

FINANCIAL EXPLOITATION



What is financial exploitation?

Financial exploitation is the illegal or improper use of a person's money, property, or other assets.

There are two kinds of financial exploitation:

- When the exploiter is someone you know, like a family member, friend, or neighbor.
- When the exploiter is a stranger.

What are some signs of financial exploitation?

- Changes in banking habits and/or spending patterns
- Unpaid bills with no explanation
- Sudden transfer of property, accounts, and/or investments
- Not knowing your own financial status

If I know an older adult who was financially exploited, does that mean they need a guardian?

Not necessarily. Guardianship is only appropriate if a person cannot meet their needs, they are at risk of harm, and they don't understand their limitations are putting them at risk. The fact that an older adult was financially exploited does not mean they are "incapacitated." Here are some tools, besides guardianship, to help an older adult protect their money and property:

- [Power of Attorney](#) is a document where one person, the principal, appoints someone else, the agent, to manage their finances and property. However, Powers of Attorney can be misused by abusers so the older adult should consider who to appoint as their agent very carefully.
- [Social Security Representative Payee Program](#) allows a person to manage Social Security income for someone who cannot manage this money on their own. Other benefits, like pensions, may also have representative payee programs.
- There are pre-paid cards, like [True Link](#), with spending limits and rules on when, where, and how the money on the card can be used. This can help someone informally manage money.
- You can [add a trusted person to a bank account](#) who can be notified of suspicious activity.



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Why would someone not report financial exploitation?

There are many reasons why someone may not report financial exploitation: they may be embarrassed that they fell for a scam; they may not know about or forget it happened due to memory issues; or they may not want to get the abuser in trouble, especially if it is a close friend or family member. They may fear a loss of independence if they report it or may have simply made a poor choice.

Can guardianship protect someone from financial exploitation?

A guardian has several tools to protect an individual from financial exploitation and scams: they can seek a Temporary Restraining Order to stop access to bank accounts or block property transfers; they can freeze the older adult's credit to prevent new accounts from being opened in their name; and they can file a turnover proceeding which may allow the guardian to recover money or property from the abuser. However, a guardian cannot monitor the older adult at all times. For instance, a guardian may not be able to stop an individual from giving their cash away or physically prevent a manipulative family member from contacting the older adult.



WHERE DO I GO FOR MORE INFORMATION?

- [Consumer Financial Protection Bureau](#) provides a list of resources for consumers, caregivers, and financial institutions.
- [Elder Abuse Helpline for Concerned Persons](#) provides free information, support, and resources for individuals concerned about older adults experiencing financial exploitation or abuse in New York State. Call (844) 746-6905.