10 Ways the Elderly Can Avoid Financial Abuse

Increased dependency due to illness, disability or cognitive impairments can make seniors susceptible to financial abuse. Nest eggs accumulated over decades also often make seniors attractive targets for predators, whether an offshore bogus sweepstakes or a care provider who sees an opportunity to be paid more than an hourly wage.

Just as sunlight makes the best disinfectant, transparency provides the strongest abuse protection. If others are aware of the senior's finances, either possible predators will see that no opportunity exists to take advantage of the senior or the family members or professionals can step in to keep any fraud from going too far. Here are some steps seniors or their loved ones can take to prevent financial abuse.

1. Arrange for account oversight

Make sure that someone close to the senior has access to her accounts to be able to see if anything unusual is going on, for instance large checks being made out or larger-than-usual cash withdrawals from ATMs. The oversight can be through copies of monthly statements or online access to accounts.

2. Create joint accounts

A joint account with someone gives them oversight as well as the ability to write checks, make investment decisions and take steps if necessary to protect the funds in the account. It also avoids probate, making the transition somewhat easier at the owner's death. But make sure you only add the name of someone you really trust to the account because it can also be an avenue for financial abuse if the joint owner becomes the perpetrator.

3. Use a revocable trust

Revocable trusts can be useful for a number of reaons. They include all of the benefits of joint accounts, with few of the drawbacks. Your revocable trust gives someone you trust access to your accounts in trust and the ability to step in seamlessly if you become disabled. Unlike a joint account, it does not give the trustee any ownership interest in the account. If, for instance, you had four children but named one as a co-owner of your joint accounts, at your death she would have the legal right to keep the funds rather than share them with her siblings. That would not be the case with a revocable trust.

4. Visit often

Nothing prevents financial abuse or stops it in its tracks better than frequent visits by loved ones. Either the potential perpetrator will see that he can't isolate the senior and take advantage of him or family members or friends will notice the abuse before it goes too far.

5. Get help paying bills

If someone helps you pay your bills, they will help you make sure that you're not letting anything slip through cracks or paying something that you shouldn't. They will be able to help you sort through your mail and determine what is important and what is not.

6. Use a limited credit card

Credit cards are now available that allow another person to monitor the activity of the cardholder and to limit both the amount he spends and where he can spend it. One of these is the True Link card.

7. Sign up for do not call registry

It is quite easy to register your telephone number with the

Federal Trade Commission's Do Not Call Registry either online at www.donotcall.gov or by calling 888.382.1222. While this may not stop someone intent on defrauding a senior, it should help reduce calls from salespeople.

8. Sign up for Nomorobo

You can sign up for Nomorobo to block robo calls. Unfortunately, it does not work with all telephone providers, including Verizon.

9. Consult with an attorney

An estate planning attorney can help set up a revocable trust and durable power of attorney to assist with financial management, advise on the best protective steps to take in each situation and provide additional oversight to discourage financial abuse.

10. Opt out of mail solicitations

At www.dmachoice.org the Direct Marketing Association permits you to limit the amount of catalogs, credit card offers and other direct mail pieces you or a loved one receives. You may well ask why the Direct Marketing Association does this. The answer is that they don't want to waste their print and mail costs sending to consumers who have no interest in the product being marketed.

While there's no foolproof measure you can take that will both prevent financial fraud and leave you or your lived one with at least some independence and control over her finances, the steps described above can make her world a safer financial place. Just remember what was said at the beginning: isolation is a breeding ground for financial abuse (as well as depression and other ills). Social involvement is the best protection.

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