

Financial Elder Abuse and Exploitation in Community Settings

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It should be made very clear that financial elder abuse in community settings (committed mostly by family members; less frequently by friends or neighbors) is very different from criminal fraud, scams, and identity theft. The main difference is that strangers must first cultivate an illusion of trust and they seek out potential targets, whereas family exploiters take advantage of a pre-existing relationship. Fraud perpetrators must cultivate an illusion of trust and legitimacy or create some kind of fake emergency to convince their targets to comply. Fraud perpetrators actively seek out potential targets, whereas, financial exploiters have already earned trust. Unlike fraud, financial exploitation does not require that the perpetrator have an intention to deceive the elder, although exploiters sometimes make false promises. The methods of family perpetrators can include the following:

- ◆ simply taking the elder's money, property, or valuables;
- ◆ borrowing money (sometimes repeatedly) and not paying it back;
- ◆ cashing pensions without permission;
- ◆ misusing ATM or credit cards, or us-

ing them without permission;

- ◆ forcing the elder to part with resources or to sign over property.

The WHO defines elder abuse as follows:

“Elder Abuse is a single or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust which causes harm or distress to an older person. It can be of various forms: physical; psychological/emotional; sexual; financial or simply reflect intentional or unintentional neglect.”

This definition can be found in the 2002 Toronto Declaration on the global prevention of elderly abuse. Link: http://www.who.int/ageing/projects/elder_abuse/alc_toronto_declaration_en.pdf Consequently, this definition of elder abuse of the WHO contains all the elements just mentioned above. Unintentional abuse may occur for e.g. when a distressed or over-burdened caregiver applies wrong medication.

While fraud is clearly a case of a criminal act and therefore studied by researchers interested in criminology, most forms of elder abuse are studied by researchers more interested in sociology,

social gerontology, or social welfare interventions.

A further conceptual problem is the extent to which it is useful to consider financial elder abuse as comparable with or different from other forms of elder abuse. Many cases of physical and/or emotional abuse occur in caregiving settings where a distressed caregiver mistreats the older person. Financial abuse is different in kind, for it has characteristics that are rare in other forms of elder abuse. Perpetrators are often motivated simply by greed, rather than distress.

Financial abuse can be perpetrated remotely, some forms require access to only the assets, not the person. Abusers who were dependent on the older person are usually adult children dependent on elderly parents for housing and financial assistance. In other forms of

may continue to invest in their children.

This meta-analysis (Yon et al. 2017) is showing the world-wide prevalence estimated for the five recognized subtypes of abuse. Physical abuse, emotional/psychological abuse, and financial abuse appeared most frequently, while sexual abuse and neglect were less often studied.

World-wide financial abuse pooled prevalence is estimated at a rate of 6.8% and occurred at rates between 1.3% and 47.4%. The data for overall elder abuse is 15.7% and is any combination of the five subtypes. We should be aware that elder abuse is a problem all over the world; it is not restricted to certain cultures or socio-economic circumstances.

A large number of crimes are never reported or recorded by criminal justice

| | Number of studies | Number of countries | Total sample | Pooled prevalence estimates | 95% CI |
|---------------------|-------------------|---------------------|--------------|-----------------------------|-----------|
| Overall elder abuse | 44 | 26 | 59 203 | 15.7% | 12.8-19.3 |
| Physical | 46 | 25 | 64 946 | 2.6% | 1.6-4.4 |
| Sexual* | 15 | 12 | 43 332 | 0.9% | 0.6-1.4 |
| Psychological | 44 | 25 | 60 192 | 11.6% | 8.1-16.3 |
| Financial* | 52 | 24 | 45 915 | 6.8% | 5.0-9.2 |
| Neglect* | 30 | 20 | 39 515 | 4.2% | 2.1-8.1 |

*Pooled estimates presented here were adjusted for publication bias.

Table 2: Prevalence of abuse and its subtypes

elder abuse about half of the perpetrators are spouses but in financial abuse adult children are predominant among perpetrators. The mere fact is that children are often more important emotionally to their parents, than parents are to their children. As a result, parents

agencies (Kratcoski 2018). This is especially true for the domestic sphere which is a dark field resulting in many unreported cases of abuse. The home and private life are protected at all legal levels. There is no doubt that a high number of unreported cases exists behind closed doors. Furthermore, financial abuse is a matter of a private prosecution, i.e. complaints are made at one's own risk. Victims do not report financial abuse for several

reasons.

- ◆ The victim may not realize that he or she was victimized because they have no control over their assets.
- ◆ The victim may not report the crime because the victim does not want to get the family member into trouble.
- ◆ The victim is dependent on the services of the abuser and does not want to worsen the established living situation. A “web of interdependency” is often found as a strong emotional attachment between the abused and the abuser that often hinders efforts to ask for help.

Even if there is a criminal investigation, the victim can refuse to testify in court. We should never forget that the person identified as “victim” is a person with the right and freedom to choose what to do with her or his assets, at least if this person is not mentally incapacitated.

On the other hand, quite a substantial number of financial abuses in the family area is reported on advice and help lines – but mostly by outsiders (e.g. neighbors, including family doctors),

The case of the “Austrian Long Term Care cash allowance”:

and not by the victims themselves.

In Austria there exists a system of a “Long Term Cash allowance” system called ‘Pflegegeld’ and it is a consumer-directed program. High priority is given to ensure that the elderly cash allowance recipient is able to make autonomous decision on matters affect-

ing her or his financial circumstances even if the result is in conflict with family members.

No detailed data on budgets of private households are available, so there are only scarce information on how the long-term care allowance is spent are accessible. All the same, it seems to be rather evident that benefits are quite often passed along to family caregivers or are contributed to household budgets. In a study by Badelt et al. (1997) no less than 86% of family caregivers declare that they have direct or indirect access to the old person’s long-term care allowance, either through the receipt of regular payments or through joint handling of the household budget. Sharing the budget almost certainly implies that the children are the ones to make the final decisions. This practice cannot automatically be considered as a misuse of funds but sometimes it certainly is. Since this is a consumer-directed program, the beneficiaries are autonomous in their decisions. Nevertheless, most family caregivers have access to the older person’s allowance, whether they are formally authorized as a guardian to do so or not. Sometimes there is only a fine line drawn between the caregiver’s legitimate claim for remunerations and financial abuse.

In conclusion, the nature of abuse of the elderly is not just about the financial exploitation. It can also be physical impact (e.g. by severe overdoses of medication), psychological (e.g. by

intimidation, threats or expressions of contempt), emotional abuse (e.g. criticizing or shaming the elderly) or simply by restricting a person's free will (e.g. by preventing from choosing where they want to live or manipulating them in the drafting of their last free will).

It has to be taken into consideration that older persons are sensitive to the attitudes of persons caring for them. To prevent abusive situations, it is best when a caring person has the possibility to distance herself at least temporarily from the person to be cared for.

As far as financial crimes committed by strangers, the following well-known recommendations should be applied:

- ◆ Do not keep larger sums of money in the coffee pot or the keys to the house in the flower pot;
- ◆ Do not tell the public about your savings;

- ◆ Be critical about strangers;
- ◆ Not be fooled by fraudster, please keep in mind that people are not always honest;
- ◆ On the street, keep your handbag firmly under your arm etc.

As it is mentioned in the "National Report on Elder Abuse in Austria":

"For money, some people will do anything",

whether it is an abuse by financial exploitation within a community setting (mostly done by family members) or any other kind of abuse done by a fraudster. In any case, the elderly are a particularly vulnerable group and they need special protection from any kind of criminal activities.

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