

SDCDA Economic Crimes Division

Preventing And Avoiding
Financial Crimes

Hector M. Jimenez
Deputy District Attorney
Hector.Jimenez@sdcda.org



DISCLAIMER

Opinions stated by the speaker are those of the speaker and not those of The San Diego County District Attorney's Office

This presentation is for the purpose of educating citizens on a matter of public safety and is NOT AN ENDORSEMENT OR PROMOTION FOR ANY PRODUCT OR SERVICE

Materials contained in this presentation are for nonprofit educational purposes consistent with 17 USC 107 to discuss the topic of Preventing Elder Abuse

Types of Fraud Cases Prosecuted:

- Identity Theft
- Real Estate Fraud
- Tax Fraud
- **Embezzlement by Employees**
- **Elder Financial Abuse**
- **Investment Fraud**
 - **AKA: Securities Fraud**
 - **Often Elderly Victims**



THEFT BY EMPLOYEES

LAW

- PC 487- Grand Theft (\$950) (16-2-3)
- PC 508 - GT by Employee
- PC 512 – Intent to Restore Property Not a Defense
- PC 513- Restoration of Prop. –a mitigating fact

Aggravated White Collar Enhancement:

- PC 186.11(a)(3) Between \$100k and \$500k-State Prison
- PC 186.11(a)(2) State Prison with an additional 2-3-5 yrs.

Who are the usual suspects:

- Office Managers
- Accountants
- Access to banking info.
- Access to funds.



STEPS TO PREVENT FINANCIAL CRIMES

- Monitor your financial affairs

Trust but Verify

PAY TO THE ORDER OF: _____ \$ _____ DOLLARS

YOUR BANK

FOR: _____

⑆000000⑆ ⑆123 111 555⑆ 1234

Personal Identification

This is all the information that uniquely identifies you from another person who may have the same name.

Public Records

These listings show any legal information that may affect your credit ranking.

Collections

Accounts that collection agencies are owed to recover outstanding debts will be listed here.

Credit Accounts

All installment loan accounts will be listed here, such as school loans, auto loans and mortgages. Revolving credit accounts will also be listed. These may include credit cards, store cards and gas cards. This gives credit issuers information on payment history.

Requested Credit Files

This is a list of any companies who have requested information on your credit history. On this example Equifax may have requested information in response to a credit application.

Your Credit Report

Please address all future correspondence to:
Credit Reporting Agency
Business Address
City, State 00000

PERSONAL IDENTIFICATION INFORMATION

Your Name
123 Current Address
City, State 00000

SSN #: 123-45-6789
Date of Birth: July 1, 1958
Telephone Number: (555) 555-5555

EMPLOYMENT DATE REPORTED

Employer Name: Employer 1
Date Reported: 06/2004

Position: Job/Occupation
Hired: 04/2004

PUBLIC RECORD INFORMATION

Lien Filed 03/93; Fulton CTY; Case or Other ID Number-32114; Amount-\$26,667
Class-State; Released 07/93; Verified 07/93

Bankruptcy Filed 12/92; Northern District Ct; Case or Other ID Number-673HC12;
Liabilities-\$15,787; Personal; Individual; Discharged; Assets-\$780

Satisfied Judgment Filed 07/94; Fulton CTY; Case or Other ID Number-898872; Defendant-Consumer; Amount-\$8,984; Plaintiff-ABC Real Estate; Satisfied 03/95; Verified 05/95

COLLECTION AGENCY ACCOUNT INFORMATION

Pro Coll (800)XXX-XXXX
Collection Reported 05/07; Assigned 09/04 to Pro Coll (800)XXX-XXXX Client-ABC
Hospital; Amount-\$978; Unpaid; Balance \$978; Date of Last Activity 09/04; Individual
Account; Account Number 787652JC

CREDIT ACCOUNT INFORMATION

COMPANY NAME	ACCOUNT NUMBER	WHOSE ACCT.	DATE OPENED	MONTHS REVIEWED	DATE OF LAST ACTIVITY	HIGH CREDIT	TERMS	BALANCE	PAST DUE	STATUS	DATE REPORTED
Department SR	32514	J	10/96	36	9/08	\$950	X	\$0	X	R1	10/08
Bank	1004735	A	11/96	24	5/08	\$750	X	\$0	X	I1	4/08
Oil Company	541125	A	6/96	12	3/08	\$500	X	\$0	X	O1	4/08
Auto Finance	529778	I	5/95	48	12/07	\$1100	\$50	\$300	\$200	IS	4/08

Previous Payment History: 3 Times 30 days late; 4 Times 60 days late; 2 Times 90+ days late
Previous Status: 01/08 - 12; 02/08 - 13; 03/08 - 14

COMPANIES THAT REQUESTED YOUR CREDIT FILE

09/06/08	Equifax-Disclosure	08/27/08	Department Store
07/29/08	PRM Bankcard	07/03/08	AM Bankcard
04/10/08	AR Department Store	12/31/07	Equifax-Disclosure ACIS 123456789

Monthly Bank Statement

24 HOUR TELEPHONE TRANSFER LINE - 123-5678
CUSTOMER SERVICE NUMBER - 567-1234 EXT 206

DEPOSIT ACCOUNTS

DETAIL CHECKING
REGULAR CHECKING
ACCOUNT:
SOC. SEC.

THIS STATEMENT SHOWS ALL ACCOUNT TRANSACTIONS FROM SEP 14, 19?? - THRU OCT 12, 19??

