

# Protecting Your Parents From Elder Financial Abuse

*How to help your family avoid scams and other fraud.*

We are becoming more familiar with the notion of financial abuse targeting elders – scams and other exploitation targeting the savings of people aged 60 and older – but many may think, “it won’t happen to my family” or “my relative is too smart to be taken in by this.”

These assumptions are only wishful thinking; this sort of fraud is on the rise, so it’s important to talk to your loved ones about what to look for, and how they can protect their finances.

**More common than you think.** The U.S. Department of Justice’s Elder Justice Initiative offers a sobering statistic: in the United States alone, multiple studies have found that, every year, 3-5% of seniors endure financial abuse by family members. This form of exploitation is, typically, one of the top two most frequently reported means of elder abuse.<sup>1</sup>

**Talk about money.** It can be uncomfortable to talk with family about financial issues, but this is often the best first step toward guarding against financial abuse. Find out the information you would already need to know in the event of a sudden calamity. Questions to ask include: where is the important paperwork kept - i.e. bills, deeds, and wills? Who are the professionals they work with – accountants, lawyers, and those who assist with financial matters?<sup>2</sup>

It’s also important for you to have a clear idea in what sorts of accounts and investments your parents or loved ones keep their money. You will also want to have a conversation about when and under what circumstances they would like for you to step in and handle their finances for them.<sup>2</sup>

**Trouble takes many forms.** Not all financial trouble that elders experience is necessarily a sign of abuse, but having open and clear communication can be a great help. Look for unpaid bills piling up, creditor notices, and suspicious activity on their bank accounts.<sup>2</sup>

There are a number of scams out there that target the elderly, in particular, and many of them come via telephone calls. There are scammers who pose as officials from a sweepstakes, lottery, or some other contest claiming that your parent or loved one is in line to receive a prize. Others will pretend to be from the Internal Revenue Service and threaten legal action over some long-forgotten overdue balance. The real IRS only sends notices via regular mail, of course, but that can be easily forgotten when dealing with a wily and confrontational con artist.<sup>2</sup>

Talk about these scams with your parents or loved ones. Make sure that they understand that they shouldn’t give out Medicare or Social Security numbers, and always be absolutely certain before signing anything, particularly legal documents, contracts, and anything to do with making an investment. For the latter, if you don’t already know the people who handle your

financial matters for your parents or loved ones, suggest that a meeting be arranged and, if necessary, that they be instructed to work with you under certain circumstances.<sup>2</sup>

**Stay informed.** There are a number of resources to keep you and your parents or loved ones aware of fraud, both in terms of new scams and even instances of elder financial abuse in your area. StopFraud.gov offers a number of resources and tips for identifying and reporting the financial exploitation of elders. The AARP website features a Fraud Watch program and offers and interactive national fraud map that can look at specific reports and alerts from law enforcement.<sup>2,3,4</sup>

With careful planning and communication, you can make a real effort to protect your parents and other elders in your family from an embarrassing and costly set of circumstances.

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#### **Citations.**

1 – [justice.gov/elderjustice/research/prevalence-and-diversity.html](https://www.justice.gov/elderjustice/research/prevalence-and-diversity.html) [7/14/16]

2 – [nbcnews.com/business/retirement/worried-about-elder-financial-abuse-how-protect-your-parents-n559151](https://www.nbcnews.com/business/retirement/worried-about-elder-financial-abuse-how-protect-your-parents-n559151) [4/20/16]

3 – [stopfraud.gov/protect.html](https://stopfraud.gov/protect.html) [7/14/16]

4 – [action.aarp.org/site/SPageNavigator/FraudMap.html](https://action.aarp.org/site/SPageNavigator/FraudMap.html) [7/14/16]