

# Mitigating the Negative Effects of **Elder Abuse**

## **LIFETIME INCOME CASE STUDY**

*Presented by Puplava Financial Services, Inc.*

Registered Investment Advisor

Special Edition

# Important Notice:

*This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.*

# ELDER ABUSE DESPITE GOOD INTENTIONS



Image source: Pixabay

## Key Points

- Son did not act in the best interest of his mother
- Put his interests before hers
- Took unnecessary risks that could have severely impacted her retirement
- This case was not intentional Elder Abuse

# Elder abuse despite good intentions...



Image source: Pixabay

Cheryl Makin

Cheryl Makin is a client in her mid-eighties and lives in an assisted living facility. Her son, the only child, has power of attorney to handle her financial affairs. A contract was signed by all parties and the proceeds were to be used for a home purchase.

After the transaction was completed, it was revealed that the son was investing the money with his real estate agent who was flipping homes in Las Vegas. Any proceeds received were not put back into his mother's account so there were concerns about these investments not being appropriated in the mother's best interest.

We spoke with him and advised that these investments were not suitable given his mother's current living situation. We also expressed concerns over the speculative nature of the investments and how it could be disastrous to her retirement. The son understood our position and repaid the loan amount to his mother.

# ELDER ABUSE DUE TO IGNORANCE & LACK OF ACCOUNTABILITY



Image source: Pixabay

## Key Points

- Trust set up correctly with co-trustees to help protect father
- Son's ignorance endangered his father's retirement
- People can take advantage if there is no accountability
- Even family members can make bad choices when put in the wrong position

# Elder abuse due to ignorance and lack of accountability...

Max Rossi is a longtime client that suffers from Alzheimer's and lives in an assisted living facility. The majority of his assets are held in a trust that has two of his sons (Mike and Ryan) acting as co-trustees. Mike lives close to his father and Ryan lives on the other side of the country. For simplicity, Ryan lets Mike handle most of the affairs for their father since he is much closer is more aware of their father's circumstances.

Mike had a monthly withdrawal to cover his living expenses. After about a year, Mike contacted us to increase the withdrawal by \$2,000 per month. This was done with the other brother being aware of this but he paid little attention. About six months later, Mike came back and asked to raise the withdrawal by another \$1,000 per month. We asked questions to both brothers and learned that Max's living expenses had not changed.

After urging Ryan to become more involved, it was discovered that Mike was actually taking approximately \$1,500 a month not to cover his father's expenses, but for his own benefit.

Immediately, the monthly withdrawal was reduced and Ryan worked with the estate planning attorney to revise Max's trust to remove Mike and replace him with another sibling as a co-trustee.



## LONELINESS CAN CREATE THE OPPORTUNITY FOR ELDER ABUSE

### Key Points

- Elders can make poor decisions based on emotions like anyone else
- Other individuals are happy to prey on these emotions
- It is important that family remains involved to help detect potential abuse
- It is very beneficial for the key family members to know who to contact

## **Loneliness can create the opportunity for elder abuse...**

Emanuel is a client that was widowed after being married for 45 years. All his family lived out of state and he was happy and didn't want to relocate. To help find some companionship, he moved into a senior facility to have more social interactions. He developed a relationship with a female friend of his and the two became close companions.

His daughter Sandy came into town and requested a review meeting with Emanuel and our Financial Advisor's since she was concerned about her father's living situation. During the conversation, we expressed concerns over how much he was taking out each month from his accounts. Emanuel explained that he was living in a 2 bedroom unit with his female companion and was covering all of the expenses, including some of her personal expenses.

We expressed our concern to him that he was being taken advantage of and that Emanuel would run out of money soon if he did not make changes to his current lifestyle. He agreed to move into a one bedroom unit and no longer financially support his female companion. He decreased his monthly expenses and his daughter became more involved in his finances.

# COSTS DO NOT PREVENT ELDER ABUSE



## Key Points

- Expensive does not necessarily mean a better standard of care
- Defensive or aggressive behavior by caregivers suggests elder abuse
- It is important to frequently check with an elder for signs of abuse or neglect
- Know that there are always options in any situation

# Costs do not prevent elder abuse...

Marvin and Kathy are fairly new clients who joined us because Marvin has ALS and is no longer able to manage their finances. He recently moved into a care facility because Kathy could no longer adequately care for Marvin on her own. We work very closely with Kathy to help in making sure their financial needs are met, including the care Marvin receives in the nursing home. Kathy is still very healthy and independent and chooses to remain living in their home.

Kathy visits Marvin everyday and quickly learned that although they moved Marvin into one of the nicest and most expensive facilities, he was receiving subpar living care. Unfortunately, Marvin was not given certain services that were supposed to be included and bedsores in his lower back and hips caused him much discomfort. To make matters worse, the facility aggressively denied any wrongdoing when Kathy attempted to ask questions about the service they were receiving. Kathy was very scared for her husband's wellbeing and didn't know what to do.

Kathy expressed her frustration to us in a quarterly meeting. We quickly recommended that he be moved at once and explained to her the different options that were available, like switching facilities or even relocating to 24 hour in-home care for Marvin. After careful consideration, she chose to move Marvin into another facility that treated him well, was closer, and much more affordable overall.



Image source: Pixabay

## Marvin & Kathy

## Resources to Learn More:

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### 1. Consumer Protection Finance Bureau

<http://www.consumerfinance.gov/older-americans/>

### 2. National Committee for the Prevention of Elder Abuse

<http://preventelderabuse.org/elderabuse/>

## What to do if you suspect Elder Abuse:

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1. *Contact the local authorities where the Elder lives including police and **Adult Protection Services (APS)**.*
2. **Eldercare Locator** - Call 1-800-677-1116 where trained operators will refer you to a local agency that can help. The Eldercare Locator is open Monday through Friday, 9 a.m. to 8p.m. Eastern Time.
3. **Links to State Elder Abuse Hotlines** - [http://www.nccafv.org/state\\_elder\\_abuse\\_hotlines.htm](http://www.nccafv.org/state_elder_abuse_hotlines.htm)

# Disclosures:

- 1. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
- 2. The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
- 3. Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

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If you have any specific questions or comments, please give us a call at

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*We're happy to speak with you.*

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