

Brookdale Center for  
Healthy Aging

# FINANCIAL EXPLOITATION

How to Recognize and Respond to It

Mounting collection notices, missing jewelry, frequent ATM withdrawals, incessant talk about needing more money, new friends who visit often or increasing isolation.

**WHAT DOES IT MEAN?  
WHAT SHOULD YOU DO?**

# THIS HANDBOOK

was created by The Sadin Institute for Law and Public Policy which is part of the Brookdale Center for Healthy Aging of Hunter College, a multi-disciplinary center of excellence dedicated to the advancement of successful aging through research, policy analysis, advocacy, education, professional development, and the development of evidence-based practice models.

This handbook is for use by those who serve adult clients. It is intended to assist you in recognizing the signs of financial exploitation, gathering information and formulating a plan that addresses the client's needs.

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# WHAT IS FINANCIAL EXPLOITATION?

As defined by the Older Americans Act, financial exploitation is fraudulent or otherwise illegal, unauthorized, or improper actions by a caregiver, fiduciary, or other individual in which the resources of an older person are used by another for personal profit or gain; or actions that result in depriving an older individual of the benefits, resources, belongings, or assets to which they are entitled.

## WHO IS MOST AT RISK OF FINANCIAL EXPLOITATION?

Anyone can be the victim of financial exploitation. Studies show that women, people who are 80 years or older, and people who live alone are the most common victims of financial exploitation.

In addition, the following conditions, especially in combination, make individuals more vulnerable to abuses such as financial exploitation:

- Decreased physical health and mobility
- Confusion, forgetfulness, and a general decline in mental acuity
- Social isolation
- Increased dependency on caregivers
- Being cared for by someone with a mental illness

# HOW WILL I RECOGNIZE FINANCIAL EXPLOITATION?

Any of the following changes – at home, in the person’s demeanor, in their financial transactions, and in their caregivers – can be signs of financial exploitation and should be treated seriously.

## WARNING SIGNS IN THE HOME

- Collection notices in response to unpaid bills
- Utilities that are turned off for failure to pay
- Lack of food in the home
- Evidence of physical neglect
- Missing valuables
- No bank statements, passbook(s) or checkbook(s)

## CHANGES IN THE PERSON’S BEHAVIOR

- New worry or confusion about their finances, especially missing funds
- Inability to remember making certain financial transactions or signing papers, or offering implausible explanations about what they are doing with their money
- Fears that they will be evicted or institutionalized unless money is given to a particular person
- Afraid to answer questions in the presence of another

# HOW WILL I RECOGNIZE FINANCIAL EXPLOITATION?

## QUESTIONABLE FINANCIAL TRANSACTIONS

- More frequent ATM transactions
- Large withdrawals from the person's bank account
- Signatures on withdrawal forms that are suspicious
- Amounts and signatures that seem to be written with different pens
- Concern by banking staff that in-person transactions might be coerced
- New bank loans or debts

## SUSPICIOUS RELATIONSHIPS

- New friends or relatives who are suddenly spending a lot of time with the person and appear too interested in the person's finances
- The person is becoming increasingly isolated and dependent on a single relative, friend, or professional caregiver
- A caregiver who speaks for the person in a silencing way
- The person seems nervous around or afraid of a particular relative, friend, or caregiver
- Someone inexplicably gains control over the person's finances

# WILL VICTIMS OF FINANCIAL EXPLOITATION ASK FOR HELP?

Any of the following changes – at home, in the person’s demeanor, in their financial transactions, and in their caregivers – can be signs of financial exploitation and should be treated seriously.

- **DENIAL.** Either consciously or unconsciously, some victims are unable to acknowledge that financial exploitation is occurring
- **LOYALTY.** Despite the financial exploitation, some victims feel a sense of loyalty to individuals who treat them well in other ways
- **SELF-BLAME.** Over time, abuse erodes a person’s self-esteem, and some victims of financial exploitation may come to believe that they deserve it, or have caused the abuse
- **SHAME.** Many people are ashamed that a trusted relative, friend, or other caregiver is mistreating them
- **DEPENDENCY.** Victims who depend on their exploiters for basic care may be especially reluctant to report or acknowledge the abuse
- **FEAR OF RETALIATION.** Victims may fear that reporting financial exploitation will spark retaliation and that no one will protect them from even worse forms of mistreatment
- **INABILITY.** Victims with diminished mental functioning or who are physically incapacitated may be unable to detect and report financial exploitation

# WHAT SHOULD I DO IF I SUSPECT FINANCIAL EXPLOITATION?

Suspicious of financial exploitation require action. Your relationship with the possible victim means that you and your agency should respond promptly. You should take definitive steps to prevent subsequent financial exploitation and to ensure the person's overall safety and well-being. Be sure to take at least the following four actions:

1. Check your agency's policies and procedures regarding victims of financial exploitation. They will help guide your response.
2. If the conditions you observe or the information you gather confirms your suspicions of financial exploitation, you should decide with your supervisor how to proceed. If you suspect that there has been criminal activity, alert local law enforcement authorities. You should also make a referral to Adult Protective Services unless your agency is able to assist these individuals.
3. Address any emergency situations without delay or find an agency or person who can help. For example, you should take immediate action to avoid eviction or foreclosure and to prevent the disconnection of basic utilities (e.g. gas, electric, phone service) or to reinstate them as soon as possible.



