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An elderly woman is befriended by a younger one, who pays her the attention her own children don't. The new friend takes her shopping, to the doctor, and to church, providing help and companionship. But soon the "friend" is helping herself to jewelry, collectibles, and even the woman's Social Security checks. By the time a relative catches on, the elderly woman has already signed over the deed to her home.

Elder abuse doesn't always mean physical harm. In its financial form, it's the exploitation of people to gain access to their property, investments, cash, or real estate.

As the recession drags on, some law-enforcement officials and attorneys say they're seeing an uptick in reports of elder fraud committed by strangers. The scams include identity theft, telemarketing cons, stealing Social Security checks from outdoor mailboxes, and fraud by unscrupulous contractors and professional advisers.

But relatives—sometimes those entrusted with the elder person's welfare—also commit such crimes. Steven Peck, an elder-law attorney in Van Nuys, Calif., estimates that 75 percent of elder abuse is done by someone in the immediate family, "whether they steal the house or the money, or take more from the trust than they're supposed to take."

## Signs of exploitation

Better public awareness is also spurring increased reporting of those crimes. "When I started working in this field 13 years ago, few people talked about it," says Paul Greenwood, a deputy district attorney in San Diego and head of the office's elder-abuse prosecution unit. "Now there is more confidence that someone will do something about it." All states and many counties have adult protective services offices to respond to complaints of abuse.

In most states, certain professionals—health-care providers and social-service workers—are required to report suspected elder abuse to law-enforcement authorities. But only a few states include financial professionals in that list, so questionable transactions can fall through the cracks. Debra G. Speyer, an elder-law attorney in Philadelphia, says she has seen financial statements where half the monthly pension was going to phone scams.

That leaves it up to family, friends, and trusted others to look for patterns that might signal a problem. Be suspicious if the elderly person has a new "best friend," becomes socially isolated, or is hesitant to have contact with others unless his or her caregiver is present. Also be on alert for:

- Unpaid bills when someone else has been designated to pay them.
- Missing property, large or unexplained withdrawals from bank accounts, or transfers between accounts.
- Changes in banks or attorneys.
- Bank statements and canceled checks no longer coming to the elder's home.
- Unfamiliar signatures on checks and other documents.
- Changes in spending patterns, such as buying items the senior doesn't need.
- Lack of personal amenities, such as clean clothes and grooming items.

Caregivers can be involved in such scams. Mike Gargiulo, deputy in charge of elder abuse in the Los Angeles County District Attorney's office, relates the case of a 93-year-old woman with Alzheimer's disease in Hermosa Beach, Calif., whose in-home caregiver invited her boyfriend to move in. Soon the two were providing just subsistence care to the woman while using her money to buy things for themselves. The size of the crime wasn't large, Gargiulo says, "but the planning of it was so outrageous that we sent them to prison."

Gargiulo and others say the vigilance of relatives and nonrelatives alike is key to preventing abuse. If you don't see an elderly person for a while or you notice mail piling up by his door, pay a visit. "People need to be better neighbors," he says.

## Abuse by relatives

Detecting and prosecuting elder financial abuse can become complicated when family is involved. "We see a lot of cases where the kids help themselves with the intention of paying the money back," says Bernard Krooks, an elder-law and estate attorney in New York City. "It becomes a bad habit." In other situations a nearby child, who is the caregiving relative by default, feels justified taking money from a parent's account. But "you don't have an entitlement to dip into Mom's bank account just because you're taking care of her," Krooks says.

Ideally, adult children should include their elderly parent in a family meeting to determine who will look after him or her physically and financially. Family members can write up an agreement outlining how much the caregiver should receive for services from the parent's accounts. While that setup involves some complications—including FICA withholding and payment of income tax—it helps reduce stress among siblings, Krooks says. And because a salary is not a gift, the arrangement also reduces the likelihood that Medicaid would later deny the parent benefits for drawing down assets.

Greenwood advises caution in assigning power of attorney to a relative. "Even the person who you think is the nice relative can turn on you in desperation," he says. Greenwood recommends appointing a bonded, licensed professional such as an estate attorney with expertise in elder law, a financial planner, or a bank officer.

The National Association of Professional Geriatric Care Managers ([www.caremanager.org](http://www.caremanager.org)) says 35 to 40 percent of its members do that kind of work. For less than half of what an attorney would charge, they can pay bills, monitor repairs on a property, deal with insurance claims, and so on.

For no extra cost, the power-of-attorney document can be drawn up with limits, such as assigning a relative or friend to monitor the relative with power of attorney, mandating a periodic written report of financial transactions, or assigning joint powers of attorney, which requires two signatures on every check.

The best prevention is perhaps the simplest, but it's hard for many busy people: Check in regularly with the older person. "Reducing isolation is the No. 1 thing to do," says Kathleen Quinn, executive director of the National Adult Protection Services Association.

## Take these steps to protect elders

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

### 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.

### 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.

### 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.

### 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 you

relative.

### **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.

### **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.

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