



## Preventing Financial Elder Abuse

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Individuals of all incomes and walks of life are subject to undue influence that can steal them of their self-worth, net worth, and even their lives. Undue influence involves one person taking advantage of a position of power over another person. While undue influence does not necessarily limit itself to the elderly, it can certainly be a form of elder abuse. This article will focus on defining and spotting this type of elder abuse in the financial context to ultimately help prevent it.

### What Is Financial Elder Abuse?

Most cases of elder abuse in the financial realm stem from undue influence containing four key criteria:

1. Vulnerability of the victim, which includes medical and psychological conditions. Vulnerability can take various forms, often a result of a major life event; such as a health event, loss of a spouse, recovering from a medical procedure, or moving into a new living situation;
2. A relationship with the influencer (a caregiver, child who moves in with victim, professional advisor, etc.);
3. Tactics employed to persuade or dominate the victim. These may range from isolating the victim from others, reinforcing dependency, initiating or actively procuring legal documents. There may also be an element of secrecy or inappropriate timing (signing documents the same day as a hospitalization or shortly after a loss) that favors the influencer; and
4. It results in monetary loss to the victim.

Examples of circumstances of undue influence include:

- A new romantic relationship where the influencer begins to accompany the victim to financial appointments and inserts themselves in the financial planning in a manner that is inconsistent with prior preferences or

that is not in the victim's best interest.

- A caregiver assisting the victim at first, but then takes over the management of the victim's financial matters.
- The influencer "chips away" at an established financial or estate plan. Small changes add up to big inequities over time that favor the influencer.

### How to Spot Financial Elder Abuse

When you're not able to be involved with a family member on a basis which would allow you to monitor the risk of undue influence, there are certain signs that may alert you to a potential case of undue influence or exposure to an undue influencer. Basically, it comes down to a change in habits by the family member. Items to question include, but are not limited to the following:

- Has the family member gone to an attorney that is not historically the attorney the family member would select? Is the attorney only known to the potential influencer?
- Does the family member have sufficient mental capacity to properly instruct an attorney of his or her directives?
- Has the family member had a significant decline in physical or mental capacity?
- Is the family member reluctant to disclose information to close family members when in the past he/she provided such information?
- Is the family member being isolated or made unavailable to take other family member's telephone calls or other communications?
- Are there signs of inappropriate clothing, cleanliness, bruising, or injuries?
- Does the family member have short-term memory loss, disorientation, confusion and difficulties with finances?
- Does the family member seem extremely dependent on one person?

- Are there signs of depression, agitation, frustration, mood swings, difficulty making decisions, and other significant changes in the family member's emotional state?
- Has there been significant gifting or donations that are out of character for the family member?
- Is the potential influencer speaking for or on behalf of the family member who shows a tendency to withdraw from such conversations?
- When watching interactions with the potential influencer and family member, does the family member's body language reflect anxiety, insecurity, or embarrassment?
- Does the family member have an unwillingness to talk about financial or care matters?
- Is the family member socially isolated? Socially isolated adults are at a particular risk.

### Preventing Financial Elder Abuse

Often, the key to preventing financial elder abuse from undue influence is to have an open and honest relationship with the family member. Be present and aware of the needs of the family member. If a caregiver is required, monitor the situation and continually evaluate the relationship. Reliance on one individual and the fear that the one caregiver will no longer assist the family member creates a position of power over the family member and that situation requires monitoring or, at the very least, reassurance to the family member that others are around to assist. If you suspect undue influence, contact local authorities and the family member's financial institutions to alert them of the potential undue influence. You may also want to reach out to the family member's tax and legal advisors. For additional information and resources go to [www.elderlawofmi.org](http://www.elderlawofmi.org) or your local senior services agency. ☒