

Protect Your Pocketbook

Tips to Avoid Financial Exploitation



Connecting You to Community Services

1 (800) 677-1116
www.eldercare.acl.gov



Often occurring in the form of scams and identity theft, financial exploitation is an all-too-common form of elder abuse that is believed to cost older adults an estimated \$3 billion annually, having a significant impact on their well-being and quality of life—and that of our communities as well. Financial exploitation is both a social and economic issue: it can create legal costs and can lead to social isolation, which reduces the engagement of older adults in community activities. However, there are steps that older adults—and their caregivers—can take to prevent or reduce the risk of financial exploitation.

What is Financial Exploitation?

Financial exploitation is the illegal or improper use of an older adult's money, property or assets, and can be committed by a known and trusted individual or a complete stranger. In other words, financial exploitation can be committed by anyone with access to a person's financial information.

The Federal Trade Commission reports that imposter scams and identity theft are among the most common types of scams. Imposter scams occur when a person pretends to be a friend, family member, or representative from a business or the federal government, and claims that they need money or personal information in order to avoid an emergency or other dire circumstance. Identity theft occurs when financial or other personal information is used for financial gain without the owner's consent.

Risk Factors

While financial exploitation can happen to anyone, older adults may find themselves more at risk if they:

- Are socially isolated;
- Rely on family members or friends to handle their finances;
- Have difficulty understanding their finances; or
- Recently lost a spouse or loved one who handled household finances.

Signs of Financial Exploitation

In order to prevent financial exploitation, it is important to recognize the following warning signs that may help older adults or caregivers recognize financial exploitation.

- **Unexplained or odd financial activity.** Any unexplained financial activity or financial activity that exceeds financial resources. Examples include increased or unexplained credit card activity or ATM withdrawals, and the addition of authorized users to any financial accounts without the owner's knowledge or consent.
- **Changes without consent or notification.** Any changes to credit cards, property titles, deeds, mortgages, Powers of Attorney, wills, trusts or other documents without authorization.

- **Threats.** If a family member, friend or caregiver threatens an older adult with harm, neglect or abandonment if certain actions aren't taken. Threats may include a caregiver or beneficiary's refusal to use funds for necessary care and treatment; an attempt to remove an individual from their home; or denied access to friends, family or other resources.
- **Manipulation.** If a family member, friend or caregiver asks an older adult to take on financial responsibilities without regard to the needs of the older adult.



What to Do If You Suspect Financial Exploitation

Financial exploitation of older adults is often undetected and under-reported. As with other forms of abuse, older adults who have experienced abuse tend to blame themselves. If you observe any of the signs mentioned above and are concerned that you, a family member or friend is experiencing financial exploitation, taking the following actions can help identify and stop financial abuse in its tracks.

- **Contact 911.** If it appears that an older adult is in immediate danger due to suspected abuse, contact the police right away.
- **Contact Adult Protective Services.** Each state's Adult Protective Services office has the authority to conduct an investigation of any suspected cases of elder abuse.

- **Talk to the person you suspect is being abused.** The National Center on Elder Abuse recommends asking if elder abuse has occurred, whether the older adult is afraid of anyone or if they are being harmed by anyone. It is important to remind them that abuse is not their fault.

Reporting any type of abuse can be intimidating, especially when a friend or family member might be involved. Nevertheless, it is important to remember that financial exploitation is a crime.

- **Call the Eldercare Locator.** The Eldercare Locator's trained staff can connect older adults and concerned caregivers with local reporting organizations in their communities.

- **Visit www.IdentityTheft.gov.** This website, maintained by the Federal Trade Commission, allows consumers to report identity theft, helps them develop a personal plan and provides fact sheets and other resources to help them recover from identity theft.
- **Contact the Long-Term Care Ombudsman.** For older adults residing in a licensed nursing home or assisted living facility, a state or local Long-Term Care Ombudsman will act as an advocate for suspected victims of elder abuse and can provide information about the appropriate licensing, monitoring and regulatory agencies.

Ways to Prevent Financial Exploitation

Taking the following steps may reduce the likelihood that older adults will experience financial exploitation.

