

Preventing Elder Investment Fraud: Assessing for Vulnerability to Financial Exploitation



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- Development of the Clinician Pocket Guide was made solely by members of the Baylor College of Medicine faculty.

EIFFE Prevention Learning Objectives

- List key factors that increase an older person's vulnerability to elder investment fraud and financial exploitation (EIFFE).
- Describe common financial exploitation schemes and practices.
- Determine when to and where to refer patients deemed high risk to appropriate sources of assistance.

Pre-Test Question

Which of the following conditions can contribute to some older people being financially exploited?

- a. Parkinson's disease
- b. Damage to the prefrontal cortex of the brain
- c. Mild Cognitive Impairment
- d. Recent death of spouse
- e. All the above

Fraud Can Happen to Any of Us



“To those seniors and especially elderly veterans like myself, I want to tell you this: You are not alone and you have nothing to be ashamed of. If elder abuse happened to me, it can happen to anyone.”

Mickey Rooney

Testimony to Senate Special Committee on Aging, March 2, 2011

CLINICAL QUESTIONS: *OUTLINE*

- What risk factors and clinical clues are associated with financial exploitation?
- How is an assessment of an individual's financial decision-making capacity performed and appropriately documented?
- What is the healthcare provider's role in this issue? If detected what is next?

Epidemiology of Elder Abuse

- Of all elder abuse cases reported, 30% were for financial exploitation
(National Elder Abuse Study, 1998)
- Two nationally representative studies found 4-5% of older adults in the US have been victims of financial abuse
(Acierno et al., 2010; Laumann et al., 2008; Peterson 2014)
 - *similar prevalence to heart attacks and higher than systolic heart failure (1-2%). Increases mortality, SNF and hospital admission*

(<http://www.nanocorthx.com/Articles/HeartDiseaseStrokeStatistics.pdf>. Dong X. JAMA 2013)

Evidence Supporting EIFFE

- 35% of persons 71 y/o and older have Mild Cognitive Impairment (MCI) or full dementia (Plassman 2008).
- Persons with MCI make four times the financial errors than those without the condition (Marson 2009).
- Elders losing significant amounts don't have the time to recoup losses.

Evidence Supporting EIFFE

- If losses are significant, forcing choices between out-of-pocket health care costs & routine living expenses, this can become a clinical issue

(Widera 2011)

- Elders with depression and substance abuse are at increase risk for Financial Exploitation

(<http://www.iom.edu/Reports/2012/The-Mental-Health-and-Substance-Use-Workforce-for-Older-Adults/Press-Release.aspx>: Accessed 03/08/2013)

Important Definitions

- **Vulnerable Older Adults:** those who demonstrate characteristics/perform behaviors associated with subsequent morbidity, disability, or death
- **Financial Capacity:** “ability to make and execute decisions consistent with personal preferences and values regarding finances”

Wenger, NS et al: *Annals of Internal Medicine*: 2001 and Saliba, D: *Journal of American Geriatrics Society*: 2001

Marson, D et al: *Encyclopedia of Psychology and the Law*: 2008

Important Definitions

- **Investment Fraud and Financial Exploitation:** “The illegal or improper use of another individual’s resources for personal profit or gain”
- **Undue Influence:** “When exploiters, whether family, acquaintances, or strangers, use their power to deceptively gain control over the decision making of a victim. Often involves financial exploitation.”

Case Scenario 1

- Mr. Allen is an 83-year-old man who lacks financial capacity due to Mild Cognitive Impairment (MCI). Mr. Allen has involved his son Steven in some financial decisions. While Mr. Allen is a conservative investor, Steven likes to take risks. He invests a large portion of his father's retirement funds in a risky stock. Soon afterwards, the stock falls dramatically. Out of embarrassment, Steven doesn't tell his father what he has done. (Is this fraud?)

Case Scenario 2

- Mrs. Hartford is an 86-year-old recent widow. Her daughter, Mae, hires a caregiver, Susan, to help around the house. Mae notices that Susan is acquiring lots of new things. Then Mae discovers she cannot access her mother's accounts anymore. She visits her mother; Susan is no where to be found.
- Susan had unduly influenced Mrs. Hartford into signing a durable power of attorney. She then depleted Mrs. Hartford's retirement funds. Once Mae realized what was happening, Susan took what was left of Mrs. Hartford's savings and fled. (Is this fraud?)

