The essential features of elder financial abuse include misappropriation of an elderly person’s assets for one’s own benefit by dishonest means. It is estimated that up to 4% of the Canadian elder population is exposed to abuse, with more than half of that abuse being financial or material exploitation. Elder financial abuse is difficult to detect, as the social isolation of some elderly people increases the risk of abuse and makes identifying that abuse more difficult.

Risk Factors for Elder Financial Abuse
Elderly people are vulnerable because of cognitive impairment and physical and/or emotional frailty. Psychological states of fear and dependency may predispose elderly people to irrational trust in self-serving caregivers, relatives and acquaintances. Elderly people who are unable to care for themselves, and/or who are mentally confused and depressed, are especially vulnerable to abuse.

Elderly women and people aged 80 years and over are disproportionately represented as victims. In the U.S., women represent between 60% and 76% of those subjected to all forms of elder abuse except abandonment, although women represent only 58% of the population over 60 years of age. The greatest disparity between men and women is in the category of financial abuse, in which 92% of the victims are women.

Unfortunately, the elderly are unlikely to ask for assistance once taken advantage of financially.
Some reasons the elderly are hesitant to report financial abuse are guilt, embarrassment, shame and the feeling that they will not be believed. Fear of retaliation, particularly when the elderly person has a physical dependency on the perpetrator, is of utmost importance. Also, disabled elders may fear being abandoned or forced to live in a nursing facility if the report is made.

Perpetrators of Elder Financial Abuse
Most often, the abuser is a male relative living with and caring for the victim. The abuser often has a psychological disturbance, such as being poorly socially integrated, with alcohol or drug problems, and may have a history of being a victim of abuse. External stresses, such as unemployment, divorce, illness and death, also have been implicated. Most perpetrators are younger than their victims. The relative youth of perpetrators of elder financial abuse is particularly striking compared to other types of abuse, with 45% being 40 years of age or younger and 40% being between 41 and 59 years of age.

Case Report
Fred, a 65-year-old single male and former high-school teacher who lived alone, had Alzheimer’s disease of mild severity, had been declared financially incapable, but previously had been declared capable of assigning power of attorney for property to his nephew. Fred was deemed sufficient. However, Fred’s financial affairs were in disarray. The nephew reported that Fred’s pensions were insufficient to cover the cost of the retirement home, and insurance payments from a previous motor vehicle accident were upheld. The nephew appeared concerned and altruistic. He was able to enlist the services of a lawyer, free of charge, to pursue financial compensation for his uncle. Nevertheless, Fred’s income was insufficient to cover the cost of the retirement home, and he was discharged to live with his sister and nephew in a two-bedroom apartment. Three months later, Fred was admitted again for failure to thrive, with depressed mood and marked anorexia.

In hospital, Fred was observed to have a voracious appetite. In contrast, he could not relax to eat at home. Fred confided his nephew was overly controlling him, but did not want to criticize the nephew, on whom he was dependent for assistance.

Once again, during the discharge planning process, Fred’s nephew was vague and guarded in regards to Fred’s financial affairs. The team suspected elder financial abuse, but the nephew’s appearance as a concerned primary caregiver convinced the team that he was sincere in his efforts. Ultimately, the nephew left the country suddenly and Fred was discharged to live with his sister again. Fred was able to change his power of attorney to a different nephew, who subsequently discovered the initial power of attorney had been misappropriating his uncle’s pension and insurance payments to feed his own gambling habits.

Detection and Clinical Considerations for the Primary Care Physician
There are several red flags that may serve as clues of elder financial abuse. For example, one should be suspicious when a caregiver or relative shows excessive interest in an elderly person’s assets. Clinical interactions with the caregiver that may signal elder financial abuse include defensiveness by the caregiver during the physician’s visit. Reluctance of the caregiver to leave the elder’s side during the appointment, thereby preventing the physician or nurse from having a private exchange with the patient, should be particularly concerning. Suspicion of some type of elder abuse, including financial exploitation, should be considered when elderly patients demonstrate an unusual degree of submissiveness to the caregiver, withdrawn behavior and disheveled appearance.

Preventing Financial Abuse of the Elderly
It is important for primary care physicians to help elderly patients plan for adequate financial management in the event the patient’s own financial capacity becomes limited.
The following are the frequently used options available to Canadian elders looking to protect their financial affairs (Table 1).

