Elderly suffer as financial abuse grows
By Christine Dugas, USA TODAY

Financial abuse of the elderly is getting worse, and most seniors don't know how to seek reliable financial help.

"There is no silver bullet that will end the financial abuse of America's seniors," says Don Blandin, president and CEO of the non-profit Investor Protection Trust (IPT), which released a survey Wednesday about elder exploitation. IPT conducted the survey after the Consumer Financial Protection Bureau requested more information about the problem.

The experts IPT surveyed said the most common type of abuse is when family members steal or divert funds or property. The next biggest problems are caregiver theft and financial scams perpetrated by strangers.

"Some of those financial scams by strangers can be ones that actually deplete the entire life savings of a senior at the worst possible time in their life," Blandin says.

It's a serious issue. Last year, MetLife said elderly victims of financial scams lost at least $2.9 billion in 2010, up from $2.6 billion in 2008. And 20% of Americans over the age of 65 have been victims of financial swindles, a 2010 IPT report said. "This is a major problem, and we know there is significant under-reporting," says Mark Lachs, director of geriatrics at New York-Presbyterian Healthcare System.

Some older Americans are too embarrassed to disclose financial abuse. Some lack the tools to find a good financial adviser and may not have the knowledge to understand investment advice. Others may be susceptible to fraud because of diminished mental capacity.

Combating the growing abuse of the elderly will require new, collaborative efforts with many experts and organizations, Blandin says.

Caregivers and local health care professionals are the ones who can best help address the problem, the IPT said. So it has created the Elder Investment Fraud and Financial Exploitation (EIFFE) prevention program, which has trained more than 3,000 U.S. medical professionals to help spot older Americans who are vulnerable because of impaired mental capacity.

"We are on the right track in tackling financial swindles that go after older Americans," says Irving Faught, administrator of the Oklahoma Department of Securities, which is a participant in the EIFFE program. It is critical to train primary care physicians to pre-emptively identify older adults who are at risk for financial exploitation, Lachs says. "I am an epidemiologist, and what we are looking at here qualifies as an epidemic."