

# Preventing Financial Elder Abuse

## *What is Financial Elder Abuse?*

Elders can be taken advantage of or abused in a variety of ways, including physically, emotionally, sexually, and financially. Financial elder abuse is a crime, and it is on the rise. The related costs (e.g., for health care, social services, investigations, legal fees, prosecution, and lost income and assets) for older Americans exceed \$2.9 billion annually.

At an age when the labors of a lifetime should be enjoyed, many elders are being exploited by con artists, unscrupulous companies, caregivers, and even trusted family members. The outcome often is devastating. Without financial resources, physical and emotional well-being decline. Elders lose their independence.

The laws defining the abuse and exploitation of elders vary from state to state. According to California State Welfare and Institutions Code, Section 15610.30, financial abuse is "a situation in which a person, including but not limited to, one who has care or custody of or who stands in a position of trust, of an elder or dependent adult, takes, secretes, or appropriates their money or property, to any wrongful use, or with the intent to defraud."

Financial abuse also includes the illegal or improper use of an elder or dependent adult's financial resources.

## *Who is an elder?*

The definition of an *elder* can vary from state to state. According to the Welfare and Institutions Code, an elder is a person over age 65 who resides in the state of California. A vulnerable elder is one whose physical or mental health puts him or her at increased risk of abuse.

## *A growing problem*

Financial abuse of elders and dependent adults is on the rise. In 2002, 250,000 cases of vulnerable adult abuse were reported in California, with approximately 40% identified as financial abuse.

California is a prime target for financial abuse as the nation's highest retirement destination, with an estimated 3.9 million people over age 65 living in the Golden State in 2006. That same population is expected to jump to more than 9 million by 2020.

Financial abuse is one of the most underreported crimes due to the victim's

embarrassment, fear of loss of independence, intimidation by the perpetrator and widespread lack of awareness that it is a crime. Victims of elder abuse, neglect and financial exploitation are 3.1 times more likely to die at an earlier age than are those not victimized. Victims rarely recover financially and losses often lead to depression, increased physical problems, reliance on public benefits and even death. Increased funding and partnership is urgently needed to fight this growing problem.

## *Take these steps to protect elders*

The following steps can help you protect a vulnerable relative from financial abuse.

### *1. Order a background check*

Don't assume that a placement agency will do a thorough check on caregivers. Insist on a national, rather than state, criminal check. Ask for proof that the agency is bonded, and confirm it with your local Better Business Bureau.

### *2. Protect identity and property*

Don't leave incoming or outgoing mail in an unsecured mailbox. Shred documents with identifying information. List and photograph all jewelry and valuables. Keep the items in a locked drawer and the photographs in a separate place.

### *3. Check credit reports*

Get free reports from the three major credit bureaus through [www.annualcreditreport.com](http://www.annualcreditreport.com). You can assist an elderly friend or relative in checking credit reports, but you can't do it for him or her without power of attorney or guardianship.

### *4. Get caller ID*

It helps you screen for telemarketers. "Crooks love the telephone," says Paul Greenwood of the San Diego District Attorney's office. "It is now their weapon of choice." The call record also allows you to see who's been phoning your relative.

### *5. Arrange for another pair of eyes*

Have financial institutions send monthly statements to a trusted family member or a professional adviser to check for inaccuracies and fraud. If your relative has in-home help, consider installing a surveillance camera, state law permitting.

## ***6. Craft documents with care***

Arrange for a provision in the power-of-attorney document to have a third party review the appointed person's actions, or mandate joint powers of attorney.

### ***Additional Resources***

#### ***The National Center on Elder Abuse (NCEA)***

The National Center on Elder Abuse (NCEA) Web site contains a wealth of information on all aspects of elder abuse, including financial exploitation. It provides the ability to search for state agencies and other resources on a state-by-state basis. It also provides phone numbers for reporting elder abuse for each state.

[www.ncea.aoa.gov](http://www.ncea.aoa.gov)

#### ***The National Committee for the Prevention of Elder Abuse (NCPEA)***

The National Committee for the Prevention of Elder Abuse (NCPEA) provides information related to elder abuse. Their Web site has a designated section to help victims and those vulnerable to elder abuse. The site contains information on what to do if you feel someone you know is being abused, provides services available to stop abuse, and offers resources in the community.

[www.preventelderabuse.org](http://www.preventelderabuse.org)

#### ***The National Center for the Victims of Crime***

The National Center for the Victims of Crime Web site includes information for victims of any type of crime. The Web site provides contact information for other organizations that provide assistance to individuals who have been victims of specific crimes or types of abuse.

[www.ncvc.org](http://www.ncvc.org)

#### ***The National Consumers League's Fraud Center***

The National Consumers League's Fraud Center allows individuals to submit an online complaint if they feel they have been a victim of possible fraud. The Web site includes information on common Internet and telemarketing fraud schemes and a specific section on "Scams Against Elderly," with tips for prevention.

[www.fraud.org](http://www.fraud.org)