

## The Unfortunate Rise of Elder Financial Abuse

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Elder financial abuse is the theft or conversion of money or other property by caregivers, relatives or other people. The number and complexity of elder financial abuse reports has grown significantly over the past decade. Indeed, recent research by the National Center on Elder Abuse and The MetLife Mature Market Institute<sup>®</sup> shows elder financial exploitation is widespread, costly and sometimes deadly.

- One in nine seniors reported being abused, neglected or exploited in the past year and the rate of financial exploitation is extremely high, with one in 20 older adults indicating some form of perceived financial mistreatment.
- Only one in 44 cases of financial abuse is ever reported.
- Annual financial loss is estimated to be at least \$2.9 billion.
- Abused seniors are three times more likely to die prematurely, and elder abuse victims are four times more likely to go into a nursing home.

Lawyers, who are now mandatory reporters, ORS 124.055, need to be aware of potential abuse and what to do about it.

### Common perpetrators

Financial exploitation commonly involves trusted persons such as caretakers, family members, neighbors, friends and acquaintances, attorneys, bank employees, pastors, doctors or nurses. Often these people:

- Have substance abuse, gambling, or financial problems,
- Stand to inherit and feel justified in taking what they believe is “almost” or “rightfully” theirs,
- Fear their older family member will get sick and use up their savings, depriving the abuser of an inheritance, or
- Want to prevent siblings or other family members from acquiring or inheriting the older person’s assets.

Predators sometimes identify vulnerable persons by driving through neighborhoods (to find persons who are alone and isolated) or contact recently widowed persons they find through obituaries.

### Common scams

Common scams by strangers include lottery and sweepstakes scams (“You’ve already won! Just send \$2,500 to cover your taxes”); home repair/traveling con-men (“We’re in your area and can coat your driveway really cheaply”); grandparent scams (the elderly person is called and told their grandson

is in jail and needs them to send money immediately); and charity scams (soliciting funds for good sounding causes but which provide little real benefit to the charity).

Scams perpetrated by “professionals” include predatory lending (seniors pressured into taking out inappropriate reverse mortgages or other loans); annuity sales (seniors pressured into using the equity realized from a reverse mortgage (or other liquid assets) to buy an expensive annuity which may not mature until the person is well into their 90s or over 100); investment/securities schemes such as pyramid schemes or promises of unrealistic returns; internet phishing (false emails about bank accounts); and identity theft.

Family members and trusted friends exploit vulnerable adults by using a power of attorney to steal money; taking advantage of joint bank accounts; using ATM cards and stealing checks to withdraw money; threatening to abandon, hit or otherwise harm the victim; refusing to obtain needed care and medical services for the victim; in-home care providers charging for services not provided, keeping change from errands, paying bills which don’t belong to the vulnerable adult and asking the vulnerable adult to sign falsified time sheets.

### Why are the elderly attractive targets?

People over 50 control over 70% of the nation’s wealth. Often the elderly have disabilities that make them dependent on others for help, and these “helpers” may exercise significant influence over the older person. Elders may also have predictable patterns that make them vulnerable (e.g., because older people are likely to receive monthly checks, abusers can predict when money arrives

and the recipient needs to go to the bank).

The elderly are also less likely to take action against their abusers as a result of illness or

embarrassment. And sadly, some abusers assume that frail victims will not survive long enough

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### Elder Financial Abuse

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to follow through on legal interventions.

#### What to look for

Knowing what to look for is critically important to prevent elder financial abuse. The National Institute on Financial Issues and Services for Elders recommends looking for these signs of potential abuse:

- Living conditions are well below financial resources.
- Unusual or inappropriate bank account activity.
- Frequent checks for cash are written to a caregiver or financial professional.
- Bills go unpaid or are overdue when someone is supposed to be paying them.
- Titles to home or other assets are transferred for no apparent reason.
- Large, frequent gifts or unexplained loans are made to a caregiver.
- A reluctance to talk about once-routine topics.
- Personal belongings are missing.
- Attempts are made by a caregiver, friend, or relative to isolate the person.
- Changes are made in a will.
- A live-in caregiver refuses to leave or is evasive about financial arrangements.
- The elder has new "best friends."

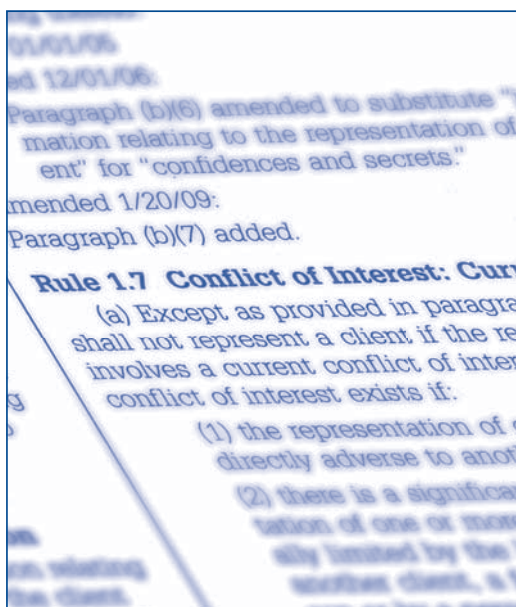
#### What to do

The following steps can be taken to reduce the likelihood of financial abuse:

- Limit the power of attorney.
- Require the agent to provide a periodic accounting of income and expenses to an outside party such as an attorney or financial planner.
- Involve several people in all major financial decisions.
- Have checks directly deposited.
- Use automatic bill paying.
- Hire a geriatric care manager.
- Check references on anyone hired to provide care.
- Reduce isolation.

If you suspect elder financial abuse, you must report it. ORS 124.055. Finally, you can bring a lawsuit against the perpetrator under ORS 124.110.

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