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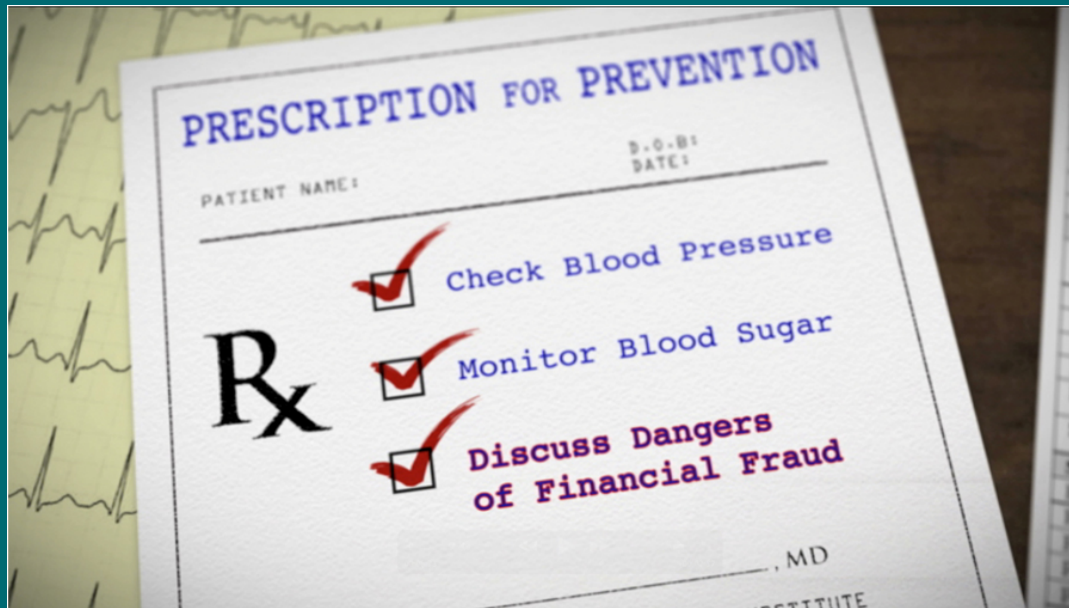
What you can do to prevent EIFFE

- Educate about need for advance financial planning
- Simple office-based assessments of potential vulnerability to EIFFE
 - checklist of situations associated with high risk
 - assessment questions
 - referral sources for those deemed potentially at high risk

(E. Widera et al. *JAMA*, Feb. 16, 2011)

Clinical Assessment of Vulnerable Older Adults

- Add questions to patient's waiting room paperwork
- Assess during office visit using *Clinician's Pocket Guide*



Red Flags in Patient/Client History

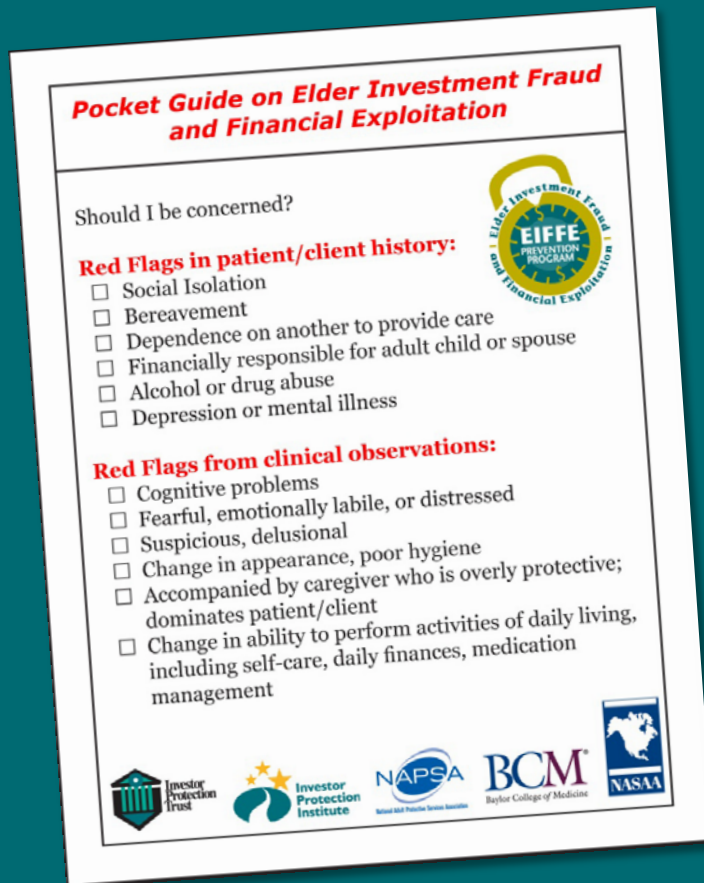
- Social isolation
- Bereavement
- Dependence on another to provide care
- Financially responsible for adult child or spouse
- Alcohol or drug abuse
- Depression or mental illness

