

Article for MyMoneyManagement

Financial Exploitation of the Elderly: Know the Signs

You read or hear about it all the time.

An elderly widow adds a younger suitor as an authorized user on her money market account. He proceeds to make withdrawals without her knowledge.

An elderly man with dementia agrees to pay his nephew as a full time caregiver. The nephew neglects his uncle but demands payments anyway.

Financial services companies are sounding the alarm when it comes to the exploitation of elderly people for their money. A financial services company pilot study on detecting and preventing elder fraud showed that tellers were correct in 7 out of 10 cases when they suspected something was wrong.

“Fraud can be devastating for an older person, potentially wiping out their entire life’s savings, and it takes an emotional toll,” explains Anne Wallace, president of [ITAC, the Identity Theft Assistance Center](#). “You need to know the warning signs and where to turn for help if you suspect an elderly friend or relative is being victimized.”

Protecting the Elderly and Vulnerable from Financial Fraud and Exploitation, produced by [BITS](#), a division of [The Financial Services Roundtable](#), offers guidelines on how to implement or improve programs to detect and prevent elder abuse. A MetLife study, [Broken Trust: Elders, Families, and Finances](#), offers these signs and examples of elder abuse:

- **Unusual degree of fear or submissiveness to caregiver.** An elder cowers in front of a caregiver or begins trembling or crying when the caregiver discusses finances.
- **Isolation from family, friends, community, and other stable relationships.** The older person is never alone or permitted to discuss finances without the caregiver also present.
- **Signs of intimidation and threat by another.** The older person never looks at people directly or averts their gaze.
- **Withdrawn behavior or disheveled appearance.** The older person tries to avoid talking with others, especially when asked to respond to something specific.
- **Missed appointments, uncharacteristic nonpayment for services.** The older person, previously prompt and reliable, does not show up for medical appointments or “forgets” to pay bills.
- **Anxiety about personal finances.** The older person worries a lot about how she will ever pay a bill or have enough to eat.
- **Lack of knowledge about financial status.** The older person seems unaware of his money.
- **New “best friends”.** The older person seems surprisingly or unseemly close and attentive to someone he has just met.
- **Missing belongings or property.** Glasses, clothes, dentures, money, or all of these are gone. The elder is dismissed as “forgetful.”
- **Significant changes in spending patterns.** The older adult purchases an expensive car even though she has not driven in the past year.

- **Makes sudden changes regarding financial management.** Power of attorney for financial matters is suddenly changed from a long-time friend to a new person— family member or stranger.

For more information, contact these resources

AARP Foundation – In conjunction with the Colorado Attorney General the AARP Foundation has created the Colorado ElderWatch Project (<http://www.aarpelderwatch.org/>) to fight the financial exploitation of older Americans through collection of data.

Attorney General of Texas – Senior Texans Page – Texas has launched a statewide outreach campaign to raise awareness for protecting senior Texans. More information can be found at the Texas Attorney General website, <http://www.oag.state.tx.us/elder/index.shtml>

Federal Bureau of Investigation (FBI) – This FBI site includes information about common fraud schemes and those targeting senior citizens. For more information, see <http://www.fbi.gov/ma/cases/fraud/fraudschemes.htm> or <http://www.fbi.gov/ma/cases/fraud/seniorsfam.htm>.

Federal Trade Commission (FTC) – The Federal Trade Commission’s Bureau of Consumer Protection provides free information to help consumers detect and avoid fraud and deception. For more information, visit <http://www.ftc.gov/bcp/index.shtml>.

The FTC also operates a call center for identity theft victims where counselors tell consumers how to protect themselves from identity theft and what to do if their identity has been stolen (1-877-IDTHEFT [1-877-438-4338]; TDD: 1-866-653-4261; or <http://www.ftc.gov/idtheft>).

ITAC, the Identity Theft Assistance Center – ITAC is a nonprofit supported by financial services companies as a free service for their customers. ITAC shares information with law enforcement to help them investigate and prosecute fraud and identity theft. For a list of ITAC member companies and consumer information on identity theft detection and prevention, visit <http://www.identitytheftassistance.org>.

MetLife Mature Market Institute® (MMI) – The MMI site offers pamphlets, guides and tip sheets designed to assist decision-makers about retirement planning, caregiving and healthcare. Such publications include *Helpful Hints: Preventing Elder Financial Abuse* 23 and *Preventing Elder Abuse*.²⁴ For more information about other guides, reports, and resources offered by the MMI, visit www.maturemarketinstitute.com.

North American Securities Administrators Association, Inc (NASAA) – The North American Securities Administrators Association (NASAA) is an international organization devoted to investor protection. The NASAA Fraud Center, http://www.nasaa.org/Investor_Education/NASAA_Fraud_Center/, contains resources and information to protect against investor fraud.