Senior Financial Abuse

Introduction

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 perpetrated 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 exposes the most common types of abuse and perpetrators, and provides resources to keep seniors from falling victim to these financial traps.
Types of Senior Financial Abuse

There are many different ways seniors are scammed and defrauded. Fraud involves someone using a senior’s vulnerability to convince the senior to hand over property, money or valuable information under false pretenses. Theft involves the perpetrator taking property or assets directly from the senior.

Specific types of Senior Financial Abuse include:

• **Identity Theft and Credit Card Fraud**
  Gaining access to a senior’s personal information to take money and property.

• **Power of Attorney Abuse**
  Gaining legal representation over a senior and using it to take property or other assets.

• **Reverse Mortgage Scams**
  Using a senior’s fear of financial insecurity to “sell” fraudulent reverse mortgages.

• **Living Trust and Annuities Scams**
  Using a senior’s fear of financial insecurity to purchase unneeded, inadequate, unethical or confusing investments.

• **Deed Theft and Foreclosure Rescue Scams**
  Using a senior’s fear of financial insecurity to scam them out of money or property, such as their homes.

• **Undue influence**
  Using a senior’s trusting nature or dependence to scam them out of property.

• **Healthcare Scams**
  Getting information about seniors’ medical accounts —like Medicare and Medicaid—in order to commit fraudulent claims and take advantage of these tax-payer programs.

Who Are the Victims?

• Most are between the ages of 80 and 89
• Women are twice as likely as men to be victimized
• Most live alone
• Most require some level of help with either health care or home maintenance.

Who Are the Perpetrators?*

• Strangers: 51%
• Family/Friends/Neighbors: 34%**
• Business: 12%
• Medicare/Medicaid Providers: 4%
• 60% of known perpetrators are men, mostly between the ages of 30 and 59
• Women perpetrators tend to be younger, mostly between the ages of 30 and 49

** The vast majority of reports to APS involve family perpetrators

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How Can I Help Stop Senior Financial Abuse?

First, be aware that it can happen to anyone. Pay attention to possible signs of financial abuse among your family members, friends and clients. Educate seniors and their caregivers about financial abuse risks and what to look for. Advise older adults to contact caregiver support groups if they need help. Stay knowledgeable about of your community’s resources so you can provide caregivers with current up-to-date information. 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.

What is the Role of Adult Protective Services (APS)?
APS programs are state and local agencies authorized under state law to receive and investigate reports of abuse, neglect and financial exploitation of older persons and adults with disabilities. Their focus is on helping to project the victim of abuse.

APS interventions include:
• Receiving reports of senior abuse
• Investigating these reports and determining if abuse is occurring
• Developing a case plan and interventions, based on the victim’s wishes
• Arranging for emergency housing, medical care, legal assistance, etc.
• Coordinating with other agencies to address abuse as comprehensively as possible

**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.ncea.aoa.gov](http://www.ncea.aoa.gov)

- **Consumer Financial Protection Bureau**
  Ensures that consumers get the information they need to make sound financial decisions
  [www.consumerfinance.gov](http://www.consumerfinance.gov)

- **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)

- **Postal Inspection Service**
  Investigates frauds which use the US Mail
  [postalinspectors.uspis.gov](http://postalinspectors.uspis.gov)

- **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 on Aging, 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)

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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.

The National Adult Protective Services Resource Center (NAPSRC) is a project (Grant No. 90ER0002/01) of the U.S. Administration on Aging, U.S. Department of Health and Human Services (DHHS), administered by the National Adult Protective Services Association (NAPSA). Grantees carrying out projects under government sponsorship are encouraged to express freely their findings and conclusions. Therefore, points of view or opinions do not necessarily represent official Administration on Aging or DHHS policy.

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