Red Flags from Clinical Observation

- Change in ability to perform activities of daily living, including self care, daily finances, medication management
- Accompanied by caregiver who is overly protective; dominates patient/client
- Change in appearance, poor hygiene

Use EIFFE Prevention Materials

Clinician's Pocket Guide



Patient Education Brochure



See EIFFE program materials at this web page:

<http://www.investorprotection.org/ipt-activities/?fa=eiffe-pp>

**“When Abuse of Older
Patients Is Financial”**
New York Times
March 2, 2011

Elizabeth Olson’s story about Robert Parker, MD, who took a CME course on EIFFE in San Antonio in 2009, and how he uses the Clinician’s Pocket Guide to screen his patients.



(Photo used by permission from
Lisa Krantz for the *NY Times*.)

Introducing the Issue to Your Patient

- *“We find that some older adults worry about money; may I ask you a few questions about this?” or*
- *“I just read a NY Times article about elders being financially exploited and thought I ought to talk to my mother and my patients, too.”*
- **What other opening questions do you think would be good ones?**

Questions You Can Ask (1)

- Who manages your money day to day? How is that going?
- Do you run out of money at the end of the month?

Questions You Can Ask (2)

- Do you regret or worry about financial decisions you've recently made?
- Have you given power of attorney to another person?
- Do you have a will? Has anyone asked you to change it?

Tools You Can Use

- Rapid cognitive screen, 5-item recall, clock-drawing test and short story (short SLUMS)
- Mini-Cog – 3-minute, three-item recall and clock-drawing test as an informational distractor
- Montreal cognitive assessment (MoCA) test score <26

Borson S. The mini-cog: a cognitive “vital signs” measure for dementia screening in multi-lingual elderly. *Int J Geriatr Psychiatry* 2000; 15(11):1021.

Malmstorm TK et al. The Rapid Cognitive Screen (RCS): A Point-of-Care Screening for Dementia and Mild Cognitive Impairment. *J Nutr Health Aging.* 2015;19(7):741-4.

Tools You Can Use (2)

- Financial Capacity Instrument (FCI)*
 - FCI-9 consists of 20 financial tasks, 9 domains of financial activity, and 2 global levels.
 - Discriminates well between cognitively intact older adults and persons with mild and moderate Alzheimer's disease.
 - Sensitive to identifying subtler changes in the financial abilities of individuals with Mild Cognitive Impairment.

*Contact Daniel C. Marson, PhD, JD, Dept. of Neurology, University of Alabama, Birmingham
dmarson@uab.edu. <http://knowledge.sagepub.com/view/psychologylaw/n125.xml>

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What types of referral may be needed? (1)

- Further medical evaluation
 - needs assessment for cognitive, neurological, or other conditions
- Help with managing money or other care tasks
 - poor resource management or limited resources available; needs assistance with finances, meals, transportation, ADLs

What types of referral may be needed? (2)

- Fraud and exploitation may have occurred
 - needs case reported to appropriate authorities
- Legal advice or protection
 - needs assistance with financial planning or legal documentation

Responsible Party Characteristics

- **Traits**
 - caregiver
 - male, usually relative
 - living with the patient
 - economically dependent on the patient
 - history of mental illness, including substance abuse and antisocial behavior or other health problems

