Recognizing the Signs of Elder Abuse

By Randy R. Werner, J.D., LL.M., CPA

As the elderly population (those 65 and older) continues to grow, the incidence of financial abuse perpetrated against them has grown along with their numbers. When one considers that the elderly population is projected to grow to 80 million by 2050, the potential for widespread abuse becomes alarming.

As trusted financial advisors, many CPAs have an intimate knowledge of client finances, business matters, and family dynamics, and they may be in a position to detect and prevent problems and to render assistance. It is therefore important to be aware of the main warning signs of elder financial abuse.

Signs of Exploitation

One of the more common and prominent warning signs is isolation. The abuser controls the elder’s social life, telling callers or visitors that the elder does not want to talk with them, or providing an excuse that prevents the elder from speaking with callers or visitors. The abuser then tells the elder that no one has called or visited and that the abuser is the only one who cares about the elder.

Another common tactic is to tell the elder that if anyone asks questions, it is only for the purpose of placing the elder in a nursing facility. This intimidates the elder into refraining from speaking with anyone, including those who are trying to help. Signs of intimidation or threats would include unusual submissiveness or fear toward the caregiver, withdrawn behavior, or anxiety about personal finances and other issues.

While some elder abuse is perpetrated by family members, much is carried on by strangers who insinuate themselves into the senior’s life, whether as a new caregiver, friend, romantic interest or even as a financial “advisor.” All too often, seniors who feel isolated in retirement are vulnerable to this kind of approach.

Elders who have few contacts with the outside world may also be vulnerable to telemarketers and sales people. Such sales “professionals” are often able to persuade elders to purchase inappropriate and risky investments by promising unrealistic investment returns. Or they may convince an elder to purchase a variable annuity with high commissions to the seller and high surrender charges, causing the elder’s funds to be illiquid and unavailable.

Other signs and symptoms of exploitation include but are not limited to:

Lifestyle/care
- the sudden appearance of previously uninvolved relatives claiming their rights to an elder’s affairs and possessions
- missed appointments, substandard care being provided, or bills unpaid despite the availability of adequate financial resources
- the provision of unnecessary services or goods (e.g., large appliances, expensive jewelry)
• pharmacy or grocery receipts for purchases inconsistent with the client’s prescriptions or lifestyle (e.g., alcohol for a nondrinker)
• significant changes in spending patterns

Banking/credit
• unexplained disappearance of funds or valuable possessions
• sudden changes in a bank account or banking practices, including an unexplained withdrawal of large sums of money by a person accompanying the elder
• the inclusion of additional authorized signers on bank and other financial accounts
• unauthorized withdrawal of the elder’s funds using the elder’s ATM card, especially when the elder is physically unable to leave home
• credit card statements reflecting increased and unusual activity
• an increase in the number and amount of credit card accounts
• check numbers out of sequence
• addresses for bank or credit card statements changed to an address other than the elder’s home

Legal/property
• changes in a power of attorney from a long-time friend or family member to a person new to the situation
• abrupt and/or unexpected changes in beneficiaries or provisions in a will, trust or other legal or financial documents
• unexplained sudden transfer of assets to a family member or someone outside the family
• deeds reflecting changes in title to property
• a refinanced mortgage and an unexpected cash-out
• discovery of an elder’s signature being forged for financial transactions or for the titles of his/her possessions

How Can CPAs Help?

CPAs should encourage their clients to explain their dispositive and gift-planning desires, particularly if there is a second marriage. Emphasize that planning now will help avoid ambiguity about their future desires. Clients should consider arranging for a living will or other type of medical directive, such as an Advanced Health Care Directive, to make their own health care desires known in the event someone has to intercede on their behalf.

CPAs can also advise their older clients to consider consulting with family members and legal counsel regarding the options for assigning financial guardians or power of attorney. If the client has assigned power of attorney to someone, ask the client for the person’s name and contact information in the event an illness or disability necessitates contacting that person. CPAs may also suggest that the client provide the contact information and written consent to contact a responsible adult son or daughter in the event the CPA suspects any type of elder abuse.

There are many resources for reporting and dealing with elder abuse. For example, the National Center on Elder Abuse, a division of the U.S. Administration on Aging, provides a database of
contact information for county Adult Protective Services agencies and hotlines (www.ncea.aoa.gov “Hotline”).

As laws on reporting potential elder abuse vary from state to state, CPAs who suspect their senior clients are being abused should contact the firm’s lawyer or insurance provider for advice and guidance on the best way to proceed.

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