**Trust.** Within a trust, one party (the trustee) holds the title and control of property, but has a responsibility to use the property for the benefit of another (the beneficiary). The trust is a written document stating that the property is to be managed in a specific manner, by the trustee, for the beneficiary. All trusts have a representative who is legally bound to follow the dictates of the trust document, with requirements for record-keeping regarding the distribution of the trust assets. Although the risk exists that the trustee will not use the funds for the beneficiary’s needs, the more common disadvantage of a trust is the expense associated with it.

**Durable or Continuing Power of Attorney.** A continuing power of attorney is a legal instrument in which an individual gives control of his/her income and financial assets to a substitute decision-maker (attorney). The attorney has the authority to make any financial or property decisions that the grantor could make if capable, except will-making. Limited measures to safeguard grantor’s interest, no obligation for accountability.

**Representative Payee.** This is a person or organization that receives payment as a substitute for the beneficiary. Typically, the representative in select situations receives and dispenses the beneficiary’s specified benefit payments. This agreement does not grant the representative authority over any other sources of income or assets of the beneficiary.

**Joint Tenancy** is a form of co-ownership in which two or more persons hold a single interest in property and each co-owner has the right of survivorship. If a joint tenancy bank account has been established, either of the co-owners may deposit into—or withdraw from—the account. An adult child of an impaired elder sometimes uses this agreement to facilitate banking. Such a situation is open to abuse like that of the power of attorney, and may predispose to conflicts between adult children following the death of the individual in situations of co-ownership of property.

**Determining Financial Capacity**

Capacity can be assessed in the following financial areas: to manage property, to appoint a continuing power of attorney for property and testamentary capacity. Capacity is decision-specific. A person may be capable of making some decisions but not others. Capacity is not the ability to make wise decisions. The person’s judgment is not a determining factor as long as the person fulfills the criteria defining capacity for the particular area of interest. The following are the Canadian definitions for such capacities.

**Capacity to Manage Property** is to be able to understand information that is relevant to the mak-
ing of a decision in the management of property, and to be able to appreciate the reasonably foreseeable consequences of a decision or lack of a decision. To understand the information is to show a general factual knowledge. The ability to appreciate the reasonably foreseeable consequences of a decision or lack of decision is to show a realistic appraisal of outcome and justification of choice.

**Capacity to Give a Continuing Power of Attorney for Property.** A person has the capacity to give a continuing power of attorney if he/she:

- Knows the property he/she owns, and its approximate value;
- Is aware of any obligations to dependents;
- Knows the attorney will be able to do anything, with respect to the property, that he/she could do himself/herself if capable (except make a will), subject to the conditions or restrictions set out in the power of attorney;
- Knows that, if capable, he/she can revoke the continuing power of attorney;
- Appreciates that the value of the property may decline unless the attorney manages it prudently; and
- Appreciates the possibility of misuse of authority by the attorney.

To protect the rights and autonomy of partially capable people, the capacity to appoint a substitute decision-maker has a lower standard than does the capacity to make decisions about property or self-care. Although partially capable people may be unable to understand the risks and details of complicated decisions, they may know that they wish the appointed substitute decision-maker to make the decision on their behalf.

**Testamentary Capacity,** or the capacity to make a will, is one of the lowest standards of competence. Testamentary capacity is the ability to understand one’s own assets, and to know who the natural objects of one’s bounty are. Decisions to leave what—or how much—to whom should be independent and not influenced by delusions or hallucinations.

**Conclusion**

Physicians and nurses are poorly trained to recognize elder financial abuse. A survey of Canadian nurses revealed limited comfort in skill and knowledge of interventions related to elder abuse. Ability to recognize abuse was limited mostly to physical abuse and neglect. Psychosocial aspects of abuse were marked as areas of need for improved training and education. Given the large number of incidents of abuse that remain unidentified and unreported, health care workers and service providers who relate to elderly people need to be alerted to the problem of financial abuse, taught to recognize its signs, and encouraged to report suspected abuse. As is appropriate for a given case of suspected abuse, these health care workers might be advised to arrange for consultation with a social worker, referral to a local advocacy centre for the elderly, or even to contact the police.

References