



## Elder Financial Exploitation

### October 17, 2018

In August, we sent an email reminding all of our clients to stay “vigilant against fraud”. In keeping with that subject, we’d also like to share information about a related growing concern, *Elder Financial Exploitation*. As we, and our family members, age it’s important to keep top of mind the many threats that effect financial security.

According to the Securities Industry and Financial Markets Association, seniors lose more than \$2.6 billion annually to financial exploitation. Also, in a 2016 study, caregivers stated that 40% of seniors in their care have experienced some kind of financial exploitation more than once. Its’ likely those numbers are even higher as this represents only reported cases. Many seniors are too embarrassed to report such incidents.

Elder exploitation can take many forms, including a check cashed without permission, a forged signature, deceiving an older person into giving money away, a telemarketing scam, and others.

**Here are some helpful tips/reminders - for yourself or a loved one:**

- One of the biggest deterrents to elder exploitation is maintaining a strong network of support from family & friends. Keep in touch with those who mean the most and care about you!
- Remind aging family members that the IRS NEVER calls demanding money,
- As more and more seniors seek out companionship, keep in mind that internet-dating sites are frequented by fraudsters
- Have open conversations with elder loved ones (and your own family) about finances, paying attention to irregular spending. Review wills, trust and other legal documents periodically; know where important financial documents are located. Keep trusted family members “in the know”.
- Talk with seniors about potential scams and that it’s important to be diligent, reminding them NOT to respond to an email from an unknown person or click on a link in an email from an unknown sender.
- ***Complete a Trusted Contact form\* with financial institutions. For your Schwab accounts, please click [HERE](#) to be directed to Schwab Alliance where you can add a Trusted Contact. You can also contact Schwab Alliance directly at 800-515-2157.***

*\*A Trusted Contact is someone who can help with possible financial exploitation. The trusted contacts are unable to execute transactions or inquire about account activity (unless they’re already an authorized party). The purpose of a Trusted Contact is solely to help with possible red flags and can help to confirm one’s contact information, mental or physical health, or the identity of a Trustee, guardian or holder of Power of Attorney.*

While Elder Exploitation can easily occur without the impact of memory loss or dementia, it becomes a bigger concern when combined with “Diminished Capacity” which is more relevant in the older years, but can occur at any age. Diminished Capacity is a mental or cognitive condition that affects one’s ability to understand their own acts or decisions. It doesn’t necessarily impair one’s intellectual functioning and so it may be more difficult to address with family members. Common signs include problems with:

- Basic orientation (such as not knowing the date)
- Following a conversation
- Performing simple tasks
- Inability to recall memory or make appropriate decisions

Particularly with diminished capacity, it's important to take action and heed the tips mentioned earlier in this memo

Below are a few resources to help identify and share with the seniors in your life.

As always, we are here to help you and want to share in the protection your assets. If you have concerns with your accounts, or need advice related to how to address those of a loved one, please let us know.

Resources:

[FBI List of Common Fraud Schemes](#)

[FBI List of Common Telemarketing Fraud Schemes](#)