



The people you know best are most likely to cheat or swindle you

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When you think of the villains who defraud older people, you might picture [crooks hacking \(/home-family/personal-technology/info-2017/hackers-compromise-ccleaner-app-fd.html\)](#) into bank accounts or selling bogus stocks. But don't be misled.

The real scoundrels might be sitting at your next family gathering, looking as innocent as folks in a Norman Rockwell painting. Roughly 6 out of 10 cases of elder financial abuse are committed by relatives, according to a large-scale 2014 study. And about 3 out of 10 instances can be traced to friends, neighbors or home care aides. In other words, 90 percent of perpetrators of fraud are known to their victims.

Even scarier: The closer the tie between perpetrator and victim, the greater the damage. A detailed study of elder financial abuse in Utah found that the amount stolen by people who knew their victim averaged \$116,000 — nearly triple the haul taken by strangers. Criminals within the family got even more: \$148,000. And the thieves who stole the most money — \$262,000, on average — were the victims' children.

Maybe you thought such thefts occurred only among the rich and famous — think of Brooke Astor, the New York heiress whose son was convicted of swindling her.

But elder-abuse experts say this crime infects a wide range of households. You just don't hear about it. Only 1 in 44 cases of elder financial abuse get reported, estimates the National Adult Protective Services Association. Why? Victims are embarrassed. Families don't want to air conflicts. People doubt money will be recovered. They also fear the perpetrator.

What follows is an attempt to spotlight this scourge — with true stories of exploitation, plus advice for preventing and remedying it. Our narratives are based on witness interviews, legal records and other documents. Due to some sources' fear of retaliation, some identities have

been disguised.

The Distant Son

In 2005, 88-year-old Francine Maloney was suffering from [dementia](http://healthtools.aarp.org/health/dementia-test-and-diagnosis-testing) (<http://healthtools.aarp.org/health/dementia-test-and-diagnosis-testing>) and about to move to an Orange County, California, assisted living facility. (All names in this family have been changed.) Maloney had given her daughter, Amy, power of attorney to handle her affairs in 2000, a year after Francine's husband had died. Amy, also from California, put her mother's home up for sale.

Then Amy's only sibling, Randy, got involved. His relationship with their parents had always been strained, and he had an alcohol problem they were slow to recognize, Amy says. In 2005, Randy was living with his wife, Madeline, in Westchester County, New York, and hadn't been around much. But when he learned the house had to be sold, he became attentive—fast, Amy recalls. Unbeknownst to Amy, he flew west and got Francine to sign a new power of attorney giving him total control over her finances. Amy consulted a lawyer about fighting back, but the \$10,000 retainer was too much. She and her brother stopped talking.

Once the house was sold, the \$450,000 proceeds went into a trust for Francine's benefit, controlled by Randy. In theory, Francine had plenty of money. Amy, however, suspected something was amiss. Yet a lawyer was too expensive, and she doubted social service agencies could help. So she communicated her concerns to Randy via his attorney and left it at that.

That is, until she visited her mother in May 2010 and found a fraud-alert notice for a Bank of America credit card in her mother's name. The letter listed more than two dozen suspicious charges, including \$1,135 from a Boston hotel, a \$372 Boston car rental and a \$250 dry cleaning bill in Maryland where Randy then lived. Amy later determined that Randy had additionally revived a dormant Citibank credit card of Francine's and was using it to pay for his living expenses. Payments to that account, Amy concluded, were coming from her mother's trust account. By mid-2010, the account that had been seeded with \$450,000 from the sale of Francine's home had dwindled to \$158.51—and the [assisted living facility \(/caregiving/basics/info-2017/sex-in-assisted-living-facilities.html\)](http://caregiving/basics/info-2017/sex-in-assisted-living-facilities.html) was owed nearly \$9,500. Francine was broke.

After Amy filed a police report in June 2010, the local California sheriff's office subpoenaed checks drawn on the trust account. One expenditure: \$9,100 to a luxury-car dealer. Checks made out to Randy's wife totaled \$35,000.

"I wasn't shocked," Amy says.

Contacted for this article, Randy said he is 14 years sober. He disputed the overall amount Amy alleges he took from Francine's account, asserting it was in the "low-six-figure range." But he admitted via email that he took the money for his personal expenses and expressed remorse, terming his behavior "the most regrettable thing in my life." He wrote, "I was under some financial pressures that I was too weak to stand up to. ... The intention was always that the money would be returned from future realized gains."

In the end, he got away with it. The sheriff in California told Amy the prosecutor had declined to pursue the case; the D.A., contacted for this article, has no record of the sheriff's referral. Prosecutors in Maryland passed as well, suggesting Francine wouldn't be able to fly east to testify. The FBI said no, too. Amy could not afford to file a civil suit against her brother. "He is dead to me," she says. "How can you do that — steal from your mother for luxuries?"

