



For decades, individuals and families of distinctive wealth have trusted the Eideard Group to provide its full-spectrum of family office and wealth management services to preserve and grow their financial assets.

PROTECTION FROM A WIDESPREAD FINANCIAL & EMOTIONAL CHALLENGE

Because they develop or emerge slowly over time, some health conditions can affect daily life in subtle ways—in ways that people close to us may not even notice.

Alzheimer's disease and dementia often fall into this category.

While these afflictions tend to be personal and emotional in nature, there are a few things that we can do as part of our working relationship to help protect you and your family.

A \$30 Billion Problem

First, it is important to recognize that Alzheimer's or any form of dementia can quickly bring about significant financial consequences.

A *Consumer Reports* article published in early 2018 indicated older Americans lose up to \$30 billion a year to financial exploitation—the stealing of their money by con artists or thieves who prey upon their confusion, trust, and reluctance to report such problems to the police.

It is also important to recognize that these crimes are committed by both total strangers *as well as* friends and family members.

In addition, data from the *Alzheimer's Society* shows that people with dementia may be less able to judge risk. Many live alone, which can make them more vulnerable, and the fact that someone has dementia can, in itself, make it difficult to detect when financial manipulation is happening. Furthermore, these crimes often go unreported because victims are ashamed to speak up or aren't sure who to speak to.

But things are starting to change.

The government and the financial services industry are taking steps to encourage people who are in a position to spot this type of financial exploitation—including brokers, bankers, and financial advisors—to act on and report what they see.

In fact, a new rule issued by the *Financial Industry Regulatory Authority* (FINRA), the self-regulatory agency that is dedicated to investor protection and market integrity, went into effect in February 2018, which requires brokers to ask clients, regardless of

Financial exploitation takes many forms, with scams and frauds attempted by people both known and unknown to potential victims. Common scams include:

- Lottery & sweepstakes scams "You've won! Just send \$2,500 to cover taxes"
- Investment/securities schemes – pyramid schemes; unrealistic returns promised; dealer is not licensed
- Charity scams: falsely soliciting funds for good causes; common after disasters
- Grandparent scam: You're called and told your grandson is in jail and needs you to send money immediately
- Home repair con men "We're in your area and can coat your driveway/roof cheaply"
- I'm from the utility company; I need you to come outside with me for a minute (while accomplice steals valuables)
- Predatory Lending
- Internet phishing – false emails about bank accounts
- Identity theft – credit cards opened fraudulently, etc.
- Medicare scams – these are often the costliest in terms of the dollar amounts

age, to provide the name of a trusted contact so the broker-advisor can reach out to that person if there is reason to believe the client is being exploited financially.

An Ideal Position

As noted above, the onset of dementia can be so subtle, and can progress in such small increments, that those interacting with an afflicted person on a daily or frequent basis often fail to recognize the problem in time... before they have fallen prey to a fraud, or before they have made detrimental financial decisions.

This is why a trusted financial advisor who is sufficiently familiar with clients and their families, but who interacts with them on a less-frequent basis, can be the ideal person to recognize changes in cognitive functionality.

It's also important to remember that financial abuse is sometimes committed by family or friends, thus making a trusted financial advisor an ideal person with whom clients can share their concerns or pose questions.

Ideal Next Steps

Here are five steps we can take as part of our advisory relationship to help reduce the risk of financial exploitation:

1. As a first step, let us schedule a family meeting to put this issue front-and-center for all parties, including any caregivers who might be involved. Beginning at an early age is considered the best course of action by researchers and medical professionals.
2. Let's make mental health a regular topic of discussion during meetings.
3. Let's work together to create a written plan outlining the specific action steps you'd like us to take when addressing any noticeable instances of cognitive decline or changes in any family member's behavioral trends.
4. Allow us to act as a sounding board and as "quarterback" with respect to avoiding fraud, financial ruses, or other pitfalls; this might involve including your estate planning attorney, banker, or other key advisors.
5. Contact us instantly should you suspect an instance of financial exploitation.

Above all, we value our relationship with you, and hope that this widespread but frequently-ignored challenge never becomes an issue for you or your family. We also hope you'll agree that being prepared for all eventualities is a prudent course-of-action.