

Maryland Judiciary
Financial Exploitation

In this video, we'll define and discuss financial exploitation, including the different forms of financial abuse, the people who may take advantage of a vulnerable person's finances, the signs of financial exploitation, and how to prevent it.

Financial exploitation is the theft or misuse of another person's money, property, or belongings for personal benefit. Money or property may be taken through deception, harassment, or threats. Anyone can be a victim of financial exploitation, but vulnerable people, such as those under guardianship, are at a higher risk. That's why guardians of the property must have a strong understanding of the types and signs of financial exploitation. Armed with this information, you may be able to identify, stop, and prevent the financial exploitation of a person under guardianship. Also, be aware that people may try to take advantage of you as a guardian of the property.

There are many forms of financial exploitation. **Theft** is common: taking money or property, like jewelry or other valuable items, without permission. Another type is **fraud**, which refers to acts of deception or misrepresentation for personal gain. Examples of financial fraud include falsifying documents, forgeries, unauthorized check writing, investment fraud, mortgage fraud, and insurance fraud. Another type of financial exploitation that's quite common today is **identity theft**, the illegal access to and use of a person's personal or financial information, such as their name, Social Security number, date of birth, credit cards, or bank account numbers. Marketing or lottery scams are also a form of financial exploitation: they use false promises of cash, services, or goods to extract fees, donations, or personal information from the victim. Scammers may target victims by phone, email, postal mail, television or print ads, or in person.

Who commits financial abuse? Not surprisingly, it's often someone the victim knows, like a family member or acquaintance. Caregivers or service providers may also be offenders. Sometimes, financial advisors exploit others for their own gain. Finally, criminals and con artists target victims who are vulnerable.

What signs may indicate financial exploitation? Always watch out for missing money or property, of course, but some of the other signs aren't as clear. For instance, frequent or large gifts to caregivers, someone with access to the person under your care, or new friends may be a sign of financial exploitation. Be concerned if you notice sudden or unexplained changes in the guardianship estate, such as unauthorized withdrawals or transactions, or new names added to

credit card or bank accounts. Other changes – or attempts to change – things like wills, life insurance policies, or retirement accounts may be signs of exploitation. Be suspicious if services or goods are paid for, but don't appear to be received. Maybe the paid-for goods are new, but inappropriate for the person who bought them. Or utilities that were supposedly paid for get cut off. Look for signs in estate-related mail and notifications, too. If you notice missing mail or text alerts about existing guardianship accounts, financial exploitation may be happening. Same thing if you suddenly start getting email or alerts about new accounts opened in the name of the person under guardianship. Finally, as guardian of the property, you may be a target for financial exploitation. Be wary of individuals who pressure you to use your powers inappropriately. They may ask you to spend money on unnecessary services or goods, or to give another person access to or authority over guardianship assets.

How can you prevent exploitation? Restrict access to guardianship accounts or property. Don't give out the person under guardianship's Social Security number, credit card information, account numbers, or passwords. Good record-keeping is essential in order to prevent exploitation. Record everything that goes in or out of the guardianship estate, and any actions you take as guardian. Keep financial documents and records in a secure location only you can access. Frequently monitor guardianship accounts and bills, and keep your eye out for unusual or unauthorized transactions.

Prevention can be simple. For example, never write blank checks and allow someone else to fill in the amount. Secure valuable guardianship property: for instance, get a safe for jewelry or other personal items. Don't sign anything you don't understand. Remember, as guardian of the property, you may be a target. Watch out for people who try to influence how you manage the guardianship estate. Keep any eye out for deals that seem too good to be true. Also watch for people who may try to influence, isolate, or harm a person under guardianship, like that new best friend who gets a lot of gifts.

Remember, financial exploitation is the theft or misuse of another person's finances, and may be in the form of theft, fraud or scams. Perpetrators may be friends, family, caretakers, financial planners, total strangers, or con artists. Signs of financial exploitation range from missing money to unauthorized transactions and unexpected alerts about new accounts. Preventing exploitation requires regular record-keeping and the careful safeguarding of financial information and documents.