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[Spot the Red Flags of Elder Financial Abuse](#)



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Unusual transactions and new ‘friends’ could be signs an older loved one is being exploited

In the wake of the coronavirus pandemic, many older adults are more socially isolated than ever — and thus more vulnerable to being financially victimized.

Elder financial exploitation extends far beyond random con artists bombarding older adults with [robocalls](#) and [phishing emails](#). According to the National Adult Protective Services Association, the “vast majority” of cases reported to its member agencies involve people the victim knows, including relatives, caregivers, neighbors, and friends.

Financial exploitation can range from stealing someone’s Social Security check to forging financial documents to misappropriating cash, jewelry, and other assets. Such financial fraud costs older adults at least \$36.5 billion annually, the National Council on Aging estimates.

Here are telltale signs and circumstances that can help you spot elder financial abuse — and possibly prevent it from happening to you or someone you love.

Unusual financial activity

A major red flag of potential financial abuse is “unexplained activity in an older person’s accounts,” says Stephanie Genkin, a certified financial planner in New York.

Inquire about large withdrawals and unpaid bills and make sure there are no questionable credit card charges. Stop any bank transfers or recurring transactions the account holder does not recall making. It’s not uncommon for older individuals to forget things from time to time, but major financial dealings they have no memory of requesting or authorizing, or that they have difficulty explaining, should set off alarm bells.

Genkin suggests periodically reviewing an aging loved one’s bank and credit card statements with them to help guard against fraud. If possible, create a transparent system that allows both of you to [monitor financial activity](#) and perform basic record-keeping, and keep the lines of communication over money matters open.

New ‘friends’ or helpers

Individuals who live alone are particularly susceptible to financial exploitation. Wrongdoers can more readily hide their misdeeds if no one else is around.

Experts caution that perpetrators of financial abuse, especially new acquaintances, frequently try to box out others and limit relatives’ contact with a vulnerable, older adult.

“Isolation is the number one tip-off,” says Michael McGuire, an attorney and president of the California Elder Law Center.

“It can be very subtle,” he adds. “A new ‘friend’ may try to cut off the family from getting access to the senior. All of a sudden, this ‘friend’ is saying: ‘They’re not available, they’re taking a nap or they’re not feeling well right now. I’ll have them call you back.’ And then they never do.”

Be especially wary of newcomers who insinuate themselves into an older person’s life in a way that makes the new associate indispensable in the eyes of the victim. Many schemers are initially incredibly helpful, McGuire says, “taking the senior to

the store or their doctor's appointments or restaurants — and, most importantly, they're running them over to the bank."

Cognitive decline or loss of financial acumen

If an older person has known cognitive impairments such as Alzheimer's or dementia or is beginning to show a loss of financial acumen, a designated family member or other trusted individual may need to immediately step in to help.

"Once a decline starts, it can happen very quickly," Genkin says.

McGuire says unscrupulous family members, neighbors or friends may try to exert influence over people with cognitive issues. "With dementia, there's a phenomenon that often occurs that whoever is the person sitting in front of the senior sort of wins the day" and can persuade the older adult to take financial actions they ordinarily wouldn't, McGuire says.

Financial fraud can easily occur when a third party has access to an older adult's sensitive private data, such as account numbers, passwords or Social Security number. Many older folks do need [help with money management tasks](#), from simple bill paying to buying groceries, but their financial details should be closely guarded and only provided when necessary to known, trusted individuals.

Mobility or frailty issues

Even those without cognitive impairments may be susceptible to financial abuse if they have physical disabilities or other issues that prevent them from driving or otherwise getting around.

For instance, older people with mobility issues who can't go to the bank on their own, or who aren't good with computers, may not have the physical ability or the know-how to do remote banking. They may have to rely on another person to handle routine transactions, such as deposits, withdrawals or transfers.

Genkin says she recently recommended to a client in his 80s and his relatives that they set up automatic bill pay for the client's cellphone, interest service and utilities. People with mental or physical impairments "shouldn't be left to figure out how to pay their own bills," she says.

She also highlights another consideration for caregivers: the role of outsiders in an older person's home.

"The pandemic has taken a toll on a lot of people," Genkin notes. Many Gen Xers and younger boomers who checked in frequently with parents or grandparents before COVID may now be paying for or arranging various services for those aging relatives.

"Now there are all these helpers around: preparing meals, tidying up the house, getting prescriptions or running errands, and some of them want to be paid in cash," Genkin says.

If you or someone you know is being financially exploited, tell someone you trust, [report it](#) to Adult Protective Services in your state and notify your local police department for help. You can also contact the U.S. Justice Department's National Elder Fraud Hotline at 833-372-8311.

Lynnette Khalfani-Cox is a personal finance expert, speaker and author of 15 money-management books, including the New York Times bestseller Zero Debt: The Ultimate Guide to Financial Freedom.

3 Ways Older Adults May Be at Risk of Financial Abuse

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- [Tips to spot elder fraud from a financial professional](#)

----- By Lynnette Khalfani-Cox, AARP, February 28, 2022

AARP was founded in 1958 and has over 38 million members. It is a nonprofit, nonpartisan organization for people over the age of 50. AARP is well-known for its advocacy efforts, providing its members with important information, products and

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