

Banks and Elder Financial Abuse

Dr. Linda Eagle on Elder Financial Abuse:



In America today, it seems that people are respecting their elders less and less and abusing them more and more. Elder abuse is the most common type of crime experienced by dependent adults today and the most frequently committed form of it is financial elder abuse.

Elder financial abuse is the illegal taking, misuse or concealment of the funds, property or assets of an elder without the elder's consent, or when the elder is tricked, intimidated or forced into giving consent. Financial elder abuse can involve anything from a telemarketer soliciting on behalf of a fake charity to a family member misusing a power of attorney.

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The government is just now recognizing the role that banks can play in stemming financial elder abuse. Just as doctors are often the first to spot the signs of physical abuse, front line bank personnel have the best perspective from which to spot financial elder abuse.

California is leading the way with legislation mandating financial institutions to report suspected cases of elder abuse, with many other states and the federal government having similar laws pending. Under the California Elder Abuse Protection Act, any employee of a financial institution who suspects that financial abuse of an elder is occurring, must report it to the proper authorities. Banks, savings and loans and credit unions all fall under the new guidelines. And it is not the individual employees, but rather the financial institution itself that is held responsible!

The Elder Abuse Protection Act defines "suspected financial abuse" as occurring when a bank employee observes behavior or transactions that would lead a person with similar training to form a reasonable belief that an elder is the victim of financial elder abuse. Because training is the foundation of the new law, it is imperative that financial institutions train their employees adequately. The law takes effect January 1, 2007, giving a short window of time for financial institutions to train their employees to recognize and report abuse.

To protect the vulnerable elderly customer, the training given by your bank must meet the following objectives:

- Educate employees about the problem and extent of financial elder abuse.
- Equip personnel with an understanding of age-related disabilities that may make elders vulnerable to financial abuse.
- Enable employees to identify situations involving financial elder abuse.
- Instruct employees on the proper procedures to follow for reporting financial elder abuse.

Elderly victims of financial abuse are often unable or reluctant to tell anyone that they are being exploited. In some cases, a disability may preclude the victim from being aware of, or reporting the abuse. In other instances, the victim may be dependent on the perpetrator – for care, love, companionship or shelter. The victim may also fear that revealing the financial abuse will lead to the loss of independence through the appointment of a guardian or conservator or placement in a long term facility.

Faced with this difficult situation, banks must take measures immediately to protect the elderly customer from financial abuse while they protect the bank from compliance risk.

Dr. Linda Eagle is president of The Edcomm Group — an 19-year-old multimedia education and communication consulting firm specializing in the development of creative business solutions that improve productivity, customer service and market share, providing bottom-line results. For more information, contact Linda Eagle at linda.eagle@edcomm.com or 888-433-2666 and visit the company's Web site at www.edcomm.com.