

Financial Abuse of the Elderly by Paid Caregivers



A caregiver is basically defined as anyone who cares for a person who cannot care for themselves, typically assisting the individual or dependent person with the activities of daily life (ADL's), such as bathing, dressing, and eating. A caregiver allows the individual to age in place rather than in a facility.

A 2019 review by the Consumer Financial Protection Bureau of suspicious activity reports filed by financial institutions found that one in nine incidents of elder financial exploitation, where the victim knew the perpetrator, were committed by non-family caregivers. The average loss in such cases was \$57,800.

Two most common types of financial abuse committed by paid caregivers:

1. Financial theft, forgery, and embezzlement
2. Property theft

Five tips for finding reputable, reliable providers:

1. How long has the agency been in the business?
2. Is it financially sound?
3. What experience and certifications are employees required to have?
4. Does it do criminal background checks on its caregivers?
5. Does it conduct drug screening?

Five ways for family members to spot and stop caregiver fraud:

1. Secure valuables, cash, and cards in the house
2. Check in regularly
3. Use technology such as video doorbell cameras
4. Monitor transactions on financial institutions
5. Watch for warning signs
 - a. Large, frequent or unexplained bank withdrawals or fund transfers
 - b. Changing from a basic bank account to one with more complicated services
 - c. A new person conducting financial transactions on a loved one's behalf without proper documentation (such as a financial power of attorney)
 - d. Checks that are written as "loans" or "gifts" or have suspicious-looking signatures
 - e. Sudden overdrafts or unpaid bills
 - f. Changes to wills, trusts or powers of attorney

Hired caregiver financial fraud red flags

1. Any attempt to isolate or prevent the patient from speaking to family or third parties
2. Becoming too friendly or romantically involved with the elderly patient
3. Asking for legal authority such as banking privileges or a power of attorney
4. Accessing personal documents such as a will, financial accounts, investment accounts
5. Withholding medical or financial information from the family
6. Overstepping normal expected boundaries of a caregiver
7. Asking to be joint holder on a bank account or suggesting opening new financial accounts
8. Receiving “gifts” more than token value
9. Asking for donations to their favorite charity
10. Participating in identity theft, such as obtaining social insurance numbers or credit card pin numbers
11. Words or actions that make the older adult believe that he or she is special or lucky to be chosen by the caregiver to receive their care