



**Elder Financial Abuse:
Identifying and Combating Financial
Exploitation**

(General Public)

The Real Impact of Financial Exploitation

- Journal of American Medical Association (JAMA) study shows that elder victims of financial abuse have a 3 times higher mortality rate than non-victims
- Older victims will not recover financially
- Victims are **4 times** more likely to go into a nursing home and **9%** of financial exploitation victims turn to Medicaid as a direct result of exploitation (National Adult Protective Services Association (NAPSA), 2011)

The Real Impact of Financial Exploitation (cont'd)

- Cannot afford medicine, utilities, food
- Must rely on Medicaid to cover costs
- Unable to choose end of life care

Life savings are gone

430,684

- The number of 2010 social security beneficiaries aged 65 or older in Iowa
- This group collected \$495,303,000 total monthly social security benefits

(Older Iowans: 2012, State Data Center of Iowa and the Iowa Department on Aging, May 2012)

“Under the Radar: New York State Elder Abuse Prevalence Study” 2010

- Financial exploitation may be the most common form of elder abuse
- 44x cases go unreported vs. reported

Elder Abuse vs. Dependent Adult Abuse

- **Elder Abuse – Older Americans' Act**
 - Older individual (aged 60 or older)
 - Abuse, neglect, or exploitation
 - Federal mandate placed on Dept. on Aging
- **Dependent Adult Abuse (DAA) – Iowa Code 235B**
 - Dependent adult (aged 18 or older)
 - Caretaker
 - Specific allegation of abuse per 235B
 - Iowa's protective services implemented by the Department of Human Services (DHS)

Dependent Adult Abuse Criteria for Referral

- Dependent adult
- Allegation of abuse by caretaker
- Allegation of abuse as defined by Iowa Code 235B

Iowa Code 235B –

Dependent Adult

A person eighteen or older who is unable to protect the person's own interests **or** unable to adequately perform **or** obtain services necessary to meet essential human needs, **as a result of a physical **or** mental condition which requires assistance from another.** Iowa Code §235B.2(4)

Iowa Code 235B - Caretaker

A related or non-related person who has the **responsibility for the protection, care, or custody** of a dependent adult as a result of assuming the responsibility voluntarily, by contract, through employment, or by order of the court. Iowa Code §235B.2(1)

Iowa Code 235B

Financial Exploitation

The act or process of taking unfair advantage of a dependent adult or the adult's physical or financial resources for one's own personal or pecuniary profit, without the informed consent of the dependent adult, including theft, by the use of **UNDUE INFLUENCE, HARASSMENT, DURESS, DECEPTION, FALSE REPRESENTATION, or FALSE PRETENSES.**

Iowa Code §235B.2(5)(a)(1)(c)

Common Examples

- Taking or misusing a person's property, money, social security or pension check, food stamps, medication, etc.
- Abuse of fiduciary powers—Power of Attorney Document, guardian, conservator
- Identity theft
- Scams
- Coercing to sign or alter legal documents (wills, land, resources) or forging signature

Common Examples (cont'd)

- “Borrowing” money and not paying it back
- Denying services or medical care to conserve funds
- Giving away or selling the person’s possessions without permission
- Misusing ATM or credit cards, or using them without permission
- Passing out the person’s money to family or friends without permission

WARNING SIGNS

- Elder is unusually quiet, isn't allowed to speak or is interrupted in attempting to speak or answer questions
- Elder isn't acting like him or herself—seems uncomfortable
- Elder's answers to questions seem unreasonable or unlikely
- If by telephone, elder is being prompted in background

WARNING SIGNS (cont'd)

- Unusual activity or level of activity in accounts
- Movement of accounts between banks
- Unusual patterns of withdrawal amounts
- Opening of account with immediate withdrawals
- Use of ATM or online banking when inconsistent with elder's history or nature
- Sudden or frequent overdrafts inconsistent with history
- Unusual credit or loan activity

WARNINGS SIGNS (cont'd)

- Elder is concerned or confused about missing money doesn't remember financial transactions or signing paperwork
- Stable, conservative-type accounts or investments are closed
- Regular monthly-type expenses are no longer being paid out of account
- Suspicious changes to wills, POA's, trusts, beneficiaries

WARNINGS SIGNS (cont'd)

- Signature appears forged
- Checks signed by elder but not written by elder
- Elder appears to be neglected or doesn't seem to have money
- Elder is accompanied by a stranger, friend family member and is withdrawing unusual amounts of cash or making inquiries that are unusual for that person
- Elder appears uncomfortable making transactions

WARNINGS SIGNS (cont'd)

- Elder is unusually quiet, isn't allowed to speak or is interrupted in attempting to speak or answer questions
- Individual with elder appears overly interested in the elder's finances
- Elder isn't acting like him or herself—seems uncomfortable
- Elder's answers to questions seem unreasonable or unlikely

Why are *Older* Iowans More Susceptible?

