



Stop Elder Financial Abuse:

**Protecting the economic
well-being of our senior citizens**



What is elder financial abuse?

Elder financial abuse is a specific form of the crime of financial abuse. Financial abuse is defined in California's Elder Abuse and Dependent Adult Civil Protection Act (Welfare & Institutions Code section 15600 et seq.) as "occurring when any person or entity takes, secretes, appropriates or retains real or personal property of an elder or dependent adult with the intent to wrongfully use or defraud, or who assists in doing so." Elder financial abuse is the perpetration of this crime against elder citizens and dependent adults, who may be especially vulnerable due to physical or mental incapacity.

Elder financial abuse and the need for response

The population of older Americans is expected to rise significantly in the coming years. The American Association of Retired Persons (AARP) indicates that the population of older Americans (65+ years old) is expected to reach 71 million by the year 2030.

Given this projection, it is clear that the U.S. should prepare itself for the many changes that will accompany this dramatic increase in the older population.

California, the state with the largest population of older Americans, needs to be particularly prepared and aware of the issues that affect its older citizens, and of growing concern is financial elder abuse.



Avoid becoming a victim

The following tips may be useful in helping you or people you care about from becoming a victim of elder financial abuse:

- **Use direct deposit** for all checks, sign your own checks and do not sign “blank checks,” even for family members.
- If someone helps you manage your finances, **have a trusted third person review your bank statement.** Put all financial instructions in writing and be specific.
- **Establish a relationship with the personnel at your bank,** and become familiar with resources in your community designed to help older people and their families.
- **Execute a power of attorney** that will grant financial decision-making power to a trusted friend, relative or attorney. Make sure you know and **trust this person.** A power of attorney can be as limited or as broadly defined as you wish and can be revoked at any time. Provide your bank with a copy.
- **Do not sign over money or property** to anyone in return for care, even family members or friends, without having the agreement reviewed by an attorney.
- **Gather all important documents together** (wills, insurance policies and bank account information) and tell someone you trust where these documents are kept.
- **Never give out credit card numbers** over the phone unless you placed the call, and never give out your Social Security number or bank account number over the phone. Submit all phone number to the state’s “do not call” list to prevent telemarketers – visit <http://oag.ca.gov/donotcall>.
- Get several estimates before you have any work done to your home, **do not pay for any work in advance of its completion** and remember that all contractors must be licensed by law. Do not pay cash to persons you hire.
- **If something seems “too good to be true”** (such as being told that you won a prize for a drawing you did not enter, or that someone can get you a 100 percent return on your investment), **it is probably a scam.**

Common elder financial abuse scenarios

- **Misappropriation of income or assets**
 - Perpetrator obtains access to an elder’s Social Security checks, pension payments, checking or savings account, credit card or ATM, or withholds portions of checks cashed for an elder.
- **Improper or fraudulent use of the power of attorney or fiduciary authority** – Perpetrator improperly or fraudulently uses the power of attorney or fiduciary authority to alter an elder’s will, to borrow money using an elder’s name or to dispose of an elder’s assets or income.
- **Obtaining money or property by undue influence, misrepresentation or fraud** – Perpetrator coerces an elder to sign over investments, real estate or other assets through the use of manipulation, intimidation or threats.
- **Scams** – There are a number of scams that elders can fall victim to such as fake check scams, telemarketing or mail fraud, fake prizes and unsolicited work.



How to spot possible cases of financial abuse

The following are some common “red flags” you should be aware of to help you determine whether elder financial abuse may be occurring:

A senior you know:

- Makes unusual, erratic or uncharacteristic financial decisions, such as executing a power of attorney or making changes to property titles, or withdraws large sums of money in a secretive manner.
- Suddenly acquires new acquaintances, particularly those who take up residence with them.
- Worries about paying for common bills, such as complaining about having no heat despite the fact that he or she can afford to have it, or indicates that he or she is being evicted.
- Indicates that some of his or her property is suddenly missing, or that his or her mail is no longer delivered to his or her home.
- Has obvious health or mental problems that are not treated or has a sudden change in demeanor, such as a normally friendly person begins to withdraw socially or is afraid to engage in conversation or noticeable changes in his or her appearance and grooming.



Reporting suspected cases of elder financial abuse

If you believe that an elder's assets are in immediate danger, notify law enforcement immediately. If physical danger is imminent, call 911; if physical danger is not imminent, call your local Adult Protective Services department. Be prepared to provide them with the name and address of the person you believe is being victimized, the circumstances that led to your concern and, if possible, the name of the person you believe may be perpetrating the crime.

Resources

California Department of Aging

www.aging.ca.gov

Elder Financial Protection Network

www.bewiseonline.org

