away rich;" *oil and gas scams*, which often employ "boiler rooms" staffed with skilled telemarketers using high-pressure sales tactics to

The National Adult Protective Services Association (NAPSA) estimates that only one in 44 cases of elder financial exploitation is reported.

defraud seniors; *promissory note fraud*, which entails solicitation of loans in exchange for the company's promise to pay an investor a fixed rate of return; *prime bank fraud*, which entails solicitation of funds to be used to purchase and trade "sophisticated financial instruments or high-yield investment programs on offshore markets" in exchange for a promised high return (Sellers often represent that they have special access to programs reserved for top financiers.); *"high-return" or "risk-free" investments*, which are inducements to purchase unsuitable investment products that don't meet the investment objectives or means of an investor (Concerning seniors, this often means highly speculative investments such as options, futures or penny stocks.); and *internet fraud* that creates compelling sophisticated marketing material on web sites, internet bulletin boards, online newsletters, spam, or chat rooms to perpetrate what would otherwise be considered standard types of fraud. The Federal Bureau of Investigation ("FBI") reported that almost 50,000 people over 60 lost $342.5 million in 2017 to internet fraud and scams.[7]

Recently, the U.S. Senate Special Committee on Aging issued its 2018 Fraud Book which provides a top-ten list of frauds perpetrated against the elderly.[8] In addition to the types of fraud mentioned above, the Committee cites Internal Revenue Service ("IRS") impersonation scams, grandparent scams, and romance scams at the top of the list.

Why Seniors? Why Now?

The reasons for the proliferation of so many types of scams against this aging population are varied. The Office of Investor Advocate ("OIA") recently published an independent analysis[9] by its Engagement Advisor, Stephen Deane, which concluded that seniors are particularly susceptible to financial abuse due to three "interrelated factors." These include the health-related effects of aging; financial and retirement trends; and demographic trends.

The first factor refers primarily to cognitive decline brought on by aging with the attendant increased dependence on others.

Diminished capacity and independence make this population more vulnerable to the types of schemes listed. The second factor refers to the substantial wealth and assets of older generations. Mr. Deane notes that financial and pension trends that reflect a shift from defined wealth plans to defined contribution plans place greater "responsibility onto the elderly themselves to manage their retirement savings—ironically, just at a time in their lives when their ability to do so may become impaired."

The Top Ten Types of Scams Reported to the U.S. Senate's Elder Fraud Hotline:

- IRS Impersonation
- Robocalls
- Sweepstakes Scams
- "Can You Hear Me?"
- Grandparent Scams
- Computer Tech Support Scams
- Romance Scams
- Elder Financial Abuse
- Identity Theft
- Government Grant Scams

The third factor relates to the demographic realities of the growing number of seniors as a percentage of the population. Mr. Deane's assertions are backed up by numbers adopted by SIFMA, which found that "Americans over the age of 50 account for 77% of personal financial assets in the United States and that, "by 2030, seniors aged 65 and above will make up 18% of the nation's population."[10] The AARP published data that older Americans are estimated to have accumulated $18 trillion in assets and that, by 2030, one out of every five people in the U.S. will be 65 or older.[11]

New Developments in Federal Law

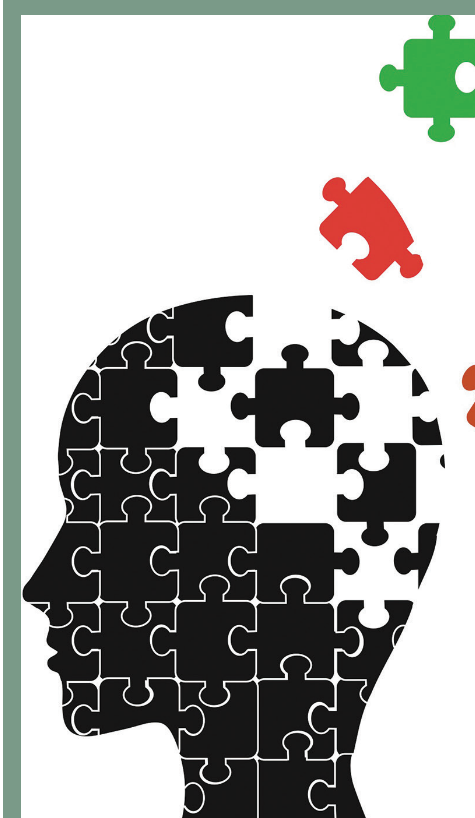
The enactment of two federal laws affecting financial exploitation of the elderly demonstrate recent trends toward emphasizing enforcement as the answer.

