



Preventing Elder Finance Abuse Tip Sheet for Seniors and their Families

Financial abuse of elders is a serious problem. One aspect of this type of financial abuse is particularly troubling: a sizeable portion of this abuse is committed by family members, or others close to the victims.

Did you know?

- According to the Federal Trade Commission (2013), 22% of identity theft was committed by a family member... and another 26% by others close to them including friends, an employee in the home or a neighbor.
- A study by AARP stated that roughly 60 percent of adult protective services (APS) cases of financial abuse nationwide involved an adult child of the elderly person (as reported in the JULY-AUGUST 2011|ABA BANK compliance magazine).
- Bankrate.com reports that experts estimate between 60 to 90 percent of financial elder abuse is committed by family members.
- It can happen to anyone. Just prior to his death, Mickey Rooney went public with his story of victimization at the hands of his stepson and his wife:
cnbc.com/id/101568802#.

What constitutes financial abuse of an elder?

- Using the elder's money or assets contrary to the elder's needs, wishes or best interests - or for the abuser's personal gain
- Fraudulently appropriating the elder's identity for personal gain

Financial abuse is often committed by family members - why?

- Family members are in a "unique relationship of trust" with the victim
- They have an ongoing relationship that is not easily modified
- They have access - which allows them the ability to take control of money, information/records, property or assets

- The elder may rely heavily on the family member for some type of assistance and/or feel they don't have other options

Abusers have a variety of motivations:

- They may fear that the older family member will get sick and "use up" their savings or inheritance
- They may feel justified in taking what is "rightfully" or "almost" theirs
- They may be "getting back" at an elder that they believe wronged them in the past
- They have rationalized that caring for the elder has become too stressful, burdensome and without reward, therefore deciding that they are entitled to some kind of "payback"
- They may feel desperate for some reason, such as being in deep debt
- Simple greed

Other common characteristics of abusers:

- Often depend on the victim for housing or other financial support (may excessively charge the elder excessive fees for basic care services).
- May have some kind of substance abuse problem or addiction that needs financial support
- Might promise "lifelong care" to the elder in exchange for money but may not follow through on this promise
- The abuser may try to explain away questions from the elder or other concerned family member or friend by saying that "they are just confused - I'm helping them" or "it's not a problem, they just forgets things"

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- May threaten the victim that if they don't comply, they are going to put them in a nursing home
- The abuser may start to speak on behalf of the elder, even when they are present (not allowing them to take part in conversations or make decisions on their own)
- The family member isolates the elder from other family members or friends

How does the abuse start?

- Often it starts "small" – first there are missing funds or small personal possessions
- Abuse evolves into using an elder's assets or possessions without permission
- The abuser sees opportunity and begins to gain access to personal documents, medical forms, tax, mortgage and investments paperwork; the abuser may also assume the elder's identity

Who is victimized/lifestyle risks:

- Elders who have cognitive impairments (memory, reasoning, judgment); Vulnerable adults who are too confused to give informed consent
- Elders that are isolated or have limited societal relationships/connections in the community
- Elders who have resources (Social Security, pensions, savings, real estate, investments, assets, insurance, etc.)
- Elders who are intimidated by financial matters and are open to a family member taking over their financial affairs or assuming an oversight role
- Elders who rely on a family member for some type of care (housing, transportation, errands etc.)

Why does this fraud work?

- Elders being victimized may "protect" the abuser, particularly if the abuser is a child or grandchild
- Elders are fearful of anyone knowing that they can't manage on their own – for fear of being moved out of their home

Tips for protecting yourself and preventing this type of financial abuse:

- Plan ahead to protect your assets and ensure that your wishes are followed

- Consult with a licensed financial advisors or attorney before signing complex agreements or anything that you don't understand
- Build relationships with professionals who are involved with your finances – they can assist in monitoring for suspicious activity
- Limit your use of cash (using checks and credit cards leaves a paper trail)
- Trust your instincts and feel free to say "no." Remember, it is your money
- If you think someone close to you is pressuring you for info/access to your finances – report it to another family member or friend
- Always ask for details in writing and get second opinions before changing your power of attorney, wills, Trusts etc.

Tips for caregivers, friends or relatives

Do you suspect an elder may be experiencing financial abuse? Here are some warning signs:

- Unpaid bills when funds to pay them should be readily available
- Unexplained disappearance of funds or household items
- Abrupt changes in their will, Trust, insurance or other financial documents
- Sudden appearance of previously uninvolved relatives claiming they have a right to funds
- Sudden or unexplained transfers of assets
- Fear or anxiety when discussing finances; an unwillingness to talk
- Increased activity on credit/debit/ATM cards
- Unexplained withdrawal from normal activities
- The elder seems confused about recent financial arrangements/changes

Where to report financial exploitation of elders:

- United States Department of Justice stopfraud.gov/protect-yourself.html
- Minnesota Dept. of Human Services - Senior Linkage Line 1-800-333-2433
- Your local police department

Better Business Bureau of Minnesota and North Dakota

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