## WHAT SHOULD I DO IF I SUSPECT FINANCIAL EXPLOITATION?

4. Gather as much information as you can about the suspected abuse. You may decide to interview the presumed victim and others in their support network, including the person you suspect to be engaging in financial exploitation. See page 10: "Tips for conducting a successful interview."



# WHAT INFORMATION SHOULD I GATHER?

You should get information to clarify the events and circumstances that prompted the suspicions of financial exploitation. You should review all existing documents and collect missing information. In almost every situation, the information will relate to the following core aspects of the person's life:

- Housing, utilities, and associated expenses, including who pays these bills
- Meals, including who purchases and prepares food
- Income and other financial assets (e.g. 401 K's, stocks, bonds, insurance), who manages the person's money and their qualifications to act in this capacity
- Social network, including relationships with friends and family and where socializing occurs
- Primary caregiver, including the caregiver's relationship with the person, hours, wages, and method of payment (if any), and education, training, and/or experience in providing elder care

## WHAT INFORMATION SHOULD I GATHER?

- A history of violence, mental illness or substance abuse by someone close to the client.
- Who lives in the household? Do they have an income, and if so, what is its source? Do the other people living in the home contribute to the household expenses?



# TIPS FOR CONDUCTING A SUCCESSFUL INTERVIEW

If you decide an interview is needed, the following tips will increase your chances of gathering useful information regarding a potential victim of financial exploitation. **Before each interview, always discuss your plan and any safety concerns with your supervisor.**

**Prepare in advance.** Be familiar with the information you have gathered to date, and have supporting documents with you during the interview.

**Pick the right location.** Choose a convenient, comfortable space in which to conduct the interview.

**Be safe.** When you enter a client's home trust your instincts and avoid situations that seem unsafe. Note the locations of the exits. If you have a cell phone, have it readily available. If a threat is made by someone in the home, stop the interview immediately and assess whether or not steps must be taken to safeguard yourself and your client.

**Make sure the client is safe.** When considering who to interview and whether to continue an interview, your first priority must always be the safety of the client. If you have any belief or concern that interviewing the client or the suspected perpetrator will endanger the client in any way, you should not proceed with the interview.

# TIPS FOR CONDUCTING A SUCCESSFUL INTERVIEW

**Ensure privacy.** Interview the person alone. In particular, be certain that any potential abusers are not present in the room or nearby during the interview.

**Build rapport.** Introduce yourself and provide your credential if the person is not already familiar with you. Do not rush to the issue of concern. Spend a few minutes talking about less sensitive matters to convey your sincerity and interest in the person.

**Be honest about the reason for the interview.** You might say, "We are meeting today because it seems there are some problems with your accounts and I want to help you sort them out."

**Begin with open-ended questions.** Your initial questions about the person's finances and relationships with caregivers should encourage frank and open discussion. You might ask, "How are you feeling? How are you handling your finances?" Be careful not to ask leading questions, especially initially, about specific problems or people.

**Be patient.** Remember that it is an interview, not an interrogation, with someone who might be the victim of abuse.

# TIPS FOR CONDUCTING A SUCCESSFUL INTERVIEW

**Interviewing a possible exploiter.** Most of these tips and practices apply equally when interviewing individuals who may be exploiting a client. In this situation too, a successful interview depends on comfort, privacy, rapport, honesty, and beginning the interview with open-ended questions (e.g., “How are things going with your Mom?”). In addition, you must put aside any judgments about the person that you may have formed. Remember: Intentional financial exploitation and passive neglect of a person’s finances can look identical at first. Your goal is to discover what is actually happening, not to confront the person with accusations of abuse.

*\* Interview techniques adapted from ABUSE AND NEGLECT OF ELDERLY PERSONS, MARK S. LACHS, M.D., M.P.H., and KARL PILLEMER, PH.D , New England Journal of Medicine, February 1995*

# RESOURCES

**ELDER ABUSE HOTLINE** (if reporting is mandated in your state):

**Agency Contact:**

Office Phone:

**Municipality Police Department Chief:**

Police Liaison:

Office Phone:

Email address:

**County Sheriff:**

Sheriff Liaison:

Office Phone:

Email address:

## RESOURCES (CONTINUED)

### **State Trooper Barracks Commander:**

Trooper Liaison:

Office Phone:

Email address

### **County District Attorney:**

ADA for Financial Crimes or Elder Issues:

Office Phone:

### **Attorney General:**

Address:

Office Phone:

Email address:



# RESOURCES (CONTINUED)

## LOCAL BANKING INSTITUTIONS

You may need to contact local banks to warn them about illegal or suspicious activities. Most banks will not give you account information without a court order but often will act on information that you provide to them if it involves safeguarding a client's assets.

### **Bank:**

Security officer:

Office Phone:

Email address:

### **Bank:**

Security officer:

Office Phone:

Email address:

### **Mandatory Reporting Hotline\*:**

Email address:

\*For states with mandated reporting laws

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