Elder Abuse Prevention and Prosecution Act

In October, 2017, President Trump signed the Elder Abuse Prevention and Prosecution Act ("Elder Abuse Act") which gives greater prosecutorial resources to the U.S. Attorney General in each federal judicial district, gives greater authority to the Chairman of the Federal Trade Commission ("FTC") to provide the elderly with expanded consumer protection, and requires the DOJ and other agencies to improve data collection and coordination. The most important institutional change may be the law's requirement that the DOJ, the FTC, and every federal judicial district must install elder justice coordinators and provide more resources for training to assist officials at all levels. The expectation is that these permanent hires will ensure a high level of focus as well as encourage prosecutors to coordinate investigations on enforcement.[12]

Other key provisions in the Elder Abuse Act protect seniors from neglect and financial exploitation by strengthening oversight, monitoring and accountability for guardians and conservators. The North American States Administrator's Association ("NASAA") published a report shortly after the Elder Act passed that warns against: (i) the use of guardianship authority to transfer property for the guardian's benefit; (ii) personal payments from a protected individual without court permission; (iii) frequent cash withdrawals from the protected individual's accounts without explanation; (iv) use of property for personal benefit without court authorization; and (v) unexplained decisions that are not in the protected individual's best interest.

According to the Alzheimer's Association, 15 to 20 percent of people age 65 an older have some type of mild cognitive impairment.



The teeth in the new law, however, are its enhanced penalties for convictions of interstate fraud committed against the elderly in cases where the fraud was committed by marketing via telephone, email, text message or electronic instant message. Specifically, the law applies in cases where the fraud involves actions that induce investment for financial profit, participation in a business opportunity, commitment to a loan or participation in a medical study. Under the Act, property acquired through such fraud must be forfeited.

The Census Bureau predicts that "by 2035, there will be 78.0 million people 65 years and older compared to 76.4 million under the age of 18."

The Senior $afe Act

On May 24, 2018, President Trump signed the Senior $afe Act. The new law recognizes that financial service providers are on the front lines of combatting elder exploitation[13] and is intended to "empower and encourage" financial service representatives to "identify warning signs of common scams and help prevent seniors from becoming victims."[14] The new law addresses legal issues that make it difficult for financial institutions to report suspected fraud to government authorities. Specifically, the new law exempts these institutions from liability for filing reports as long as they offer employee training and make reports in good faith and on a reasonable basis to the proper authorities.

Federal Regulation: New FINRA Rules Take Effect

On February 8th, 2018, new Financial Industry Regulatory Authority ("FINRA") rules affecting the "financial exploitation of specified adults" and additional regulations concerning customer account information became effective for member financial institutions.[15] The new rules are the first uniform national standards to protect senior investors. They provide a way for FINRA member firms "to respond to situations in which they have a reasonable basis to believe that financial exploitation has occurred, is occurring, has been attempted or will be attempted."

The new rules were intended to provide financial institutions and advisers with the authority and responsibility to act to protect senior investors. The new rules concern a financial practitioner's ability to: (i) contact a customer's designated "trusted contact person," and (ii) place a temporary hold on disbursement of funds or securities from a customer's account.

As to customer contacts, the new rules require firms to make reasonable efforts to obtain the contact information for a "trusted contact person" for a customer's account. There are a number of explicit disclosures for someone to be named a trusted contact person and a number of requirements to qualify, including a minimum age limit (18), formal authorization, confirmation of the specifics of the customer's current contact information and health status, and the identification of any legal guardian, executor, trustee or holder of power of attorney. As to holds on the disbursement of funds or securities from a customer's account, the new rules permit temporary holds of up to 15 days on disbursements of funds or securities from the accounts of "a person aged 65 or older; or a person who the firm reasonably believes has a mental or physical impairment that renders the individual unable to protect his or her own interests." The hold only applies to "suspicious disbursements" and not, for example, to the buying and selling of securities within an account. The idea is for firms to investigate and reach out to the customer, the trusted contact and, as appropriate, law enforcement or adult protective services before disbursing funds when there is a reasonable belief of financial exploitation.

