Senior financial abuse scams are a multi-billion dollar "industry." The victims of these scams are not only older people, but also their families, their financial institutions, taxpayers and all who provide services and financial assistance to the victims. Many consider these financial scams as the crime of the 21st Century.

According to a 2011 study by the MetLife Mature Market Institute, the estimated annual financial loss from Senior financial abuse was 2.9 billion dollars, based just on the cases which made it into the media. The study does not include pain and suffering, nor the tens of billions spent on indirect costs for medical care, social services, legal costs, or losses in income and assets.

Older adults control the majority of wealth in the country, but all seniors regardless of income are at risk. Abuse may be perpetuated by anyone - a professional con artist, paid caregiver, stranger or casual acquaintance, or even a son, daughter, or other family member.

The following factors contribute to the prevalence of senior financial abuse:

- A high percentage of seniors live alone and may be more vulnerable to scams.
- Seniors may be more trusting, believing the “pitches” they hear, and may have trouble spotting fraud.
- Seniors have a relatively high net worth.
- The population of seniors is increasing, providing a continuous source of wealth for financial abusers.

We can help to eliminate this abuse by finding the most effective ways to prevent and respond to the problem. Education and awareness are two key strategies. This fact sheet looks at undue influence, and provides resources to keep seniors from falling victim to this financial trap.
Undue Influence

Undue influence is a critical part of any type of senior abuse—financial, physical, or sexual. Some seniors are more likely to be vulnerable to undue influence because they are more trusting in nature, or have a reason to be dependent on someone else. Sometimes, because of a disability, a senior must rely on someone else to help with everyday activities. Other times, the senior may be isolated, depressed or grieving, and need someone for emotional support.

What Is Undue Influence?

Undue influence is the “persuasion, pressure, or influence short of actual force, but stronger than mere advice, that so overpowers the dominated party’s free will or judgment that he or she cannot act intelligently and voluntarily, but acts, instead, subject to the will or purposes of the dominating party.”

How You Can Recognize Undue Influence

Undue influence is often the cause of other types of financial abuse, and shares many of the same indicators. Missing checks or property and unusual activity in bank accounts are all signs of undue influence, as well as other types of abuse.

Other signs include:
• Eviction notices or lack of utilities that should be provided by the senior’s income.
• Placement, care, or living conditions do not match the senior’s financial ability to pay.
• A recent acquaintance or caretaker who expresses an unusual affection for the senior, and may have moved in to the senior’s home or apartment.
• A caretaker who shows unusual interest in the senior’s financial arrangements.
• A caretaker who promises lifelong care, or threatens to leave the senior, in exchange for the senior’s property.

Since undue influence involves one person wholly taking advantage of someone unable to defend himself or herself, many consider it a type of domestic violence.

Similarities to domestic violence include:
• The victim and the abuser have an ongoing relationship that allows the abuse to occur.
• The abuser may ‘groom’ the victim, charming or manipulating the senior into giving the abuser control.
• The abuser isolates the victim and creates a dependency on the abuser.
• The abuser imposes his or her will on the victim, by providing inadequate nutrition, withholding medication, or depriving the victim of sleep.
• The abuser convinces the victim that he or she is not able to function alone.
How You Can Help Stop Undue Influence

Someone quite close to the victim, either a relative or close friend, often exercises undue influence. Many cases of undue influence go undocumented because seniors hide or minimize the abuse and protect the abuser in order to avoid conflicts with other family members.

What To Do
To help determine if the senior is being unduly influenced:

**Explore the relationship between the victim and the potential perpetrator**
- Is the alleged perpetrator a recent acquaintance or family member?
- Are there signs that the perpetrator has financial, mental health or substance abuse problems?
- Does the senior have the mental capacity and ability to make financial decisions?

**Assess the total situation**
- Are the living conditions of the senior less then the senior can afford?
- Are amenities lacking from the house?

**Document discrepancies and lies**
- Do the checks being signed not resemble the senior’s handwriting?
- Are funds being diverted to accounts the senior does not solely control?

If there are any signs of wrongdoing, immediately file a report with the local police department or the police department where the crime was located. Also, contact the guardian or conservator to revoke the POA as well as the county attorney who may be able to both prosecute the agent and sue for restitution. If the victim is not capable of self-representation, consider using a guardian or conservator. Make sure that the guardian was not involved in the reverse mortgage scam.

**ADDITIONAL HELPFUL RESOURCES**

Many public agencies are involved in preventing and detecting senior abuse and in prosecuting those who commit it. Many organizations are also dedicated to educating seniors on these topics:

- **National Center on Elder Abuse**
  State Resources: Helplines, Hotline and Information  
  [www.nce.aao.gov](http://www.nce.aao.gov)

- **National Academy of Elder Law Attorneys**
  Non-profit association for attorneys specializing in elder law  
  [www.naela.org](http://www.naela.org)

- **Federal Trade Commission**
  Protects consumers from unfair, deceptive and fraudulent business practices  
  [www.ftc.gov](http://www.ftc.gov)

- **Federal Crimes Enforcement Network**
  Financial Fraud Enforcement Task Force Investigates suspected financial fraud  
  [www.stopfraud.gov](http://www.stopfraud.gov)

- **American Bar Association Commission on Law and Aging**
  Lists statewide resources to help older adults with legal issues  
  [www.abanet.org](http://www.abanet.org)

- **The Securities and Exchange Commission**
  Investigates securities frauds  
  [www.investor.gov](http://www.investor.gov)

- **U.S. Administration on Aging**
  In partnership with the National Association of Area Agencies, AoA operates the Elder Care Locator to help with finding trustworthy local support resources for seniors  
  [www.eldercare.gov](http://www.eldercare.gov) (or 1-800-677-1116)
Administration on Aging Resource Centers partner to provide valuable information to seniors, caregivers, families and communities across the nation.

National Education and Resource Center on Women and Retirement

The Women’s Institute for a Secure Retirement (WISER), in partnership with the Administration on Aging, operates the National Education and Resource Center on Women and Retirement Planning to provide user-friendly financial education and retirement planning tools for low-income women, women of color and women with limited English-speaking proficiency. WISER’s mission is to inform women about the issues that affect their long-term financial security and to stress the importance of taking an active role in planning for their retirement. The Center specially tailors educational financial tools and information to meet the needs of the target population. Through the Center’s one-stop-gateway, women have access to comprehensive, easily understood information that allows them opportunities to plan for income during retirement and to plan for long term care as they need it.

National Adult Protective Services Resource Center

NAPSA, in partnership with the Administration on Aging, has established the first ever National Adult Protective Services Resource Center (NAPSRC). The Resource Center serves professionals from Adult Protective Services (APS) agencies across the United States. The goal of the Resource Center is to provide federal, state and local APS agencies with current, accurate, research-based information and training, along with technical assistance to improve their capacity to provide effective protective services to vulnerable and elder adult abuse victims.

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