

## Increase in financial scams of older adults creates need for expert evaluators

By Paula Hartman-Stein, Ph.D.

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A year after his wife died, an 89-year-old man changed his will, leaving everything to his daughter, cutting his only son completely out of his will. The assets had previously been divided 60/40 in favor of the daughter. At age 92, the man paid to remodel his daughter's house to make the first floor accessible before moving in with her. Additionally, he paid to update her basement rec room and law school for her daughter.

During a visit with his son after his wife's death, he became tearful while informing him he had made a decision he regretted but said it was too late to change because he was afraid to upset his daughter.

Two years later the man died. At his funeral the daughter held up the will in front of her brother, saying, "Go ahead and try and fight this." The son did not seek legal advice but harbored longstanding feelings of hurt and resentment toward his sister.

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After learning how much she owed on her mortgage for her 4000 square foot home, an 80-year-old recently widowed woman considered moving to a smaller home. But first, she hired a contractor to fix the roof. He was friendly and charming, and she looked forward to his visits. He talked her into remodeling a bathroom and convinced her to stay in the home and take out a reverse mortgage. Knowing her bank account numbers and log-in, the contractor absconded with the \$350,000 she received for the reverse mortgage.

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These are not uncommon scenarios, according to Peter Lichtenberg, Ph.D., psychology professor and director of the Institute of Gerontology at Wayne State University.

From 2013-2017 there has been a 400 percent increase in the United States in suspicious financial activity with older adults. With 10,000 Americans turning 65 every day and billions of dollars in assets held by older Americans, the pursuit of these "nest eggs" is one of the fastest growing consumer fraud issues, according to Lichtenberg's website, [OlderAdultNestEgg.com](http://OlderAdultNestEgg.com).

Nearly half of these crimes are committed by someone the older adult knows and trusts, such as a relative or caregiver.

In his address at the 2020 APA virtual convention in August, Lichtenberg said that while health care professionals are compelled to aid the vulnerable, they must also protect the rights of the capable.

"Both under and over protection can be costly," said Lichtenberg, winner of the 2019 M. Powell Lawton Award for Distinguished Contributions to Clinical Geropsychology.

He criticized evaluations of older adults that do not assess the individual's ability to make financial decisions within the actual context of the person's situation, but instead rely on answers to hypothetical vignettes.

About 15 years ago, an attorney hired him to conduct an evaluation in a million-dollar case of possible financial abuse. The attorney wanted to learn as much as possible about dementia and offered to teach Lichtenberg how to be an expert evaluator in the eyes of the courts. This case triggered his interest in the intersection of cognitive decline, financial-capacity decision making and financial exploitation.

Lichtenberg found a lack of financial-decision tools that focused on real life situations, so he developed his own. "Context matters when an older adult is making a choice about financial issues," he said.

His capacity evaluations include five steps: a cognitive evaluation, specific decisional ability applied to the financial question at hand, the level of the person's awareness of deficits, evidence of undue influence and integration of the information.

His website, launched in 2018, provides training modules and resources for healthcare professionals. It includes a 10-question Financial Decision Tracker (FDT) that provides a risk score of possible abuse useful for Adult Protective Service (APS) workers, elder law attorneys, and financial investors and planners.

For mental health professionals well trained in administering standardized tests, Lichtenberg recommends using the FDT plus his 34-question Financial Vulnerability Assessment, an in-depth interview to determine the factors involved in an older adult's financial decisions. A third component is a questionnaire which asks a relative or friend about the older adult's recent financial decisions.

Stacey Wood, Ph.D., neuropsychologist and professor of psychology at Scripps College in Claremont, California, uses the scales developed by Lichtenberg when evaluating the need for a guardian and when consulting on APS cases.

"Like most neuropsychologists when conducting a capacity evaluation, I use a cognitive battery, Wood said. "But those of us in this area know those tests are not always sensitive to the vulnerability of victims from undue influence. Peter's tests evaluate areas that complement a traditional assessment and are helpful to have in court because they are psychometrically sound and meet evidentiary requirements."

Lichtenberg said during a phone interview that he has conducted several financial decision-making evaluations during the pandemic using telehealth administration.

"Assessment of physical and sexual abuse is more complicated, but financial capacity skills can be adequately evaluated through telehealth," he said. "The idea that trust can only be developed through in-person evaluations is mythical not empirical."

Psychologists can obtain the hour-long training in the use of his scales, which are electronically scored and recorded, at no charge. For more information contact Lichtenberg at his e-mail, [p.lichtenberg@wayne.edu](mailto:p.lichtenberg@wayne.edu).

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