



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

The Wisconsin Department of Financial Institutions Offers Resources to Help Investment Professionals Work with Clients Affected by the Opioid Epidemic

June 15, 2019 – The Wisconsin Department of Financial Institutions (DFI) today announced the availability of resources to help raise awareness of the impact of the opioid epidemic on investment professionals and their clients, especially senior investors.

“The opioid crisis in North America is devastating families and our communities. It is also a rising contributor to elder financial abuse and investment professionals are often the first to see the signs of this type of exploitation,” said Secretary-designee Kathy Blumenfeld. “Regulators have a responsibility to educate and provide resources to investment professionals as they confront these challenging situations.”

The U.S. Department of Health and Human Services in 2017 declared opioid abuse a public health emergency and estimated in 2017 that 11.4 million Americans misused prescription opioids. Recent research by Virginia Tech’s Center for Gerontology and the Elder Justice Coalition identified a connection between opioid abuse and elder abuse, including financial exploitation.

Secretary-designee Blumenfeld said the agency is offering two new resources to help raise awareness of how the opioid crisis impacts investment professionals and their clients.

The first is a guide to help investment professionals understand the many ways opioid use disorder might affect their clients, how to spot signs of financial exploitation, and how to help clients affected by opioid abuse. The guide also includes a list of helpful resources in Wisconsin. The second resource is a checklist of questions financial professionals can use to help start a conversation with clients about the financial ramifications of opioid addiction.

“Investment adviser representatives and broker-dealer agents are well positioned to be part of the solution, but they have to be prepared to talk to clients in crisis,” Secretary-designee Blumenfeld said. “The cost of opioid addiction and treatment can have major financial ramifications. Clients facing opioid addiction – either themselves or within the family – may be strapped for resources and can be vulnerable to poor financial decision-making or even fraud.”

To request a copy of these resources, please contact the Wisconsin Department of Financial Institutions at 608-266-2138. The resources also are available on the agency’s website at <http://www.wdfi.org/>.

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Office of the Secretary

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Opioid Addiction and Treatment Can Be Costly

Substance abuse disorder can impact anyone – a client, a client’s family, or coworkers within the firm. You are in a position to be part of the solution. Be ready to talk to your clients.

The cost of opioid addiction and treatment can have major financial ramifications. Recovery can be a lifelong battle. Clients facing opioid addiction – either themselves or within the family – may be strapped for resources and can be vulnerable to poor financial decision-making or even fraud. Use these conversation starters to open the dialogue with your clients.

BE SENSITIVE:

How should I react if my client confides funds are needed for a drug treatment?

- Remember that substance use disorder is a disease – be sensitive in discussing this topic. Show confidence their concerns will be treated delicately, discreetly, and without judgment.
- Opioid abuse is not limited to illicit substances. Prescription drug abuse is prevalent among all demographics.
- Treatment can be expensive, lengthy, and difficult to access. Liquidity may be a concern.
- Discuss the client’s overall financial situation and help determine options for paying out-of-pocket expenses related to treatment. Be sure to discuss possible fees, penalties, or tax implications.

TRUST YOUR INSTINCTS:

What should I do if I suspect my client is struggling with opioids?

- Take notice if your client begins making frequent requests for money.
- A sudden change in account activity is a red flag that your client may be dealing with a larger issue, particularly risky or unreasonable investment decisions.
- Keep resources on hand and available for clients, including brochures on substance use disorder programs and treatment and local hotline numbers. You can call the Department of Health Services at 608-266-1865.
- Be prepared to discuss options for financing treatment.
- Cultivate contacts for referring clients to help and seek training if it’s available.

UNDERSTAND VULNERABILITY FACTORS:

How can you help ensure your client is not at risk for financial fraud?