- **Trust** in family, friends, professionals, care providers
- Expected to provide **financial authority** to family members or other trusted persons
- Fear of **losing independence**
- Reluctant to **report** family members

Who are the Perpetrators?

- **Family members**
- **Caregivers**
- **Neighbors**
- **Friends**
- Guardians, conservators,
- **Attorneys-in-Fact**
(Power of Attorney Documents)
- Strangers
- Clergy
- Companions
- Telemarketers
- Financial planners
- Lawyers

Common Characteristics of Perpetrators

- Persons in positions of trust—children, family members, caretakers, professionals
- A **relationship of trust** is the core of financial exploitation
- **Opportunists**
- Insulated—ability to target, stalk, and groom victims without raising much suspicion

Tactics of Financial Exploiters

- Use joint bank accounts
- Deed/title transfers
- Use power of attorney
- Mortgage on victim's home
- Use power as conservator
- Theft of identity (credit cards, medical cards, SSN)

The Art of Exploitation

Suspect's tactics are designed to ensure that the victim does not know what is going on and feels he or she can do nothing about it!

- ✓ Isolate from others and from information
- ✓ Keep unaware
- ✓ Create lack of faith in own abilities
- ✓ Create dependency
- ✓ Create fear

Fiduciary ≠ License to Steal

- **No** fiduciary relationship authorizes a person to financially exploit the individual being served—all are relationships of service to the ward or principal
- It is **NOT** a license to steal!

It Will Never Happen to Me

Financial exploitation
does not just happen to
“other people”

Who is at Risk?

- **ANYONE AND EVERYONE**
- Those who are frail, ill, disabled, mentally impaired, depressed
- Those who are dependent on another due to physical or emotional limitations
- Those who need assistance with their finances or who have never managed the finances

Increased Vulnerability

- Lonely
- Unsophisticated as to financial matters
- Ill or cognitively impaired
- Adverse life conditions
- Fatigued, exhausted, distracted
- Frightened
- Dependent

Undue Influence--Basics

- Power and control
- Exploit trust, dependency and fear of another
- Purpose: *deceptively* gain decision making control

Act Freely and Voluntarily

- “Undue influence” is the substitution of one person’s will for the true desires of another
- Victims of undue influence cannot act freely and voluntarily—different than competency
- *Apparent* consent, not *actual* consent

Knowledge of True Nature of Act

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Types of Fiduciaries

- Personal Representatives
 - Attorney-in-fact (power of attorney)
 - Representative payee
- Executors—under a will
- Administrator—intestate estate
- Guardian—custody of the person
- Conservator—custody of property/finances
- Trustee—administer a trust

Who to Call

- **Suspected Dependent Adult Abuse**
Dept. of Human Services: 800/362-2178
- **Suspected Crime**
Local Law Enforcement—police or sheriff
- **Consumer Fraud**
Attorney General's Office, Consumer Protection Division
515/281-5926
- **For Information on Elder Abuse, Neglect, Financial Exploitation**
Iowa Dept. on Aging 800-532-3213

Who to Call (continued)

- **Suspected Medicaid Fraud & Abuse:**
Medicaid Fraud Control Unit, Dept. of Inspections and Appeals
515/281-5717 or 515/281-7086
- **Investment Fraud Prevention and Investigations:**
Iowa Insurance Division: 877/955-1212; www.iid.state.ia.us

Reporting Misuse of a Federal Benefit

- Social Security Administration: 800/772-1213
- Dept. of Veteran's Affairs: 800/827-1000
- Railroad Retirement: 515/284-4344
- Office of Personnel Management (federal pensions): 202/606-0500
- Dept. of Defense: www.dfas.mil

“Never has an issue that affected so many people received so little attention”

Marie Therese Connolly,
MacArthur “Genius” Award Recipient

Contact Information:

For more information on elder abuse, neglect and financial exploitation, contact

Iowa Department on Aging

www.iowaaging.gov

800-532-3213



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