



## **'Crime of the 21<sup>st</sup> Century'**

By Robyn M. Young

Elder financial abuse has been called the “Crime of the 21<sup>st</sup> Century.” A recent study by MetLife's Mature Market Institute estimates that elder financial abuse costs American seniors \$2.6 billion a year. Yet according to the National Center on Elder Abuse, only 1 in 25 cases of financial elder abuse are ever reported.

Financial abuse is defined as illegally or improperly using an older person's money, particularly in ways that are not in the person's best interest. Abuse can take many forms, such as forging an elderly person's signature; gaining an elder's trust, then exploiting the relationship for gifts or loans; coercing someone to change legal documents; stealing possessions; or telemarketing scams. These financial losses are particularly difficult for elders because they are at a stage in their lives when they are unable to recover from losses. They are no longer earning a salary and cannot wait for investments to grow. The abuse can also have an

emotional impact. The victim may be ashamed, lose confidence, or become fearful or depressed.

### **Who are the victims?**

The “typical” victim of elder financial abuse is 70-90 years old, cognitively impaired, isolated and frail. However, experts stress that not all victims fit this profile. While some fraud is committed by strangers, many financial abusers are individuals that the elder knows and trusts. This may be a family member who is financially dependent on their parent, has a history of substance abuse, or has been frequently “bailed out” by mom or dad. As the economy has worsened, more grown children are moving back in with a parent, and the financial stress can lead to abuse. Alternatively, a caregiver may gain the trust of an elder and then take advantage of the elder's emotional and physical dependence.

### **Warning Signs of Financial Abuse**

If you have an elderly parent, relative, or friend, especially one who lives far away, you may be concerned about possible abuse. Most often abuse is detected by another family member or a concerned neighbor or friend.

Signs to watch for include:

- changes in banking habits such as increased use of ATM or credit cards
- acting fearful or reluctant to speak around certain people
- sudden changes in a will or transfer of assets
- additional names on house deed or a new loan on property
- unpaid bills
- disappearance of valuables
- increased isolation
- new “best friends”

### **Decline in Decision Making Abilities**

One of the biggest dangers is an elderly parent who has lost the ability to make appropriate decisions for themselves. Elders may require assistance in paying bills and writing checks, which puts them at risk for fraud. Older people do not want to give up their independence, so how can you tell when help is warranted?

Many of us recognize signs of failing memory such as repeated conversations or forgetting calls. Psychologist Katrina Keil of Bernatz Neuropsychology, who conducts cognitive assessments of elders in suspected fraud cases for the Los Angeles County Elder Abuse Forensic

Center, says that even if memory is okay, decision making abilities can still be impaired. When asked about managing finances, many elders can rationalize, or give the correct answers, but their actions will not match their words. Some signs of declining reasoning and judgment are:

- lack of hygiene, poor house cleaning and unopened mail
- change in sense of humor
- inappropriate relationships
- inability to appreciate the consequences of one's actions, especially in complex decisions
- withdrawing from activity and becoming more isolated

These signs may not necessarily indicate declining cognitive ability. Dr. Keil notes that depression can affect decision making and this is a treatable condition.

### **What can you do?**

Start with talking regularly with your elderly relative or friend. If you sense that they need assistance with their finances or other daily tasks, there are resources available. Having a neutral party involved can help prevent fraud. This could be a lawyer, accountant, banker, or daily money manager. When looking for caregivers, work through an established

agency and request a background check. And start planning now to protect your own assets as you age. Planning and awareness are keys to protecting your loved ones and yourself.

### **What to Do if You Suspect Abuse**

If you suspect financial abuse in Vermont, call Adult Protective Services, operated by the state's Agency of Human Services, at 1-800-564-1612 or 802-241-3918. Other resources include:

Vermont Senior Help Line at 1-800-642-5119; National Committee for the Prevention of Elder Abuse at [www.preventelderabuse.org](http://www.preventelderabuse.org); National Center on Elder Abuse at [www.ncea.aoa.gov](http://www.ncea.aoa.gov); American Association of Daily Money Managers at [www.aadmm.com](http://www.aadmm.com); and MetLife's Mature Market Institute at [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com) .