In addition, the new FINRA rules require that a firm develop and maintain appropriate supervisory procedures, and requires that the firm initiate an internal review of the facts and circumstances if a hold is placed on the disbursement of a customer's assets. The temporary hold may only be extended by the firm for an additional 10 business days if so ordered by a state regulator, agency or court of competent jurisdiction.

Though the regulations predate the application of the Senior $afe Act, they are consistent with that Act insofar as they provide financial firms with a safe harbor when exercising discretion to place holds on disbursements. Similarly, the FINRA regulations encourage brokerage firms to provide their customer-facing employees with training on how to recognize signs of diminished capacity, cognitive decline, financial impairment or financial exploitation.

Though the rules were in the works for some time, FINRA continues to offer guidance in order to ensure appropriate compliance, most recently, for example, regarding state agency interactions and what FINRA members are allowed to disclose to a "trusted contact" about a customer's account.[16]

According to a Wells Fargo Elder Needs Study,[17] just one-third of older Americans say they have a trusted contact on file with their financial firm for protection against financial scams or exploitation.

The NASAA Model Act and State Efforts

Upon the passage of the Senior $afe Act, NASAA President Joseph P. Borg explained that the new law "addresses barriers financial professionals face in reporting suspected senior financial exploitation or abuse to authorities."[18] If there is a consistent approach to how regulators are grappling with issues of financial exploitation, it can be found in the concepts embodied in the NASAA Model Act.[19]

The NASAA Model Act

The NASAA Model Act is the product of deliberations by the NASAA Committee on Senior Issues and Diminished Capacity. It parallels federal efforts by providing state regulators with the means to detect and prevent financial exploitation of seniors. The Model Act (i) mandates reporting to state securities regulators and protective services agencies when a financial professional has a reasonable belief that exploitation has occurred, (ii) authorizes certain disclosures to designated third parties, and (iii) directs that disclosures not be made to a third party if that third party is suspected of the financial exploitation.

These key provisions: the mandatory reporting by qualified individuals on reasonable belief of suspected fraud; mandatory notifications; delayed disbursements; immunity provisions and mandatory compliance with record requests by law enforcement, are echoed in the federal legislation and the FINRA rules and are the basis for most state legislative action. Indeed, Mr. Borg asserts that "the Senior $afe Act legislation "complements similar legislation passed by 16 states based on the NASAA Model Act to Prevent Vulnerable Adults from Financial Exploitation." An increasing number of states have either enacted or are in the process of adopting variations of the NASAA Model Act.

It should be noted that while the conceptual approach to the Model Act and the federal law are similar, there remains a robust debate around certain core elements, particularly regarding the mandatory nature and extent of the reporting requirements. Many practical questions have been raised about who at a firm is a mandatory reporter. Are they designated individuals with particular expertise or everyone? What are the implications for firms, for the design of senior protection programs and for employee training?

In 2017, the Senate Aging Committee's Fraud Hotline received a total of 1,463 complaints - 521 from Maine residents. Maine Securities Administrator Judith Shaw helped develop the NASAA Model Act.

source: U.S. Senate Special Committee on Aging

State Legislative Developments

According to a legislative brief prepared for the National Conference of State Legislatures ("NCSL"), state legislators introduced more than 140 bills in 2017, up steadily from 89 in 2014.[20] The report finds that 41 states, the District of Columbia and the U.S. Virgin Islands have enhanced criminal penalties for senior financial exploitation;[21] 30 states have statutorily defined the crime of financial exploitation; 14 states, the District of Columbia and Guam specify that financial institutions have a duty to report when there is a suspicion of financial exploitation; and 13 states amended their "blue sky" securities laws to require broker-dealers and investment advisers to provide protections for seniors and other vulnerable adults.[22]

It is notable that, like the Elder Abuse Act, states are reforming the oversight and supervision of legal guardians. This is playing itself out in statutes requiring new certifications and training (e.g. Texas) and in the creation of new government offices specifically designed to review reporting deficiencies in guardianship cases (e.g. Nevada).

NCSL reports that the number of bills introduced by state legislators in 2017 to combat elder financial exploitation increased by more than 57 percent over the previous three years.

The Shape of Things to Come: Recent Regulatory Efforts to Protect Seniors

2019 has seen a number of specific developments that are sure to impact the protection of senior retail investors.

