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OUTSMART FRAUD

Stealing From Grandma?

Theft by family or friends remains widespread. What you can do about it

FOUR YEARS AGO, one of my favorite aunts passed away at age 75. A widow, she'd been independent most of her life but near the end had developed Alzheimer's disease and was living in a long-term care facility. She had no husband or blood relations nearby, so her stepson-in-law and a family friend were managing her affairs, and they agreed to serve as coexecutors of her estate. We knew and trusted them, and kept a loose eye on the situation.

Before long, though, to our horror, my family discovered that the executors had stolen hundreds of thousands of dollars from my aunt during her lifetime and had even persuaded her to transfer the title on a treasured family summer cabin. When we asked for explanations, they claimed my aunt had willingly given them the cash and real estate, even though her will had stipulated otherwise and she had Alzheimer's.

The truth is, they simply thought no one was watching. Two years and a fortune in legal costs later, my sister and I got the cabin back. But the money had been squandered.

Most of the time I warn you about professional thieves and their conning methods. In this COVID-19 moment of high vulnerability for our elder loved ones, though, my mind has been drawn to the fraud that we rarely wish to talk about: when a family member or friend gains access to a loved one's

accounts and takes advantage.

This magazine has covered the topic well over the years. But this time of economic challenges got me wondering if stealing from loved ones is still raging and whether better tools or safeguards have emerged to prevent theft within the family.

Still Too Common

To find out, I called Liz Loewy, former chief of the Elder Abuse Unit of the Manhattan District Attorney's Office and now chief operating officer of a financial-monitoring service called EverSafe. Her message: These types of crimes remain common.

Loewy spent 30 years prosecuting individuals who stole from vulnerable older people like my aunt. Her office handled more than 800 elder-abuse cases a year. Loewy is best known, however, for leading the investigation in the famous Brooke Astor trial in 2009. Astor was the daughter-in-law of multimillionaire industrialist John Jacob Astor IV and, ultimately, inherited much of his wealth. She was renowned for her charitable work, though the public's final memory of her came in her late 90s when she was the victim of financial abuse by her son, Anthony Marshall. In the end, a jury convicted him of grand larceny and sent him to prison.

Loewy notes that the real crisis is the millions of financial-abuse cases that occur each year without anyone ever hearing about them. A study of New York residents a decade ago found only 1 in 44 victims



of elder financial abuse ever came forward. There's little evidence that that's changed. The instinct to keep crimes "in the family" is strong.

One of the root causes of elder financial abuse that Loewy described is bank privacy laws, which mostly prohibit financial institutions from revealing account information to anyone not named on the account. This means that if your parent asks their bank to send you copies of their statements, it will probably say no. Adult children often become joint account holders so they can monitor things, but this can also lead to exploitation. "They may start out helping their parents with good intentions and then, after the parent exhibits signs of diminished capacity, start diverting funds," Loewy says. "It often starts small, then progresses into 'I wrote a few checks to pay for Johnny's college. She always said she wanted to help with tuition.' Or beyond that: home improvement or a new car."

And much of the time, no one has a close eye on the situation because, hey, someone known and trusted is handling things for Dad or Auntie, so why worry? That was my mistake.

After years of seeing the incidence of financial abuse rise, Loewy decided to cofound a company to address the problem. She partnered with businessman Howard Tischler to launch



Illustrations by Frank Wassil



EverSafe, a new type of financial service that uses artificial intelligence to identify members' financial-activity patterns. Whenever abnormal events occur, alerts get sent to a full list of "trusted advocates," such as family members and financial advisers, who can review the member's account activity.

Multiple watchers are key, Loewy believes. If enough people are overseeing a person's finances, exploiters will be less likely to attack. And if they do, all will see it.

Has the COVID-19 crisis increased elder financial abuse? Studies have revealed that social isolation is a known risk factor. No wonder that EverSafe's

Customer Care unit showed a 30 percent increase in potential fraud reports in 2020 over 2019.

What Can Be Done

To reduce family financial abuse, Loewy maintains, we simply have to do a better job of watching out for one another, whether it's checking on loved ones more regularly or connecting them to technology that can help detect and prevent wrongdoing.

Start by protecting yourself. I have long noted that many of the services that for-fee financial- or credit-monitoring companies provide can be done on your own. Establish online access to all financial accounts, monitor those accounts weekly, have everyone in your family (including young children) get credit freezes, order and review free annual credit reports from all three credit bureaus, and so on. Learn these skills now and you will be able

to guard your accounts forevermore. Although if you're just not comfortable navigating technology or don't have the time to keep up with your accounts, it might well be worth looking into a financial-monitoring service.

Guarding older family members or friends is trickier, given your lack of access to their financial accounts. But you can check in frequently, encourage them to sign up for such a service, talk often with caregivers, even offer yourself as a trusted advocate. You can also pay for a monitoring service yourself, if that gives peace of mind.

If we don't make such a commitment, we all risk being visited by exploiters one day—some obvious and easy to spot, but others dressed in sheep's clothing.

! Have questions related to scams or think you're a target? Call the AARP Fraud Watch Network helpline toll-free at 877-908-3360.