

6 Ways the Elderly Can Avoid Financial Abuse

By Jeffrey Hall, CPA, JD

Increased dependency due to illness, disability or cognitive impairments can make seniors susceptible to financial abuse. Nest eggs accumulated over decades also often make seniors attractive targets for predators, whether the predator is an offshore bogus sweepstakes or a care provider who sees an opportunity to be paid more than an hourly wage.



Just as sunlight makes the best disinfectant, transparency provides the strongest abuse protection. If others are aware of the senior's finances, either possible predators will see that no opportunity exists to take advantage of the senior or the family members or professionals can step in to keep any fraud from going too far. Here are some steps seniors or their loved ones can take to prevent financial abuse.

1. Arrange for account oversight

Make sure that someone close to the senior has access to her accounts to be able to see if anything unusual is going on, for instance large checks being made out or larger-than-usual cash withdrawals from ATMs. The oversight can be through copies of monthly statements or online access to accounts.

2. Create joint accounts (good idea but be careful)

A joint account with someone gives them oversight as well as the ability to write checks, make investment decisions and take steps if necessary to protect the funds in the account. It also avoids probate, making the transition somewhat easier at the owner's death. But make sure you

only add the name of someone you really trust to the account because it can also be an avenue for financial abuse if the joint owner becomes the perpetrator. Remember, when you change title, you're masking a legal gift.

3. Use a revocable trust

Revocable trusts can be useful for a number of reasons. They include all of the benefits of joint accounts, with few of the drawbacks. Your revocable trust gives someone you trust access to your accounts in trust and the ability to step in seamlessly if you become disabled. Unlike a joint account, it does not give the trustee any ownership interest in the account. If, for instance, you had four children but named one as a co-owner of your joint accounts, at your death she would have the legal right to keep the funds rather than share them with her siblings. That would not be the case with a revocable trust.

4. Visit often

Nothing prevents financial abuse or stops it in its tracks better than frequent visits by loved ones. Either the potential perpetrator will see that he can't isolate the senior and take advantage of him or family members or friends will notice the abuse before it goes too far.

5. Get help paying bills

If someone helps you pay your bills, they will help you make sure that you're not letting anything slip through cracks or paying something that you shouldn't.

6. Consult with an elder law attorney

An elder law attorney can help set up a revocable trust and durable power of attorney to assist with financial management, advise on the best protective steps to take in each situation and provide additional oversight to discourage financial abuse. Talk to your neighborhood Elder Law Attorney -- Jeffrey Hall, about preparing an estate plan with Medi-Cal gifting language to protect your family. You may visit his website at www.HallLawGroup.com or call (925) 230-9002.