The SEC Best Interest Rules and Guidance

The development of standards for the way broker-dealers and investment advisers relate to retail investors has long been a priority for regulators. SEC Chair Jay Clayton placed the protection of seniors in the context of these broader efforts at serving retail investors,[23] stating:

> *"Every day, bad actors target the elder community, and we – all of us at the SEC – despise this behavior. Americans work hard and save their entire lives with the hope of living better as a result of their retirement savings. We need to do all we can to protect them while ensuring they have quality investment opportunities ... We are intensely focused on efforts to educate Main Street investors so they can be in a position to make better, more informed investment decisions – so that they have the best chance of protecting and growing their life's savings."*

On June 5, 2019, the SEC voted to approve Regulation Best Interest ("Reg BI"),[24] a package of rulemakings and interpretations consisting of three parts. The first part requires a broker-dealer to act in the "best interest" of a client investor. This new standard will "enhance the standard of conduct [for broker-dealers] beyond existing suitability obligations and make clear that a broker-dealer may not put its financial interests ahead of a retail customer when making recommendations." The second part provides additional interpretive guidance for advisers who have fiduciary obligations to investors under law. The third part requires that both broker-dealers and investment advisers provide a new Client Relationship Summary ("CRS") to retail investors. The CRS highlights key differences between investment advisers and broker-dealers based on the types of services offered. For both investment advisers and broker-dealers, Reg BI and Form CRS became effective on September 10, 2019. Full compliance is required by June 30, 2020, one year from the date of the rulemaking package adoption.

To the extent that Reg BI protects all main street investors, it also protects senior investors. As Mr. Clayton makes clear,[25] under the new standard, brokers that make recommendations to a retail client must now satisfy four obligations: (i) disclosure, (ii) diligence, skill and care, (iii) conflicts of interest, and (iv) compliance, all of which are heightened for senior investors. The SEC and FINRA can now enforce rules against brokers and dealers under this expanded interpretation, particularly on issues of the suitability of recommendations to seniors and vulnerable investors.[26]

The Growing Use of Suspicious Activity Reports

Earlier this year, the CFPB issued a report[27] on elder financial exploitation produced using data from the filing of Suspicious Activity Reports (SARs). The report issued by the CFPB's Office of Financial Protection for Older Americans covers SARs filings between 2013 and 2017. According to the CFPB, the report represents the first publicly available analysis of the non-public data provided by financial institutions on senior financial abuse.

Based on an analysis of the over 180,000 SARs on elder financial exploitation filed during that period, the numerical data paints a dramatic picture, with activities totaling more than $6 billion. Over the period of review, the number of relevant SARs filings quadrupled to over 63,000 by 2017. By that year, financial institutions reported suspicious activities totaling $1.7 billion. Almost 80% of the SARs filed involved an actual monetary loss to older adults or the financial institution. For older adult

"[Seniors] are vulnerable and it is our responsibility to protect them from fraud and abuse. We are particularly concerned that their hard-earned retirement savings are being targeted by bad actors."[29]

-SEC Chairman
Jay Clayton

victims in general, the average amount lost was $34,200, though losses exceeded $100,000 in 7% of the SAR cases. The CFPB states that, on average, losses were about $50,000 when the older adult knew the suspect and about $17,000 when the suspect was a stranger. Further, senior adults ages 70 to 79 had the highest average monetary loss at $45,300. Thirty-three percent of the victims categorized in the SARs were seniors over the age of 80. Another important finding was that fewer than one-third of financial institutions actually reported the suspicious activity to a local, state, or federal authority. The CFPB Report is notable for its use of SARs as a new data source to measure aspects of the problem of senior financial exploitation.

FINRA Reviews New Rules Affecting Seniors

Not long after the adoption of Reg BI, FINRA issued a review of its February 2018 rules (see above) affecting senior investors. As discussed earlier, these rules concern temporary holds on disbursements, trusted contacts and borrowing from, and lending to, customers. Though the initiative is ostensibly a general effort to consider the implementation of its recent rulemakings, Reg BI and the growing availability and utilization of SARs are motivating factors. The new information is changing regulators' understanding of the scope and nature of senior exploitation by increasing the data available for measurement and analysis.