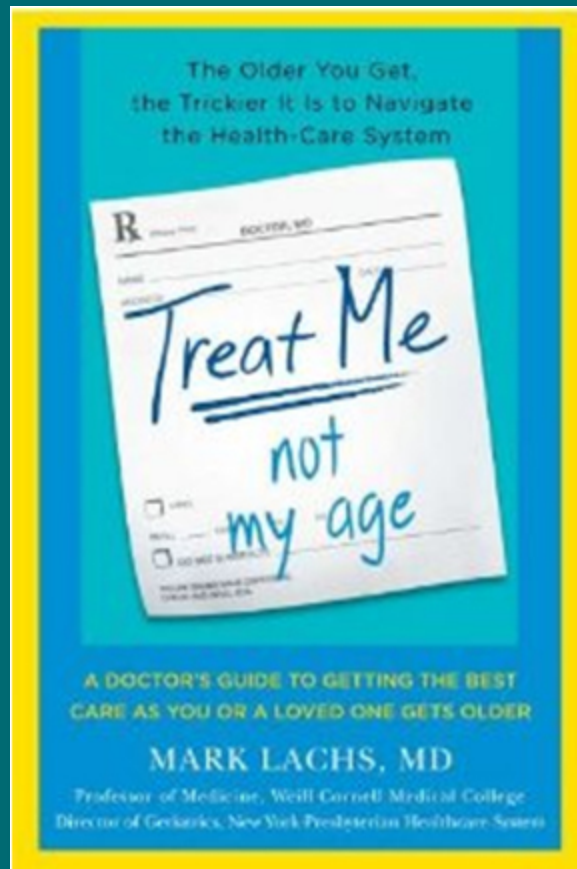
Interactions with Responsible Party

- Observe for following behaviors:
 - demeaning comments about the patient
 - defensive, suspicious attitude
 - hostility about your inquiries
 - threat to change doctors

Referral Sources in Your State

- Find your state's APS contact information
<http://www.apsnetwork.org/Abuse/index.html>
- Locate your State Securities Regulator – North American Administrators Association
www.nasaa.org
- United Way – 211 local hotline www.211.org
- National Association of Professional Geriatric Care Managers www.caremanager.org
- National Academy of Elder Law Attorneys
www.naela.org

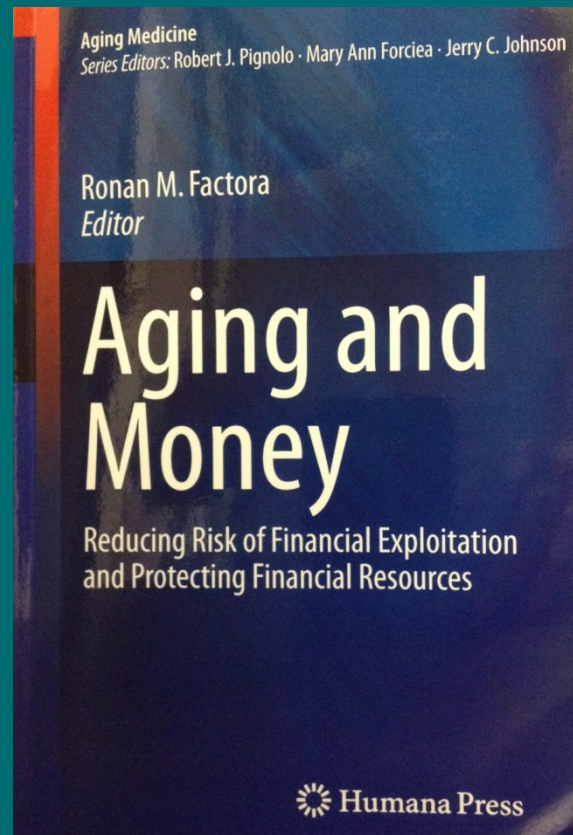
Immunize Your Patients from Making Bad Financial Decisions



- Chapters 17 and 18 in geriatrician Mark Lachs' book deal with aging and money issues.
- Citing works like this helps patients and their caregivers appreciate your concerns.

New Book on EIFFE

- Book edited by Ronan Factora, MD, Cleveland Clinic – Chapter by R. Roush and A. Naik



TAKE HOME MESSAGE

- Elders with cognitive impairment are at increased risk for financial abuse
- Education of family and patients about advance financial planning is crucial
- Assessment can be done with simple questions and observations
- When suspect of financial abuse refer to social worker and respected agencies

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Investment Fraud Affects Everyone



In the United States, **BILLIONS** of dollars are lost each year to investment fraud and scams.

These scams affect both the rich and poor; the sophisticated and the unsophisticated; the timid, the greedy, and the elderly.