

Elder Financial Exploitation via Power of Attorney Abuse: What Family Members' Experiences Preliminarily Reveal About Family Member Perpetrators

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The purpose of this research is to understand the risk factors associated with elder financial exploitation (EFE) by analyzing family members' experiences when a power of attorney (POA) document has been used by another family member to manage an elderly (age 60 or older) relative's finances. The age of 60 years was used to identify elders for this study because the Centers for Disease Control uses it in its definition of elder abuse (Centers for Disease Control and Prevention, 2013). In light of the possibility of incapacity, seniors are often encouraged as a component of their end-of-life planning to grant powers of attorney to others to assist them with decision-making. Powers associated with POA have the potential to help an elder remain autonomous, avoid guardianships and limit costs in a vulnerable stage of life (Stiegel & Van Cleave Klem, 2008), but those in whom these powers are entrusted can exploit them for personal gain. Family members, thought to be more trustworthy than non-relatives, are frequently selected as POA agents for seniors (Gunther, 2010). However, they turn out to be common perpetrators of elder financial exploitation (Met Life Mature Market Institute, 2011; Rabiner, O'Keefe, & Brown, 2006; Shemanski, 2013), an increasing problem since the late 1980s (Stiegel, 2008). What data exist on family perpetrated cases of such exploitation are primarily based on secondhand accounts. Coupled with current demographic trends that predict the United States elderly population to double by 2030 (Federal Interagency Forum on Aging-Related Statistics, 2012), elder financial exploitation via financial POA is predicted to escalate (Stiegel & Van Cleave Klem, 2008).

Costs associated with financial exploitation are significant. "The annual financial loss by victims of elder financial abuse is estimated to be at least \$2.6 billion dollars" (MetLife Mature Market Institute, 2009, p. 9) with estimates in excess of tens of billions of dollars "in health care, social services, investigative and legal costs, and lost income and assets" (MetLife Mature Market Institute, 2009, p. 6). A 2010 report of the costs of financial exploitation in Utah alone estimated that losses cost this state \$1 million per week (Gunther, 2010).

Research is needed to understand the origin of such exploitation with its financial and emotional cost to victims and their families (Rabiner et. al, 2006). Understanding families as contexts for such exploitation with risk factors that seem to be present in exploitive situations is essential to prevention as well as to reducing the many costs and consequences realized within the family system and to society at large.

After receiving IRB approval, pilot data for this study were collected from 13 individuals who had an elderly relative experience exploitation via POA perpetrated by another relative. Thirteen participants constitutes an acceptable sample size in phenomenological studies (Creswell, 2013). These individuals were selected through a purposive sampling approach. In purposive sampling, participants are selected based upon a characteristic key to the purpose of the study (Bloomberg & Volpe, 2008). The key characteristic was having an elderly relative who had experienced EFE via a family member POA agent. When possible, multiple participants within a family were sought to increase the trustworthiness of the findings. Of the 13 participants, three were from the same family. While the sample did not include victims or family member perpetrators, they were not deliberately excluded.

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Each participant was asked to respond to a series of interview questions regarding how the exploitation affected their family, family relationships prior to the exploitation, along with lessons learned as a result of the exploitation. Participants were asked to share demographic information as well. Using Seidman's approach (Seidman, 1998), participants engaged in three semi-structured interviews. Each interview was audio-recorded and subsequently transcribed. To protect participants' confidentiality, pseudonyms were assigned for the names of individuals and places.

Data analysis was conducted using a phenomenological approach. Phenomenology focuses on the meaning of a shared experience (Creswell, 2013). The shared experience, for the purpose of this study, is the financial exploitation of an elderly relative via POA by another relative. To begin the data analysis process, each researcher read each transcript multiple times to increase his or her familiarity with the participant's story. Using NVivo 10, each researcher grouped significant statements for each participant under the following categories: 1) Addressing EFE, 2) Consequences of EFE on Elders, 3) Consequences of EFE on Families, 4) Consequences of EFE on Society, 5) Discovery of EFE, 6) Risk Factors for Elders Being Exploited, 7) Risk Factors for Becoming Perpetrator, 8) Risk Factors for EFE from Outside the Family, 9) Contextual Risk Factors Outside the Family, 10) Professionals Actions and Attitudes Contributing to EFE, 11) Risk Factors Within Families for EFE, 12) Implications of Findings and 13) Preventing EFE.

The preliminary findings reveal a number of risk factors associated with becoming a perpetrator of elder financial exploitation of a relative. These factors include having power and control over other family members in relationships, exhibiting narcissistic behaviors, being concerned about one's public image and/or one's family's public image within the community, and personal financial management difficulties. These results can be used to educate professionals who provide financial planning and family counseling services to individuals and families, as well as legal experts who assist individuals and families in establishing POA for elders. Being able to identify risk factors in potential perpetrators will be helpful in the selection of a trustworthy POA agent and allow for appropriate and timely intervention with family members who show risk factors for perpetrating elder financial exploitation.

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