As highlighted in its notice of review, the use of SARs filings are increasingly important in providing data on situations where there is "a reasonable basis to believe that financial exploitation has occurred, is occurring, has been attempted or will be attempted." FINRA also asked for feedback on whether to amend its Sanctions Guidelines to incorporate as a "principal consideration" the customer's age or impairments when determining appropriate sanctions. The outcome of this rule review will provide more avenues for enforcement to address senior financial exploitation and will likely increase the penalties for violations.

Federal and State Joint Efforts

The use of SARs filings represents an attempt by regulators to create and use data to better understand the scope of the problem and to inform enforcement and public education efforts. In March, 2019, federal and state enforcement agencies announced they had embarked on a massive crackdown on financial fraud directed at seniors. As part of the "sweep," the Justice Department (DOJ) reported the filing of criminal or civil charges against hundreds of alleged offenders as well as the launch of

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targeted public education efforts throughout the country. According to the United States Attorney General, the coordinated actions reached into every federal district across the country and served to underscore the government's efforts to protect a vulnerable population and address this complex and widespread problem.

The enforcement sweep is a statement by law enforcement agencies that they are (i) prioritizing the protection of vulnerable seniors from financial exploitation; (ii) increasing collaboration across federal agencies and across state and international boundaries; and (iii) improving their capabilities and effectiveness. These messages parallel the ones regulators are sending as they improve their data collection methods through enhanced financial institution disclosure.

Additional State Efforts

It is clear that state and federal enforcement officers are sharing more and more information and using that information to coordinate and collaborate on high-profile actions. Separately, state enforcement efforts are aggressive as well. In its 2019 annual enforcement report,[28] NASAA highlighted statistics from its 2018 state enforcement activities, noting that state securities regulators secured more than $1 billion in restitution and fines as well as significant criminal penalties. The report also notes that state regulators nearly doubled enforcement actions against investment adviser firms. Regarding its actions against financial abuse of seniors, the report says that member jurisdictions brought 141 enforcement actions and initiated 365 investigations involving a total of 758 senior victims. Of these, the cases involved schemes that targeted seniors to buy unregistered securities (249), traditional securities (193), variable annuities (44), affinity fraud (39), indexed annuities (18) and life settlement products (5). The remaining 145 cases involved lottery and sweepstakes scams, identity theft and internet romance scams, to name a few.

Enforcement actions are not the only indicator of the extent of state involvement on issues concerning senior financial exploitation. State securities regulators are asserting their shared authority over financial market products and services by promulgating new state rules that offer their in-state-resident investors greater protection than afforded under Reg BI. New Jersey, Maryland, Nevada and New York, among others, have taken the lead in issuing proposed rules that would impose a uniform fiduciary standard of care for broker-dealer recommendations to retail investors. In September, Reg BI faced another state challenge, this time in the form of a lawsuit filed against the SEC by seven State Attorneys General.

State securities regulators are asserting their shared authority over financial market products and services by promulgating new state rules that offer their in-state-resident investors greater protection than afforded under Reg BI.

The scope and intensity of state and federal efforts to protect seniors from financial exploitation is growing in response to the factors discussed and the growth and widespread recognition of the problem. Despite some similarity in policies developed to address these issues at both legislative and regulatory levels (many reflected in NASAA's Model Act), the consequent expectations and responsibilities on financial service providers are significant.

Litigation and Arbitration: Additional Considerations

The goal of the new regulatory framework for financial firms is to protect vulnerable seniors from the many and varied types of fraud outlined above. As efforts to implement compliance processes and procedures that conform to the new framework develop, questions continue to be raised, particularly with respect to judgment exercised when withholding disbursements.

Bates Group Director Joseph Thomas, who serves as a substantive expert witness in cases involving senior investors, warns that "scammers are very effective; they spend a lot of time getting to know their prey and develop very complex story lines to get to their victims."

That level of sophistication can trump less-than-prepared brokers and advisers who may formally ask the right questions, but may not comprehend the underlying scam. In one instance, Thomas reports, the relationship between the fraudster and an elder client became so strong, and the fraudulent narrative so compelling, that the senior, when asked about the requests for related disbursements, not only vouched for the perpetrator (and convinced designated family members of his veracity) but actually continued to argue the matter long after the scam was uncovered and the scammer disappeared from the scene.