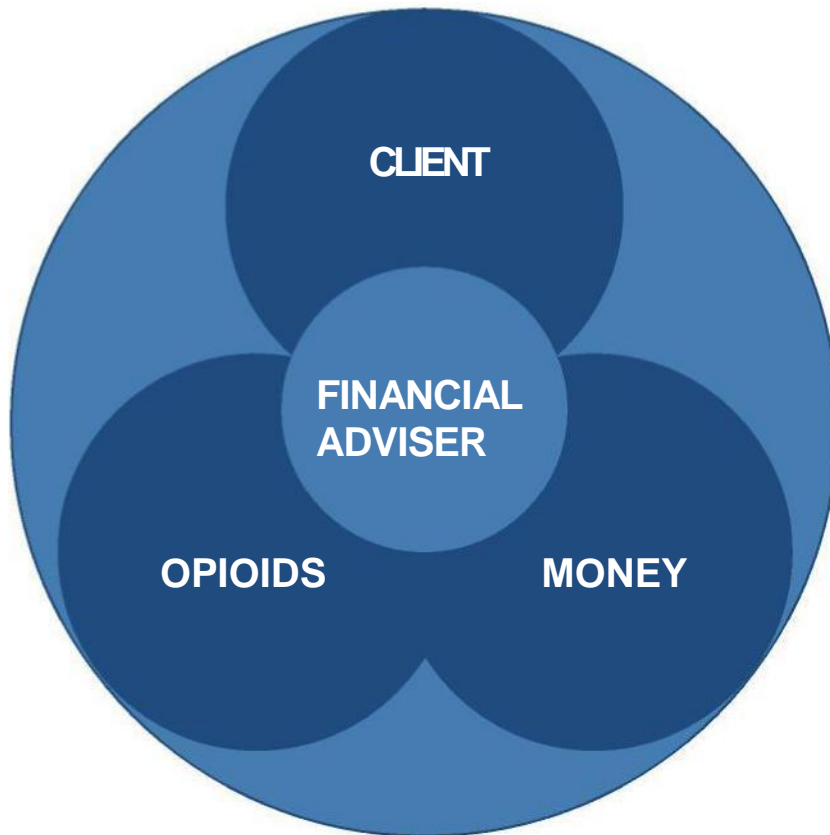
- In times of stress, clients are more susceptible to fraud and exploitation.
- Keep an eye on your client’s accounts if you spot any red flags of financial exploitation. (Visit: <http://serveourseniors.org/about/investors/red-flags-guardian-financial-abuse/>)
- Question any changes your client might be making in terms of new names on the account or uncharacteristically large withdrawals.
- Consider safeguards for your client’s accounts, including ways your client can establish special trusts or arrangements to cut off or limit cash if needed.
- If you believe your client has been exploited, follow your firm’s protocol. Report financial exploitation to the Wisconsin Division of Securities and/or appropriate authorities.



Opioid Addiction and Treatment Can Be Costly

Substance abuse disorder can impact anyone – a client, a client’s family, or coworkers within the firm. You are in a position to be part of the solution. Be ready to talk to your clients.

Broker-dealer agents and investment adviser representatives are the center of financial influence for clients and well placed to identify and detect when a client is struggling with opioids or being financially exploited by someone struggling with opioids.



To learn more, contact:
Wisconsin Department of Financial Institutions
Phone: 608-266-2139

List of useful resources

- Wisconsin Department of Financial Institutions: Division of Securities
 - Phone: 608-266-2139
- Wisconsin Department of Financial Institutions: Division of Banking – Consumer Affairs
 - Phone: 608-264-7969
- Office of the Commissioner of Insurance
 - Phone: 608-266-3585
 - [Email: OCIComplaints@wisconsin.gov](mailto:OCIComplaints@wisconsin.gov)
- Nursing Home and Paid Caregivers
 - Long Term Care Ombudsman
 - Phone: 1-800-815-0015
 - Department of Human Services
 - Division of Quality Assurance
 - Phone: 1-800-642-652
 - Office of Caregiver Quality
 - Phone: 608-261-8319
- Department of Agriculture, Trade, and Consumer Protection
 - Phone: 608-224-4976
 - [Email: DATCPHotline@wisconsin.gov](mailto:DATCPHotline@wisconsin.gov)
- Department of Human Services – Adult Protective Services and Elder Benefits Specialists
 - County Directory: <http://www.dhs.wisconsin.gov/aps/contacts/eaaragencies.htm>
 - Elder Benefits Specialists by County: <http://www.dhs.wisconsin.gov/benefit-specialists/ebs.htm>
- Department of Health Services
 - Phone: 608-266-1865
 - [Email: DHSwebmaster@dhs.wisconsin.gov](mailto:DHSwebmaster@dhs.wisconsin.gov)
 - Addiction Recovery Wisconsin Helpline: 211
- Attorney General's Victim Resource Center
 - Phone: 1-800-446-6564
 - Website: <https://reportelderabusewi.org/>