DEPOSITS		CHECKS AND DEDUCTIONS				DAILY BALANCES	
DATE	AMOUNT	NO	DATE	AMOUNT	NO	DATE	AMOUNT
9/19	100.00	4882	9/15	32.00		9/15	2533.40
		****				9/16	2503.45
		****				9/19	2503.45
9/28	269.00	4885	9/18	29.95		9/26	2593.45
		4886	9/26	10.00		9/28	2862.45
		****				10/02	2822.45
		4888	10/02	40.00			

**** INDICATES ONE OR MORE MISSING CHECKS

BEGINNING BALANCE 9/14/??	DEPOSITS & CREDITS		CHECKS & DEBITS		ENDING BALANCE 10/12/??
	NO	AMOUNT	NO	AMOUNT	
2565.40	2	369.00	4	111.95	2822.45

ENCLOSURES: 8

Consequences

- Bottom line
- Dissolving companies
 - Bankruptcies
 - Loss of jobs
- Betrayal
- Loss of trust
 - Work Place Tension
 - Work Place Culture
 - More security measures

An aerial, low-angle photograph of a dense urban skyline, featuring numerous skyscrapers with glass facades and structural details. The image is in grayscale and serves as a background for the text.

ELDER FINANCIAL ABUSE

PC 368(d-e)(1): Theft From an Elder

- *The person or Care taker committed theft; AND*
- *The property taken was owned by an elder adult; (65) AND*
- *The property, goods, or services obtained was worth more than \$950;*
- *The defendant knew or reasonably should have known that the owner of the property was an elder adult.*

“CARE TAKER”

A PERSON WHO HAS THE CARE,
CUSTODY, OR CONTROL OF, OR WHO
STANDS IN A POSITION OF TRUST WITH,
AN ELDER OR DEPENDENT ADULT.

“Dependent Adult”

A person regardless of whether the person lives independently, who is between 18-64, who has physical or mental limitations which restrict his or her ability to carry out normal activities or to protect his or her rights, including, but not limited to, person who have physical or developmental disabilities or whose physical or mental abilities have diminished because of age.

Who are the usual suspects:

- Caregivers
- Adult Children
- “Businessmen”
- Financial advisors



What are the methods:



- Isolate
- Control
- Overmedicate
- Intercept
- Create emotional dependence
- Build trust
- Manipulate
- V's sign POA
- V's give Ds access to financial



INVESTMENT FRAUD

RED FLAGS OF INVESTMENT FRAUD

- **Guaranteed! “Can’t lose!”**
- **Very, very high returns with low risk!**
- **Must sign NDA (Non-disclosure Agreement)**
- **Today only! But only for friends and relatives.**
- ***Ask: If it is that exclusive, and that great? Why him? Why me?***



“RUN AWAY!”

What is a SECURITY?





“INVESTMENT CONTRACT”

1. A person **entrusted money** or capital to another;
2. The person entrusting the money or capital did so **with the expectation of receiving profit**, income, or financial benefit;
3. The failure or success of the business enterprise was dependent upon **the managerial efforts of persons** other than the ones who entrusted the money.

Fraud in the Offer **OR** Sale of a Security

Security?

- If not, move to the next charge.
- If so, continue to the next question.

Fraud?

- **A** Material Lie-Written **OR** Oral;
OR
A Material Omission?



"MATERIAL FACT"

A fact is material if there is a substantial likelihood that, under all the circumstances, a **REASONABLE INVESTOR** would consider it important in reaching an investment decision.

Fraud in the Offer **OR** Sale of a Security

Security?

- If not, move to the next charge.
- If so, continue to the next question.

Fraud?

- A Material Lie-Written or Oral; **OR**
A Material Omission?

Knowledge?

- knew (OSHK) the statement or omitted fact was a lie; **AND**
- knew (OSHK) the statement or omitted fact was material or was CN in finding out.



S.O.L.

Statue of Limitations

- A defendant may not be convicted unless the prosecution began within 4 years of the date the crimes were discovered or should have been discovered.
- A crime should have been discovered when the victim was aware of facts that would have alerted a reasonably diligent person in the same circumstances to the fact that **a crime** may have been committed.

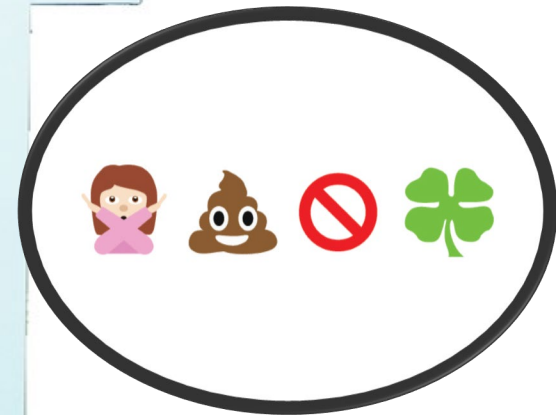




5-1-15

5-1-19

S.O.L.



TESTIFYING*

- Take contemporaneous notes.
- Save all written communications
- Save any records of Interactions
- Listen to the question-answer that question
- Admit your errors
- Not an advocate for either side
- No burden of proof



REPORTING ABUSE

- Adult Protective Services (24/7) 800-510-2020
- Community Care Licensing 844-538-8766
- Department of Public Health 800-824-0613
- Long Term Care Ombudsman Office 800-640-4661
- CA Dept. of Business Oversight 866-275-2677
- CA Attorney General's Bureau of
Medi-Cal Fraud and Elder Abuse 800-722-0432
- San Diego District Attorney
Facility Elder Abuse 619-531-3342

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