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Elder-Abuse Cases on the Rise

By VICTORIA E. KNIGHT

Lawyers and financial advisers are seeing more cases of adult children turning to their parents for financial help because of the troubled economy -- and more cases where those children cross the line.

In some cases, adult children are making a grab for assets held by parents who are too fragile mentally or physically to make decisions that are in their own best interests. In other instances, parents may feel pressured to hand over money or property, or even change their will, for fear of losing a more-precious asset: a child's love.

"We are getting twice as many calls about elder financial abuse as we were two years ago," before the financial crisis began, says Dennis Sandoval, an elder-law attorney who practices in Riverside, Calif.

Mr. Sandoval often represents seniors in lawsuits brought against other family members, such as children or grandchildren. During the past year, he says, he has litigated about seven such cases.

In one suit, settled before reaching trial, a granddaughter allegedly convinced her grandmother, who was terminally ill and on morphine at the time, to put her house into joint tenancy and cut out a brother who was due to inherit half. When the grandmother died, the granddaughter quickly sold the house and used some of the cash to pay off about \$100,000 in debts.

In another case, Mr. Sandoval says, a mother set up a trust that she appointed her eldest son to oversee upon her death or incapacity. Her assets were supposed to be distributed equally among five sons after she passed away, but the eldest son withdrew about \$600,000 without the knowledge of the other beneficiaries.

The younger brothers became suspicious when he made several big-ticket purchases even though he was known to be having business troubles. In a settlement, the eldest agreed to forfeit his share of the remainder of the trust's assets.

Some family members who are caregivers, particularly those who live in, may be tempted to dip into an elderly person's bank accounts when they have power of attorney.

Bernard Krooks, an elder-law attorney and founding partner of Littman Krooks LLP, a New York law firm, says adult children sometimes do this with the intention of paying back the money and then find they can't. More than half of all financial-abuse cases against older Americans involve family members or caregivers, according to the MetLife Mature Market Institute.

Experts recommend that bank, credit-card and investment statements be regularly reviewed by an outside party the senior knows and trusts.

Over the past six to eight months, Mr. Krooks says, he has been seeing a growing number of clients lend money to adult children who have lost their jobs or money in the stock market. That's not a problem in itself, but it can create problems if it's not accounted for in their estate plan. That, in turn, can lead to a will being contested by other children.

In the case of a loan, drafting a promissory note, which states that if the funds aren't repaid then they will be deducted

from the child's inheritance, can defuse tensions.


"If it's in writing, the inclination to suspect hanky panky is less. The other siblings may be upset, but it is their parents' money," Mr. Krooks says.

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