United States

In the United States, call a confidential hotline: **1.800.662.HELP** (4357) for information about treatment resources. This hotline, staffed by trained professionals, is available 24 hours a day, seven days a week, and is available in both English and Spanish.

Other information may be found at: <https://www.samhsa.gov/>

A directory of individual state agencies for substance abuse services can be found at: <https://www.samhsa.gov/sites/default/files/ssadirectory.pdf>

Wisconsin

Department of Financial Institutions - Division of Securities

608-266-2139

Department of Health Services

608-266-1865

DHSwebmaster@dhs.wisconsin.gov

Department of Agriculture, Trade and Consumer Protection

608-224-4976

DATCPHotline@wisconsin.gov

Attorney General's Victim Resource Center

1-800-446-6564

<https://reportelderabusewi.org/>

OPIOID EPIDEMIC

How this Health Crisis Impacts Investment Professionals



The opioid epidemic is the **BIGGEST**

public health crisis currently
facing North America.

IMPACT ON INVESTMENT PROFESSIONALS, THEIR CLIENTS, AND FIRMS

The opioid crisis in North America is a rising contributor to elder financial abuse. Investment professionals are often the first to see the signs of this type of exploitation. This should be of great concern to investment professionals and firms who will need to evaluate their internal systems to ask the following questions to best serve clients:

1. Do our employees know the numerous ways the opioid epidemic might affect clients?
2. Do our employees know how to spot the signs of financial exploitation?
3. Do we have adequate internal controls to appropriately handle cases of suspected financial exploitation?

An *Investment News* survey reported in August 2017 that more than one-third of investment professionals have had clients identify as having opioid use disorder or having a close family member struggling with opioids.



In August 2017, the U.S. government declared opioid use a national public health emergency.

Overdose deaths from prescription and illicit drugs doubled in recent years, climbing from 21,089 deaths in the United States in 2010 to 42,249 deaths in 2016. The Centers for Disease Control and Prevention notes 115 Americans on average die every day from opioid abuse.



“Overdose is now the leading cause of unintentional injury death in the United States. Annually, it kills more than car accidents and takes more lives than US soldiers were lost in the deadliest year of the Vietnam War (16,899 in 1968) or at the height of the HIV/AIDS epidemic in the United States (43,115 in 1995).”

The Opioid Crisis in North America: Position Paper,” Global Commission on Drug Policy: October 2017

WHAT CAN YOU DO TODAY TO PROVIDE GUIDANCE AND SUPPORT TO AFFECTED CLIENTS?

1 Understand opioid use disorder

- Opioid and/or any substance use disorder is a disease, not a moral failing.
- The Centers for Disease Control and Prevention (CDC) found that opioid dependency can begin in as soon as three to five days of initial use.
- Out-of-pocket costs for recovery programs can be upwards of \$50,000 and do not guarantee results.
- Opioid use disorder is not limited to illicit substances. Prescription drug use is also a contributing factor and is prevalent throughout all demographics.

2 Understand and know how you may encounter it

- Investment professionals may see the tremendous costs associated with opioid use disorder and recovery efforts, particularly in-patient recovery programs.
- Investment professionals may be able to identify and detect a client who is struggling with opioid use or who is being financially exploited by someone who is struggling with opioid use.

- Clients may request or even demand money from retirement savings, use home equity lines, or draw on credit cards to cover the expenses for themselves or a loved one experiencing opioid use disorder.

3 Understand what you can do to help

Here are some questions to ask to help your clients understand the short-term and long-term implications of funding opioid recovery and other opioid-related expenses from retirement savings.