Thomas' anecdote is an important reminder that fraudsters will continue to evolve in sophistication and brazenness which can only be combatted through an effective system of compliance procedures, continued vigilance and an ongoing dedication to the specialized training needed to keep pace.

Bob Lavigne, Managing Director of Bates Compliance, agrees that specialized training is key. He states that "most complaints and suits brought against firms are from heirs. Being able to recognize scenarios, ask the right questions and comprehend when the answers raise red flags takes specialized and ongoing training," he said.

"Scammers are very effective; they spend a lot of time getting to know their prey and develop very complex story lines to get to their victims."

-Joe Thomas,
Bates Group Director
& Expert Witness

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Summary

The compliance challenges that firms face are significant. A protection program must account for everything from increasingly sophisticated fraud to understanding the signs of diminished capacity. Firms must design, establish and improve processes to escalate reporting and must ensure accurate direct reporting to the appropriate governmental agencies that conduct investigations and provide needed services.[30] Add in the complexities of adapting to multiple and sometimes divergent state reporting requirements, and the challenges become even clearer.

The complexity of a continuing and changing regulatory environment—the Best Interest rules by the SEC and suitability regulations by the states being just the latest examples—requires alert management and structural reform. Both Thomas and Lavigne agree that financial firms should consider creating specific, firm-wide resources for senior investor protection and a dedicated intervention team to act in the event of an investigation. This reinforces an earlier point: that fraud perpetrated against seniors takes on certain unique forms and should be treated as a special subject matter focus of the firm's compliance practices. Beyond that, the need for greater clarity in policy and procedure, compliance training, auditing of internal systems and effective assistance when enforcement officers come calling requires real attention.

"Being able to recognize scenarios, ask the right questions and comprehend when the answers raise red flags takes specialized and ongoing training."
-Bob Lavigne,
Managing Director,
Bates Compliance

Bates Group Offerings

Bates Group is the national leader in providing consulting services concerning financial issues related to vulnerable and senior investors. Bates Group provides subject matter expertise, expert testimony and analytical techniques to help financial services firms manage risk, minimize regulatory scrutiny, and prevent fraud and reputational harm. Bates' consultants and experts provide a comprehensive suite of litigation and regulatory support, expert witness testimony, financial crimes, fraud, forensic investigation services and compliance solutions.

Bates Compliance offers a suite of services and solutions to help financial firms meet their compliance obligations, including: policy implementation, transaction monitoring, compliance audits and staff training, among others. Bates Compliance helps firms identify vulnerable individuals though Bates Investor Risk Assessment, fulfill government and third-party reporting requirements, ensure proper procedures for delaying disbursements from client accounts, support anti-fraud and forensic accounting programs, and ensure regulatory cooperation following reports or disbursement delays. Bates also supports firms in enforcement matters that arise based on issues concerning compliance with the new rules and develops governance and supervisory programs for firms of all sizes that are compliant with FINRA and state regulations.

Bates Investor Risk Assessment ("BIRA") is a unique new program used by broker-dealer and investment adviser firms to identify gaps in policies and procedures and to help protect their most vulnerable client investors, while meeting regulatory expectations. BIRA enables firms to proactively identify high-risk accounts and take preventive measures in a timely manner.

Bates Investor Risk Assessment (BIRA) is a unique new program now available for BDs and RIAs. BIRA employs a systematic, two-phase analytical approach created to address growing risks for financial services firms and vulnerable client investors.

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Contact

For more information, please contact Bates Group practice leaders at (503) 670-7772 or toll-free (888) 960-2809.

Robert Lavigne, Managing Director, Bates Compliance

Bob is a compliance, risk management, financial regulations, ethics and operations expert with an established record of creating and supervising exceptional compliance and supervision systems.

Joseph Thomas, Bates Group Director, Expert Witness.

Joe is a supervision and suitability consultant, and an expert on preventing, spotting and addressing situations of financial exploitation and cognitive decline.

They are supported by Bates AML and Financial Crimes, which maintains a deep bench of forensic accountants, certified fraud examiners, AML, and risk management professionals, and over 30 financial industry expert witnesses, including former branch managers, suitability, supervision and sales practice experts, and former regulators.

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Bates Compliance helps financial service providers meet their growing compliance obligations and establish best practices to protect clients from financial exploitation.

Endnotes

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Endnotes

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