

Protecting Elders' Financial Assets

By Dr. V.E. Stone*

Have you ever wondered who falls for email scams: "Help me get money out of Nigeria; I just need your bank account information?" The answer may be: people with dementia.

Dementia is a gradual cognitive decline caused by underlying damage to the brain. Alzheimer's is the most common type. People understand that someone with a physical disability -- a blind person or someone in a wheelchair -- might be targeted for robbery. As a society, however, we have not fully realized how people with brain disorders might also be at high risk of victimization. Fortunately, family members, legal and medical professionals, psychologists, governments, and financial advisors can all help protect vulnerable people from exploitation.

Robbery takes many forms. Louisa, a 57-year-old woman with frontotemporal dementia, fell for the Nigerian email scam. Her life's savings disappeared overnight, her children's inheritance stolen by a con artist. People with Alzheimer's have been targeted by unscrupulous sub-prime mortgage lenders, losing their homes. Others have lost heirloom jewelry to phony insurance assessors who take it "for assessment." Another common scam is trying to get someone to pay for home repairs that were never done: "Last week we replaced your siding; we're here to collect payment." These scammers count on their victims having memory problems.

Sadly, there is no shortage of scam artists targeting the elderly. Healthy elderly people, without dementia, are often "older and wiser" in avoiding scams, and are much *less* likely to fall for them than younger people with less experience. However, elderly people with dementia may be at greater risk of being exploited financially. Someone with dementia who has difficulties with memory, problem-solving, and/or social judgment can be at risk.

Many kinds of professionals can help protect those who are vulnerable, and help loved ones and caregivers understand their options. Governments keep track of common scams and frauds – check with your state attorney general's office. The Australian government maintains a

website constantly updated with scam alerts: www.scamwatch.gov.au. (Scams are often the same worldwide.) In giving financial advice to seniors, stockbrokers and financial advisors are responsible for making sure the people they advise can make their own decisions. Continuing education courses can teach professionals how to look for signs of dementia and impaired decision-making.

Lawyers and courts often get involved in protecting the elderly. By the time someone clearly has dementia, with severe cognitive problems, a spouse or child may take over managing the affected person's financial affairs, through power of attorney. In some cases, the courts may become involved to rule on whether someone is legally competent to manage their own financial affairs. In such cases, the courts will rely on expert testimony from doctors and neuropsychologists. There are many options available that can give someone with dementia a limited amount of financial autonomy, while protecting their larger assets from being lost. There is plenty of research on how to test for competency. For another article, entitled, "Competency in Financial Decision-making", see www.assesscompetency.com. Continuing education courses can teach lawyers about what doctors and neuropsychologists will tell them, and psychologists about what courts and lawyers need to know.

With baby boomers aging, the elderly population will increase for many years. We all have a responsibility to help protect those who may be vulnerable. Whether you have loved one with dementia, or whether you're a professional who can help, get involved, and get educated.

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