Eventually, Francine had to leave the assisted living facility. Because she couldn't afford a nursing home, Amy placed her mother in a Social Security-financed small-scale custodial-care facility, a converted private home. Care was barely adequate. Francine died in February 2016, at age 99. "None of us would want to live like that," Amy says.

Fraud Tainted by Emotion

Elder financial abuse, as in Francine's case, doesn't appear out of the blue, experts say. It may be the result of long-festering family issues. Sometimes a big dose of rationalization is involved. "One of the things I've heard is, 'It's OK to steal or take this money from Mom and Dad because it's my inheritance,'" says Jilene Gunther, director of AARP's BankSafe initiative.

Substance abuse may also play a role, Gunther says. The perpetrator may be a child or friend with a [drug addiction \(/health/drugs-supplements/info-2016/prescription-drugs-opioid-addiction.html\)](http://health/drugs-supplements/info-2016/prescription-drugs-opioid-addiction.html).

Once someone close to you gets over the moral hurdles, the logistics are easy. A relative or friend, unlike a larcenous stranger, knows or can quickly find out exactly what you own and where it is. Most important, that person has your trust. Once a fraudster has that, experts say, getting you to agree to requests is relatively simple.

"This is the easiest crime to commit," says Karen Sundstrom, who works for the Lexington County, South Carolina, Recreation and Aging Commission as an advocate for older adults



who experience abuse. "It's a piece of cake."

The Family Friend

Ethel Simmons, now 87, expected to live out her life in comfort. She had pension income, [Social Security \(/retirement/social-security/info-2017/2018-social-security-changes-photo.html\)](#) and money in the bank. And, above all, a home.

She and her late husband, Elgie, bought their house in 1962 and raised their three sons there. It's a green one-story dwelling with a large detached garage, located in south-central Los Angeles. Ethel was a full-time homemaker; Elgie worked as a mechanic in a factory. Johanna Holmes, whose parents were friends with the Simmonses, remembers the two families picnicking together when she was a kid. Johanna's "Aunt Ethel" was active in the Church of God in Christ; she was, Johanna says, "fun loving, kind and caring."

After Elgie died, in 2011, Ethel continued to live in the house, which had three rental units. One was occupied by her middle son, Wayne. (Ethel's oldest child, who was born disabled, lives in a group home; her youngest son doesn't figure in this story.) Wayne, who Johanna says was Ethel's favorite, had been in trouble with the law over the years — a conviction for car theft, for one, and convictions or guilty pleas for drug possession and possession with intent to sell. "He was an addict," says Johanna.

Wayne also had some worrisome friends, including one we'll call Alfred.

Alfred grew close to Ethel after Elgie died. He shopped for her groceries. Ethel grew to trust him. Johanna didn't. Around 2012, Ethel told her that Alfred wanted to buy her house for \$200,000. Johanna, who suspected that Wayne was involved, was stunned. "I said, 'How is he going to afford \$200,000 when he doesn't even have a job?' " she remembers. Ethel declined the offer.

illustration of a boy stealing the wallet of an older man

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In 2015, Alfred moved onto the property. He soon went with Ethel to the bank and became joint owner of her only account. The balance wasn't high — maybe \$2,500 — notes Nicholas Levenhagen, a lawyer with Bet Tzedek Legal Services who later got involved in Ethel's case. Money, however, was flowing in from Social Security and Elgie's pension.

Early in 2016, after a stroke put Ethel in the hospital, Alfred had her meet with a man he said was an attorney, supposedly to discuss what Ethel understood were [tax and insurance \(/health/health-insurance/info-2017/health-insurance-2018-taxes-fd.html\)](#) issues. Ethel didn't remember signing a thing. It's not clear even now who the "attorney" was, according to subsequent litigation. But somehow Alfred got the title to Ethel's home, and Ethel never got a penny.

Ethel didn't tell Johanna about any of this. But by March 2016, Alfred had begun intercepting Johanna's calls to Ethel, making excuses for why she wasn't available. Once, when Johanna got through, Ethel sounded frightened. "Why are you whispering? This is your phone," Johanna recalls saying. By this time, according to court documents, Alfred controlled Ethel's life, physically and financially. He used the joint account as a piggy bank, spending Ethel's money for restaurant meals and gas bills. He drove around in a Mercedes. The City of Los Angeles alleged that narcotics were being sold out of Ethel's garage.

Johanna, increasingly worried, recalls that on Good Friday, March 25, 2016, she drove over to the now-shabby house and barged in. She was shocked to find drug addicts in the front room. Ethel's room was filthy, and she had been defecating in a pot.

