

## Spotlight



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# FINANCIAL ABUSE OF OUR AGING POPULATION

## Part 1

*Editor's note: This article is Part 1 of a series of articles addressing the various facets of elder abuse as senior citizens have increasingly become targets of unscrupulous family, friends and scammers.*

**E**dna, an 83 year-old widow is sitting in her living room watching television when her telephone rings. When she answers it, Edna hears the frantic voice of a young man, "Grandma, it's Robbie and I need your help!" Edna has a grandson named Robert, but she never called him Robbie. The caller explains that he and his friend were on a road trip and his car has broken down. He needs \$2,500.00 to get it fixed so he can get home. He promises to pay her back, but first gets her to agree to not tell dad. He explains

that dad warned him that the car wouldn't make the trip and Robbie needs time to think of the best way to tell him. Edna is told that the money needs to get wired right away so the car can be fixed in time for him to get home as scheduled. Edna hears noises and voices in the background and the caller continues, "Grandma...please...I need the money now!" Edna wants to help her grandson so she goes to the bank and wires the money. Later that week, Edna discovers that her grandson Robert had not left town and did not ask for any money.

More frequently, we read or hear of a senior citizen being swindled, hustled or scammed out of thousands of dollars. Sometimes they are even literally taken to the bank. With private information becoming readily available through various online sites, a little piece of information is enough to lend credibility to a scheme. All that was needed to scam Edna was her telephone number and the fact that she has a young adult grandson named Robert. For several reasons, it is difficult to put a number on how many of our senior citizens are experiencing this type of financial exploitation, but it is evident that it is becoming increasingly common and a serious problem that must be faced.

By 2030, the number of Michigan seniors over 65 is projected to increase to 2.1 million people. The increasing population of Michiganders 65 years and older could potentially increase elder abuse dramatically. Our state lawmakers have responded by instituting new laws and programs to create awareness and protect elderly and vulnerable adults. Criminals convicted of elder abuse now face longer prison terms for financial exploitation. The Michigan Attorney General's office now maintains a webpage: Senior Brigade <http://www.seniorbrigade.com/> to provide a trusted resource for seniors to use for advice on finance, health care, consumer protection and outreach programs.

As we age, our physical and cognitive abilities diminish. Aging affects a person's memory, ability to reason and problem solving functions. The efficiency with which older adults process information is often also affected by medications. As our retirees' bodies slow and advances in technology accelerate, managing finances can become complicated and stressful. Perpetrators unrelated to their elderly victims prey upon them because the retirees in our country hold 70% of the net worth of households and our senior citizens are vulnerable to deception. Our elderly citizens typically have predictable patterns (e.g. receive monthly checks and regular times for errands) and they are also less likely to take action against their abusers as a result of illness or embarrassment.

When we think of financial exploitation of elders, we generally think of scams like the one played on Edna or false charities or home improvement overcharges. However, the perpetrators are often trusted family, friends, neighbors or caregivers. The financial abuse of the elder can occur in the person's home, in the home of another person or in licensed settings

such as adult foster care or nursing homes. While most of Michigan's population is still recovering from the prolonged economic recession, a senior citizen with money can be a tempting mark, even by a family member who may be under financial stress. Undue influence by family members and abuse of powers of attorney and guardianship are not uncommon.

There are preventative measures that can be taken. Retain a trusted financial advisor and an experienced estate planner to meet the specific needs of the elder adult. A person appointed as an Agent under a Durable Power of Attorney executed after October 1, 2012 must sign an Acknowledgement before acting. Further, the Power of Attorney instrument must be very clear in authorizing the Agent to have the authority to implement Medicaid planning in order to preserve assets in the event of a nursing home stay or other advanced planning purposes. The primary purpose of the state statute is to deter the appointed financial Agent from using the Principal's monies for self gain. It is very important that a good decision is made on whom can act over your financial assets if you are deemed incapacitated.

Additionally, family members should become aware of signs of abuse such as a caregiver trying to isolate the elder family member and bank statements and canceled checks no longer delivered to the elder's home. Perform criminal background checks on caregivers and shred documents with identifying information on them. Simple steps such as having checks directly deposited and automatic bill paying can reduce the risk of abuse.

Elder financial abuse affects senior citizens and their families in significant and ongoing ways. The victims are coerced to draw on the savings they worked hard to accumulate and scrimp to maintain. They have little ability to recoup what has been taken and restitution often takes years. The emotional toll on the elder victim can be devastating to his/her independence and mental wellbeing.

If you suspect that elder or vulnerable adult abuse, neglect or exploitation has occurred, notify the Department of Human Services (DHS), Adult Protective Services: 855-444-3911 or your local law enforcement office. ♦

*For further information on this important issue or to schedule an appointment, please contact the Morello Law Group at 734-281-6464 or [george.fekaris@morellolawgroup.com](mailto:george.fekaris@morellolawgroup.com)*