Do your clients understand the unpredictable and costly cash flow of recovery programs for treating opioid use disorder?

- Since initial recovery attempts may not be successful, you can help your client prepare for future cash needs to help minimize financial losses.

Have your clients canvassed other options?

- Are there other options to costly recovery programs?
- Will insurance cover any of these costs?
- Are there any government-funded programs or local initiatives that might assist or offset the cost?
- Can any of the costs be claimed on your tax return?
- If money is being spent in other areas – such as on legal fees or in raising grandchildren – do government assistance or local programs exist to help offset the costs?

Do you know how to spot and report financial exploitation?

- Opioid use disorder can bring with it financial exploitation. This could come in the form of exploitation by family members or trusted professionals. Indicators include:
 1. Others showing too much interest or control in the client's finances.
 2. Displays of fear, anxiety or submission.
 3. Declines in appearance or signs of neglect.

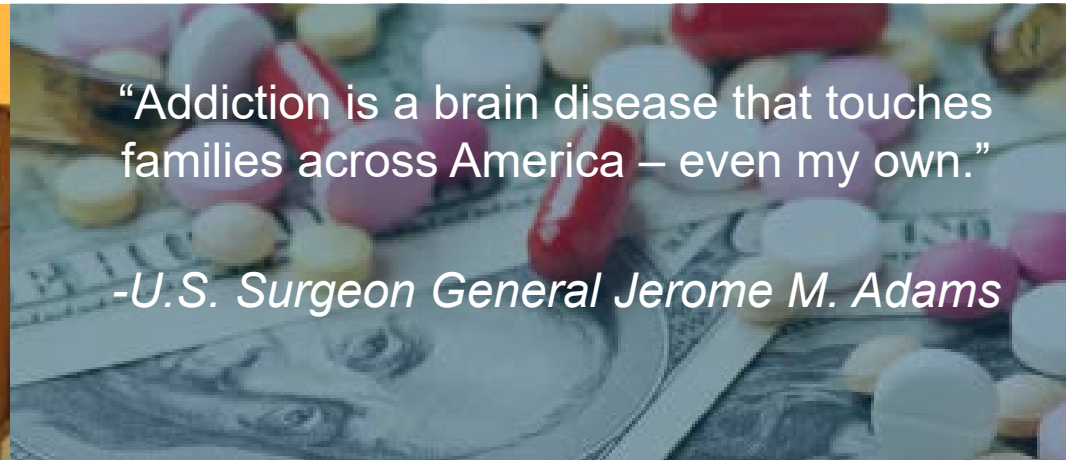
Do investment professionals have sufficient internal controls?

- Opioid use disorder does not discriminate and affects all ages, ethnicities, and socio-economic classes. It might even affect the people and clients you least expect.
- Ensure investment professionals have sufficient internal controls to identify suspicious account activity and strong verification protocols.
- Watch for sudden changes in account control or suspicious activity.

WHAT OTHER RESOURCES SHOULD YOU BE AWARE OF?

Knowing what other resources are available in your area may assist you in providing possible service recommendations to your client. This booklet contains a non-exhaustive list of resources that may be helpful.

If somebody has taken drugs and becomes non-responsive, call **911** immediately.



Education and outreach are critical to combating the opioid crisis. Executive Deputy Secretary for the Pennsylvania Department of Banking and Securities, Brian LaForme (right) addressed investor outreach specialists of state and provincial securities regulators at a training event conducted by the North American Securities Administrators Association. He was joined by *Investment News* reporter Greg Iacurci and North Dakota Securities Commissioner Karen Tyler.

“The sad reality is that the opioid epidemic impacts every facet of our economy, from health care costs for everyone, to government budgets, emergency response and management, criminal justice, to productivity and global competitiveness,” said Leslie Van Buskirk, Administrator of the Wisconsin Division of Securities.

How to Open A Conversation with Clients

Investment professionals are encouraged to use the North American Securities Administrators Association’s (NASAA) Conversation Starter For Financial Professionals to Discuss Financial Ramifications of Opioid Addiction With Clients.

The conversation starter is available under Industry Resources on NASAA’s website at www.nasaa.org.