Eventually, Los Angeles Adult Protective Services intervened, after Ethel was hospitalized following another stroke. She was placed in a nursing home, and an APS caseworker put Ethel and Johanna in touch with Bet Tzedek Legal Services, which filed suit to reverse the property transfer. Alfred did not contest the suit.

Ethel said, "I have money in the bank," Johanna recalls. But Alfred had taken it all. Ethel didn't even have any clothing. Hers were so foul that they had to be thrown out when she went to the hospital, Johanna says.

The house, with the title reverted back to Ethel, was sold in July for \$440,000, which can be used for Ethel's care. Johanna closely monitors the nursing home: "I have them on their toes when it comes to her."

Ethel is not pursuing further legal action. Alfred cannot be located. As for Wayne's role in what happened, Johanna is clear: "God forgive me, but I can't stand him," she says. "No way would I let anyone violate my parents."

Where's Justice?

[Financial elder abuse \(/money/scams-fraud/info-2015/how-to-spot-early-warning-signs-of-elder-financial-abuse.html\)](#) is a crime. It's theft. Yet people who complain to law enforcement are frequently told that it's a "family" or "civil" matter or that the older person "won't press charges." These aren't valid reasons to avoid action, says Paul R. Greenwood, head of the San



Diego District Attorney's Office Elder Abuse Prosecution Unit. Child-abuse victims, he notes, don't decide whether abusers are charged.

Another excuse for not prosecuting is a victim's inability to testify. But Peter A. Lichtenberg, director of the Institute of Gerontology at Wayne State University in Detroit, says that elder-abuse cases rely on forensic examination of financial records more than they do on witness testimony.

An added hurdle: Police and prosecutors may be suspicious about those who make accusations. "I often get these calls from adult family members who want me to prosecute the other sibling," Greenwood says. "I interrupt and say, 'Now, where were you when all this was going on?'"

Plus, a victim might say the money was a gift, says Greenwood: " 'He's a nice boy, and he's been helping me around the house.' Those arguments are very difficult to overcome."

There's one more reason these crimes are rarely prosecuted. People who have been robbed won't admit it. "It's hard to get victims of elder abuse to talk," says Lori Delagrammatikas, a longtime specialist in elder abuse and the incoming president of the National Adult Protective Services Association. "They're so embarrassed."

The Housekeeper

Lori Delagrammatikas is quite familiar with the embarrassment caused by elder financial abuse. It happened to her mother. Janet Dermay had a doctorate in education and spent her life as a teacher, at one time running a small [technical college \(/work/working-after-retirement/info-2017/best-colleges-for-older-students-fd.html\)](/work/working-after-retirement/info-2017/best-colleges-for-older-students-fd.html). She was a tough, hardheaded woman. She was perfectly fine — self-sufficient and healthy — when, at 76, she moved into an independent-living facility north of Phoenix in 2009.

Janet, like other residents, had an apartment with a small kitchen. On-staff housekeepers tidied up every day. While residents could get rides to local places, Janet drove herself in a late-model four-door sedan.

chart about Fraud in the Family
AARP

One day in 2012, Janet told Lori — who lived a seven-hour drive away — that she had a new car. Janet also told Lori that months before, she had sold the previous car to her housekeeper. The housekeeper (let's call her Mary) had been chatting daily with Janet about her marriage. "She said she was a victim of domestic violence, her husband didn't work, and he was pushing her to work more and more hours," Lori says. Mary told Janet that she needed a car because her old one wasn't working.

Janet, taking pity on Mary, sold her car to her for monthly payments of about \$100. Lori never learned how much Mary promised to pay in total. There was no paperwork. All she discovered was that not long after Mary made her first (and only) payment, she vanished. She was dismissed for borrowing money from residents.

Janet had been conned. "I see it so much at work that I wasn't surprised," Lori admits. "But I was frustrated my mom wasn't willing to do anything about it," such as file a complaint. Janet died last year. "It's humiliating when you get ripped off," Lori adds. "It hits people in the deepest level of their self-image."

Lori was developing a training program for protective services workers when her mother was swindled. "I talked to my mom a lot about the work I do — 'Oh, let me tell you about the latest scam that's happening,'" Lori says. "Didn't make a bit of difference."

Also of Interest

- [How to spot financial fraud amongst the elderly \(/money/scams-fraud/info-2015/how-to-spot-early-warning-signs-of-elder-financial-abuse.html?intcmp=AE-MON-CP-EOA1-FD\)](/money/scams-fraud/info-2015/how-to-spot-early-warning-signs-of-elder-financial-abuse.html?intcmp=AE-MON-CP-EOA1-FD)