- **Consult a financial advisor or manager.** If managing your daily finances is difficult, consider working with a trusted financial advisor or money manager. It may also be helpful to consult a financial advisor when reviewing or signing any important documents and when making large purchases or investments.
- **Create an estate plan.** Having a plan for the future—financial and otherwise—may reduce the likelihood that you experience financial exploitation. Work with a trusted attorney to create any of the following documents. Note that the documents needed may vary based on an individual's unique circumstances.



- Durable power of attorney for asset or financial management. This legal document allows you to name a person you trust to make asset/financial management decisions on your behalf in the event you become unable to do so.
- A living will, living trust, revocable trust or health care advance directive.



- **Sign up for the National Do Not Call Registry.** Visit www.DoNotCall.gov or call 1 (888) 382-1222 to sign up to prevent unwanted telemarketing calls. Unfortunately, scammers and telemarketers are unlikely to honor the do-not-call laws, so be vigilant and do not share any personal financial information with unknown or unwanted callers.
- **Keep personal information private.** Do not share private or financial information with anyone you do not know or trust. Keep personal information in a safe and secure location that unauthorized individuals cannot access.
- **Never provide personal information over the phone, via email or text message.** Do not provide personal information (such as your Social Security number, credit card information, ATM PIN, passwords) over the phone, email or text message unless you are certain with whom you are speaking.
- **Dispose of sensitive documents properly.** Shredding is the most secure way to dispose of credit card receipts, bank statements, financial records and other important documents.
- **Build a strong support network.** Keep in touch with others. Social isolation can increase the chances that an older adult will experience financial exploitation and the likelihood of it going unnoticed.
- **Talk with others and educate our communities.** The Federal Trade Commission's Pass It On program (www.ftc.gov/PassItOn) gives older adults the tools they need to share their experiences and help prevent financial exploitation.



Eldercare Locator

1 (800) 677-1116

Monday–Friday, 9:00 a.m. – 8:00 p.m. ET

eldercarelocator.acl.gov

 www.facebook.com/eldercarelocator

 www.twitter.com/eldercareloc

Connecting You to Community Services

Launched in 1991, the Eldercare Locator is the only national information and referral resource to provide support to consumers across the spectrum of issues affecting older Americans. The Locator was established and is funded by the U.S. Administration on Aging, part of Administration for Community Living, and is administered by the National Association of Area Agencies on Aging (n4a).



advocacy | action | answers on aging



Administration for Community Living

Adult Protective Services

www.napsa-now.org/get-help/help-in-your-area

Adult Protective Services (APS) is a social services program provided by states and local governments for older adults and adults with disabilities who are in need of assistance. APS investigates cases of abuse, neglect or exploitation, working closely with a variety of allied professionals such as physicians, nurses, paramedics, firefighters and law enforcement officers. Each state has its own distinct APS system and programs vary from state to state in respect to populations served, services provided and scope.

Elder Justice Initiative

www.justice.gov/elderjustice

A project of the U.S. Department of Justice, the mission of the Elder Justice Initiative is to support and coordinate the Justice Department's enforcement and programmatic efforts to combat elder abuse, neglect and financial fraud and scams that target older adults.

National Center on Elder Abuse

www.ncea.acl.gov

First established by the U.S. Administration on Aging in 1988, NCEA provides the latest information regarding research, training, best practices, news and resources on elder abuse, neglect and exploitation to professionals and the public.

Ageless Alliance

www.agelessalliance.org

Ageless Alliance works collaboratively with partners to create national and international campaigns to expand public understanding and generate movement on elder abuse.

National Long-Term Care Ombudsman Resource Center

(202) 332-2275

www.theconsumervoice.org/get_help

Long-term care ombudsmen are advocates for residents of nursing homes, board and care homes, and assisted living facilities in every state. Ombudsmen provide information about how to find a long-term care facility and how to ensure quality care, and are trained to resolve problems and assist with complaints. If you want, the ombudsman can assist you with complaints about abuse or neglect.

This project was supported, in part, by grant number 901R0002, from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, DC 20201. Grantees undertaking projects under government sponsorship are encouraged to express freely their findings and conclusions. Points of view or opinions do not, therefore, necessarily represent official Administration for Community Living policy.