Financial Abuse

Financial abuse is one of the fastest growing types of elder abuse and takes many forms. It occurs when someone takes money that should have been spent for the elderly person. Financial abuse sometimes goes unreported because the perpetrator is a family member or “friend.”

Types of Financial Exploitation

- Misuse of credit cards, ATM cards or joint bank accounts;
- Mismanagement of income/assets;
- Cashing checks without authorization;
- Abuse of Durable Power of Attorney;
- Appropriation or theft of benefit or pension checks;
- Transfer of assets under duress;
- Obtaining money or possessions by threat, force, deceit or trickery;
- Obtaining medical account information – like Medicare and Medicaid- in order to make fraudulent claims and take advantage of these taxpayer programs;
- “Loan checks” sent by a credit card company that are stolen and forged by others. Always tear them up if you don’t plan to use them. They are also treated as cash and carry a higher rate of interest than a charged item.

Indicators of Financial Abuse

Friends, family and others should be alert to:

- Abrupt changes in the elderly person’s lifestyle (for example, an unexplained inability to pay her bills);
- Great disparities between the amount of money and assets the elderly person has and her living conditions;
- Sudden withdrawals of large sums of money from accounts;
- New acquaintances who promise to provide care, or who give implausible answers about the elderly person’s financial situation.
- Family or friends who pay extraordinary interest in the older person’s assets or belongings.

Scams and Frauds

Telemarketing scams and mail fraud

- Fast-talking telemarketers and perpetrators of mail fraud often promise gifts if you sign-up right away for products or services.
- Check out all unsolicited offers.
- Do not agree to buy anything or to send in money over the telephone.
- If it sounds too good to be true, it probably is!

Theft of wallet or credit card

- Protect your Social Security, bank and credit card numbers.
- Tear up all receipts with your credit card number before throwing away.
- Don’t bring too much cash or all your credit cards when you go shopping.
- Hold your bag securely under your arm.
“The Pigeon Drop”
The con artist claims to be willing to split found money with a person if he/she will make a “good faith” payment by withdrawing funds from a bank account.

“The Fake Accident Ploy”
The con artist gets the elderly person to withdraw money on the pretext that the elder’s child or another relative is in the hospital and needs the money.

Medicare/Medicaid Fraud and Abuse
- Check your Medicare Summary Notice (MSN) to see that all billed services were, in fact, provided.
- Call Medicare contractor’s phone number on the bottom of the notice or contact the State Health Information Assistance Program (SHIP) in your state if you have a question about the services listed on your notice. (Check the Medicare Handbook for phone number listed under “SHIP” program.)
- Also check MSN to see if the provider is billing for exactly what was provided, not for a more complicated or more expensive service.
- For more information on Medicare/Medicaid Fraud or file a complaint, contact the U.S. Department of Health and Human Services at www.stopmedicare-fraud.gov

Prevention and Intervention:
- Direct Deposit of benefit checks will prevent checks from being stolen from the mailbox.
- Paying by check is always safer because the payment can be traced.
- Never turn cash over to anyone.
- Be cautious when asked for Social Security number – provide alternate information whenever possible.
- Remove your name from solicitation lists. You may opt out of direct mail and mail offers at www.dmachoice.org and credit card offers at www.optoutprescreen.com.
- To prevent telemarketers from calling you, sign up for the National “Do Not Call” Registry by going to www.donotcall.gov or call 1-800-382-1222. Remember, charities, political organizations and surveys are excluded from the “Do Not Call List”.

In General:
Tell a caller or the person at your door that you need time to consider their offer.
Say “No” or just hang up.
Remember:
- Don’t let a person you don’t know into your home.
- Don’t have work done on your home without getting written estimates from at least three reputable contractors.
- Don’t give out your Social Security, credit card or bank account numbers over the phone.

Web Resources for More Information:
The National Consumer Law Center
Consumer Concerns for Older Americans:
www.nclc.org/special-projects/older-consumers.html

Legal Counsel for the Elderly
Avoiding Scams, Abuse and Exploitation
http://www.uaelderlaw.org/scams.html

Department of Health & Human Services - National Center on Elder Abuse
The Center provides information to policy makers, professionals in the elder justice field, and the public.
http://www.ncea.aoa.gov/

Consumer Finance Protection Bureau
Information & tools for Seniors to navigate safely through financial challenges
(855) 411-2372
www.consumerfinance.gov/older-americans/