

Who Commits Elder Financial Abuse and Why Isn't It Reported?

By Roy Niedermayer

So far we have looked at what elder financial abuse is, why it's a problem, who is at risk, and what the causes and warning signs are. Now we need to explore who is committing the abuse and why it often is not reported.

Who are these exploiters or abusers?

Of course there are the usual professional scam artists and conmen promoting lottery winners, IRS threats, credit cards, etc. **But, 70% of elder financial abuse crimes are committed by individuals known to the family**, while only 30% are committed by strangers through mail, telephone or the Internet [the Jewish Council for the Aging]. They can be family members, caregivers, scam artists, financial advisors, home repair contractors, salespeople, fiduciaries and others. In other words they are family, friends, professionals and strangers. This 70% includes:

- Trusted friends and relatives.
- Agents under a financial power of attorney, conservators, guardians of the person or property of an elderly person or representative payees for Social Security.
- Caregivers [vet through advice from agencies v. direct hire].
- Financial Advisors who may churn accounts, making appropriate investments, or investments from which the financial advisor personally benefits, business associates, accountants, insurance agents and other seemingly trustworthy professionals. Yes and even lawyers.
- Charities.

Why do elders not report financial abuse?

- Lack of awareness. Some do not realize they have been financially abused. Individuals with diminished judgment cannot detect fraud or assess character and given their greater levels of trust they often don't realize that they are being abused [The Broken Trust, MetLife Mature Market Report, March 2009].
- Fear of lost independence. Elders fear that reporting will result in loss of financial control over their own assets and financial independence through family action, or they will be placed in a nursing home or other facility.
- Embarrassment, shame or desire not to be a burden on family. Elders often feel responsible or guilty for what has happened by allowing himself to be the victim of this abuse. In cases where family members are involved, they do not want their adult child or other family member going to jail or facing public embarrassment.
- Protection of family members from civil or criminal prosecution.
- They worry that the perpetrator might physically or financially harm them even more.
- They do not want government interference in their personal lives.
- They believe financial abuse is a consequence of "doing business" or taking risks.
- The senior fears that no one would really help them even if they expose the abuse.
- They think resolution will come too late to be of any good.
- They believe it will lose even more money to costs of pursuing the financial abuse.
- The immediate effects of the abuse are not felt or financially debilitating enough to warrant action.

Our final blog in the series acknowledging World Elder Abuse Awareness Week will look at what can be done about elder financial abuse – you won't want to miss it.

