Financial Exploitation

This is not legal advice. Please consult an attorney about your particular situation.

Financial exploitation is when a trusted person uses that trust to take your money or property for their own benefit. It’s different than scams, which are normally committed by strangers often through emails and phone calls to trick individuals out of their money.

WHAT DOES IT LOOK LIKE?

- Taking money or property without permission
- Forging signatures
- Abusing access to a joint bank account
- Writing and cashing checks not intended for them
- Overcharging or not delivering caregiving services
- Denying access to money or property
- Coercing or persuading the person to change their will or insurance policies to benefit the exploiter
- Using the person’s financial power of attorney to steal from them
- Threatening abuse or abandonment
- Refusing care

It’s critical to avoid financial exploitation. Once your funds and property are gone, it’s highly unlikely you will be able to get any of it back.

RISK FACTORS

- Someone that is emotionally or physically isolated
- Someone experiencing cognitive impairment
- Older adults - short term memory loss, slowed processing, the brain stops sending red flags about deceptive behavior
- Someone that needs help with daily living activities
- Side effects of medication
- Limited sight, hearing, mobility
- People living below the poverty line
- Multiple members in the household
- More financial resources than younger family members

WHO CAN EXPLOIT?

- Caretakers, family members, neighbors, friends and acquaintances, attorneys, bank employees, faith leaders, doctors, nurses, and others
- The majority of financial exploitation is carried out by family members or trusted others
- Adult children and spouses, people with financial issues or issues with substance abuse or mental health are more likely to exploit

This factsheet was compiled by
Maryland Volunteer Lawyers Service
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WHAT TO LOOK OUT FOR

- Sudden changes in bank account - withdrawals and transfers
- Notices of unpaid bills
- Substandard care
- Forgeries of legal documents and checks
- Financial arrangements that don’t make sense or have no documentation

HOW TO PROTECT YOURSELF

- Keep track of all financial transactions
- Ask for receipts and explanations
- Avoid or close joint accounts
- Include limiting language in the Financial Power of Attorney
- Avoid isolation
- Talk to trusted friends and family
- Don’t let yourself be pressured and rushed
- If being abused, reach out for help
- Avoid joint accounts - don’t add people to your savings/checking account or your deed to your house/property
  - There are ways to pass this property to your loved ones without exposing yourself to possible exploitation.
- **Do your estate planning** - MVLS provides free legal help with estate planning, a legal process that can help you make intentional decisions about your future that will limit the amount people can financially exploit you.

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HOW TO MINIMIZE ABUSE

- Plan now, hasty decisions can cause the wrong person to be in charge of finances.
- You can specify in your Financial Power of Attorney that your agent needs to regularly report to another person about the financial transactions they make on your behalf.
- Avoid appointing a person who mismanages their own money or has issues with substance abuse or gambling.
- Tell other trusted family and friends about the Financial Power of Attorney so they can look out for signs of financial abuse.
- Don’t appoint hired caregivers or paid helpers as your agent under the Financial Power of Attorney.

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