



Employee NEWSLETTER

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Elder Abuse: Financial Scams Against Seniors

Financial fraud is the fastest growing form of elder abuse. Broadly defined, financial elder abuse is when someone illegally or improperly uses a vulnerable senior's money or other property. Most states now have laws that make elder financial abuse a crime and provide ways to help the senior and punish the scammer.

Elder financial abuse is tough to combat, in part because it often goes unreported. Many elderly victims are often too confused, fearful, or embarrassed by the crime to report it. One recent study reported by Consumers Digest estimated that there are at least 5 million cases of this financial abuse in the United States each year, but law enforcement or government officials learn about only 1 in 25 cases.

You can protect yourself or your loved ones from financial elder abuse by becoming familiar with the most common scams and learning what to do if you suspect foul play.

Profiles of Elder Abuse Victims and Scammers

A recent study by the American Association of Retired Persons (AARP) highlighted characteristics of people older than 50 that make them easy targets for financial abuse. In general, they: expect honesty in the marketplace, are less likely to take action when defrauded, and are less knowledgeable about their rights in an increasingly complex marketplace. And, as people over 50 are more likely to be home than their younger neighbors, they are often within easy reach of devious telemarketers and home solicitors.

Scammers target elders that they perceive to be vulnerable—those that are isolated, lonely, physically or mentally disabled, unfamiliar with handling their own finances, or have recently lost a spouse.

The scam artists often pose as trustworthy helpers. They can be strangers, such as telemarketers and tradespeople, or have a relationship with the targeted victim, such as friends, family members, doctors, lawyers, accountants, and paid or volunteer caregivers. Abusers who are family members often have money troubles that may be made worse by unemployment, gambling, or substance abuse problems.

Elder financial abuse scammers can be tough to catch. Many scammers have paperwork that appears to give them legal authority to act— including powers of attorney, authorizing signature cards, and vehicle pink slips. Some work at a bank or other financial institution and have intricate ways of hiding their tracks by manipulating electronic records and such.

Common Financial Scams

Financial scams perpetrated against older people include a broad range of conduct - from outright taking of money or property to forging a signature on a legal document, such as a will or deed, to getting paid for care, products, or services and then not providing them. Keep an eye out for these common scams below, but know there are also many others:

- **Telemarketing or mail fraud.** The U.S. Department of Justice estimates that dishonest telemarketers take in an estimated \$40 billion each year, bilking one in six American consumers-- and the AARP claims that about 80% of them are 50 or older. Scammers use the phone to conduct investment and credit card fraud, lottery scams, and identity theft. Scammers also use the phone to sell seniors goods that either never arrive or are worthless junk.

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- **Getting unauthorized access to funds.** In "Sweetheart Scams," alleged suitors woo older people, convincing them that love and care are their motivations for being included on bank accounts or property deeds; the suitors usually disappear along with the property.
- **Charging excessive amounts of money.** Smooth-talking scammers first convince seniors that they need some goods or services, then seriously overcharge them-- often hiding the high cost in extravagant schemes involving interest and installment payments. This tactic is often used for products that many older people might find essential to their quality of life, such as hearing aids and safety alert devices.
- **Using fraudulent legal documents.** Many scammers cloak their actions in legal authority, procuring a power of attorney or will or other legal document giving them access to a senior's property. They get seniors to sign these documents by lying to, intimidating, or threatening the seniors.
- **Doing unsolicited home repair work.** Typically working in teams of two or more, scammers scour neighborhoods with a high concentration of older residents, or even track recent widows and widowers through obituaries and death notices, then appear on their doorsteps claiming to spot something in need of fixing-- a hole in the roof or clogged drainpipe, for example. In a twist on this scam, one alleged worker might distract the elder while another enters the house to steal money and other valuables.

Warning Signs

Look out for certain factors that may indicate that a loved one is a likely target of financial abuse. Of course, no single sign is conclusive proof, but staying aware will help you avoid or limit the fallout if there are any problems.

- Unusual or large withdrawals or transfers from bank accounts, or large credit card charges that the older person can't explain.
- Checks that are missing or include suspicious signatures.
- An individual who suddenly forms a close relationship with the older person, getting easy access to his or her home, money, and other property.
- Newly executed documents, such as a will or power of attorney that the older person doesn't seem to understand.

- Changes in account beneficiaries or authorized signers.
- A large number of unpaid bills.
- Missing property.
- Entry forms and prizes from contests, and payments made for "free" vacations or other merchandise.
- Untreated physical or mental problems, including a dramatic change in mood or disposition, or other evidence of sub-standard care.
- Sudden social isolation.

Where to Report Suspected Abuse

There are now a number of individuals and groups dedicated to investigating suspected financial abuse, and finding and stopping perpetrators. Here are some options for taking action.

- **Notify bank personnel.** Depending on the type and extent of financial abuse involved, giving a heads up to the bank tellers and officers who commonly handle the elder's accounts may be enough to stop the wrongdoing. Bank employees are often in a good position to note suspicious activity, such as a sudden withdrawal of large sums of money or use of an ATM card by an elder who is housebound. The laws in most states encourage or require bank officials to report suspected elder financial abuse. And a federal law requires financial institutions to file a Suspicious Activity Report with the federal government when they suspect elder financial abuse.
- **Get help from a senior services group.** While the services offered-- from counseling to legal assistance-- vary widely depending on the locale, the Eldercare Locator, at 800-677-1116 directs callers to local programs and services that help prevent financial elder abuse. And INFO LINK at 800-394-2255 helps arrange and coordinate assistance with crimes.
- **Contact Adult Protective Services.** Adult Protective Services (APS) is the government-affiliated agency charged with investigating reports of elder financial abuse and offering assistance to victims. To find your state APS office, visit the National Center on Elder Abuse's website at www.ncea.aoa.gov (click on "Find State Resources").
- **Alert law enforcement.** The police or local prosecutor's office will often intervene when there is good evidence that a crime is being committed.

For a wide-range of services for seniors, your EAP can help. Call 800-777-4114 and ask to speak with a representative from our Elder Care Services team for information and referrals.

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