



Consumer Education

Protect the Elderly from Financial Exploitation

You, or someone you know, could become the victim of a growing crime in America — financial abuse of older Americans. Seniors are increasingly becoming targets for financial abuse. As people over 50 years old control over 70 percent of the nation's wealth, fraudsters are using new tactics to take advantage of retiring baby boomers and the growing number of older Americans. Senior financial abuse is estimated to have cost victims at least \$2.9 billion last year alone.

What Is Elder Financial Abuse?

It's a crime that deprives older adults of their resources and ultimately their independence. Anyone who sees signs of theft, fraud, misuse of a person's assets or credit, or use of undue influence to gain control of an older person's money or property should be on the alert. Those are signs of possible exploitation. Older Americans that may have disabilities or rely on others for help can be susceptible to scams and other fraud. Advances in technology can also make it difficult for seniors to know who to trust and what's safe.

Despite these threats, taking simple steps to safeguard personal information and being aware of warning signs can protect aging men and women from financial abuse.

Tips for Seniors

What should you do to protect yourself?

- ◆ Plan ahead to protect your assets and to ensure your wishes are followed. Talk to someone at your financial institution, an attorney, or financial advisor about the best options for you.
- ◆ Shred receipts, bank statements and unused credit card offers before throwing them away.
- ◆ Carefully choose a trustworthy person to act as your agent in all estate-planning matters.
- ◆ Lock up your checkbook, account statements and other sensitive information when others will be in your home.



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- ◆ Order copies of your credit report once a year to ensure accuracy.
- ◆ Never give personal information, including Social Security Number, account number or other financial information to anyone over the phone unless you initiated the call and the other party is trusted.
- ◆ Never pay a fee or taxes to collect sweepstakes or lottery “winnings.”
- ◆ Never rush into a financial decision. Ask for details in writing and get a second opinion.
- ◆ Consult with a financial advisor or attorney before signing any document you don’t understand.
- ◆ Get to know your banker and build a relationship with the people who handle your finances. They can look out for any suspicious activity related to your account.
- ◆ Check references and credentials before hiring anyone. Don’t allow workers to have access to information about your finances.
- ◆ Pay with checks and credit cards instead of cash to keep a paper trail.
- ◆ Feel free to say “no.” After all, it’s your money.
- ◆ You have the right not to be threatened or intimidated. If you think someone close to you is trying to take control of your finances, call your local Adult Protective Services or tell someone at your bank.
- ◆ Trust your instincts. Exploiters and abusers often are very skilled. They can be charming and forceful in their effort to convince you to give up control of your finances. Don’t be fooled—if something doesn’t feel right, it may not be right. If it sounds too good to be true, it probably is.

What should you do if you are a victim of financial abuse?

- ◆ Talk to a trusted family member who has your best interests at heart, or to your clergy.
- ◆ Talk to your attorney, doctor or an officer at your bank.
- ◆ Contact Adult Protective Services in your state or your local police for help.



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Tips for Family and Friends

What are the warning signs of financial abuse?

The key to spotting financial abuse is a change in a person's established financial patterns. Watch out for these "red flags":

- ◆ Unusual activity in an older person's bank accounts, including large, frequent or unexplained withdrawals.
- ◆ ATM withdrawals by an older person who has never used a debit or ATM card.
- ◆ Changing from a basic account to one that offers more complicated services the customer does not fully understand or need.
- ◆ Withdrawals from bank accounts or transfers between accounts the customer cannot explain.
- ◆ New "best friends" accompanying an older person to the bank.
- ◆ Sudden non-sufficient fund activity or unpaid bills.
- ◆ Closing CDs or accounts without regard to penalties.
- ◆ Uncharacteristic attempts to wire large sums of money.
- ◆ Suspicious signatures on checks, or outright forgery.
- ◆ Confusion, fear or lack of awareness on the part of an older customer.
- ◆ Refusal to make eye contact, shame or reluctance to talk about the problem.
- ◆ Checks written as "loans" or "gifts."
- ◆ Bank statements that no longer go to the customer's home.
- ◆ New powers of attorney the older person does not understand.
- ◆ A caretaker, relative or friend who suddenly begins conducting financial transactions on behalf of an older person without proper documentation.
- ◆ Altered wills and trusts.
- ◆ Loss of property.



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What should you do if you suspect financial abuse?

- ◆ Talk to elderly friends or loved ones if you see any of the signs mentioned here. Try to determine what specifically is happening with their financial situation, such as a new person “helping” them with money management, or a relative using cards or credit without their permission.
- ◆ Report the elder financial abuse to their bank, and enlist their banker’s help to stop it and prevent its recurrence.
- ◆ Contact Adult Protective Services in your town or state for help.
- ◆ Report all instances of elder financial abuse to your local police—if fraud is involved, they should investigate.

Remember

Never give your Social Security number, account numbers or other personal financial information over the phone unless you initiated the call.

For more information, check out the [**FBI's elder fraud tips**](#).

Source: American Bankers Association