

KIM REYNOLDS  
GOVERNOR

DOUG OMMEN  
COMMISSIONER OF INSURANCE

ADAM GREGG  
LT. GOVERNOR

January 19, 2024

Governor Kim Reynolds  
State Capitol  
Des Moines, Iowa 50319

Mr. W. Charles Smithson  
Secretary of the Iowa Senate  
State Capitol  
Des Moines, Iowa 50319

Ms. Meghan Nelson  
Chief Clerk of the Iowa House  
State Capitol  
Des Moines, Iowa 50319

RE: Financial Exploitation of Eligible Adults Annual Report

Dear Governor Reynolds, Secretary Smithson, and Chief Clerk Nelson:

In accordance with Iowa Code § 502.810, the Iowa Insurance Division (Division) is pleased to submit this report on the Division's continuing efforts to combat financial exploitation of eligible adults for the 2023 calendar year.

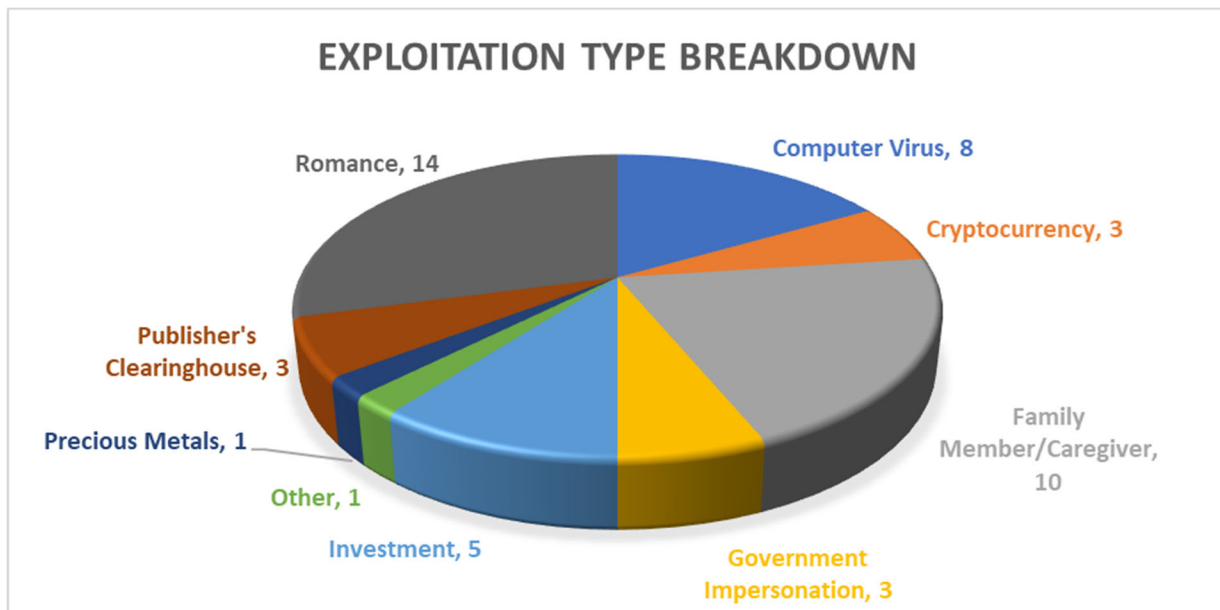
The Division received 48 referrals related to senior financial exploitation, representing a significant increase from the 23 referrals received in 2022. Of the 48 referrals to the Division, 35 were submitted by qualified individuals. The remaining reports came from other individuals, including victims, bank or credit union employees, family members, and one from a law enforcement agency. This growth, as well as the varied sources of referrals, demonstrates the need for investigators trained to focus on fraud and financial exploitation.

From the inception of the law, the Division has prioritized providing training to the securities industry on the importance of using disbursement/transaction delays or holds. Training sessions for industry professionals continued in 2023, with numerous opportunities provided for education. The Division also enhanced resources on the website for identifying and reporting exploitation.

The actual or attempted monetary loss to the victim from the reports to the Division totaled \$14.8 million. The schemes used in the financial exploitation cases being reported has continued to evolve, with a 400% increase in the number of reports of computer virus scams and a 300% increase in the number of cryptocurrency scams referred to the Division, when compared to 2022 referrals. However, allegations of caretaker exploitation and romance schemes continue to be the

most prevalent. The Division would like to highlight several notable results from its investigative and outreach efforts:

- An older Iowan was convinced to purchase securities through an unregistered offering, with the promise of a high return on investment. Through a collaborative investigation with the Iowa Attorney General’s Office and a local prosecutor’s office, the perpetrator was criminally charged with securities fraud and has now pleaded guilty.
- The Division issued a cease and desist order in response to a continued investigation into a wine investment scam. The order was issued against the company and its owner who sold securities, with the promise of a high return on an investment, but never offered an actual return on the investment.
- 2023 also saw millions of dollars saved for Iowans through the increasing use of disbursement/transaction delays. In 2021, no referrals the Division received involved delays, compared to 14% in 2022 and a notable 33% in 2023. In each instance where a firm initiated a disbursement/transaction delay in 2023, the Iowan ultimately canceled the requested transaction/disbursement. The Division estimates that this resulted in older Iowans not losing approximately \$4.1 million to fraud this year. Continued education will hopefully reinforce and strengthen this trend in the future.

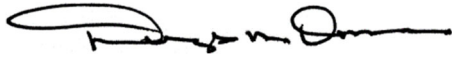


Many referrals made to the Division in 2023 are still actively being investigated and will likely result in further actions being taken. Continued outreach efforts by the Division, along with collaboration with other members of the Department of Insurance and Financial Services, other

state agencies, and private organizations dedicated to protecting Iowans, will also be a priority this coming year.

The Division appreciates the opportunity to offer this report on this important topic. If you have questions, please contact Andrew Hartnett at (515) 654-6470 or Chance McElhaney at (515) 654-6547.

Respectfully,

A handwritten signature in black ink, appearing to read "Doug Ommen". The signature is fluid and cursive, with a large initial "D" and "O".

Doug Ommen  
Commissioner of Insurance