

Financial Victimization of the Elderly

My Personal Testimony

Outline of Discussion

- Definition of Financial Victimization of Elderly
- Victim Characteristics and Risk Factors
- Types of Financial Exploitation
- Warning Signs/Red Flags
- What to do
- My Story, and how it differs from the Movie

Definition of Financial Exploitation of the Elderly

- Financial Exploitation is the theft or mismanagement of an elderly person's funds, real estate, investments, or personal property. It occurs when a person misuses or takes the assets of a vulnerable adult for his/her own personal benefit.
- Financial Exploitation is under reported, under investigated and under prosecuted.

Characteristics of Victims of Financial Exploitation

Victims of Financial Exploitation--

- 54% of victims are widowed
- 58% of victims live alone in their own home.
- 83% of victims are white
- 92% of victims are female
- Majority of victims are over the age of 75

Risk Factors for Victims

- Isolation of elderly person
- Loneliness of elderly person
- Dependency of elderly person
- Close personal relationship with Abuser

Pure Financial Abuse Victims vs. Hybrid Financial Abuse Victims

- Research shows that there are some differences in elder abuse cases where the elderly person was the victim of only financial exploitation versus where the elderly person was the victim of financial exploitation as well as neglect and/or physical abuse.
- Research also shows that there are differences in elder abuse cases between physically independent elderly persons versus physically dependent elderly persons.
 - Physically independent persons could care for themselves, could drive, and were cognitively intact.
 - Physically dependent persons had significant health problems, were unable to drive, or to some degree dependent on the care of others.

Type of Abuse Experienced

- Physically and Financially Independent elderly persons were most likely to experience purely financial exploitation—theft or fraud
- Physically dependent but financially independent elderly persons were most likely to experience some type of hybrid abuse---financial exploitation along with neglect or physical abuse.
 - Hybrid Abuse tended to be long in nature and involve an on-going relationship with abuser. Abuse occurred on multiple occasions over a longer period of time.

Types of Financial Abuse

- **Coercion through Neglect or violence**—Abusers use threats of violence or withhold care or food if elderly person does not provide money
- **Draining of Joint Accounts**—Abusers, usually a family member, withdraw large amounts of money for their own benefit without the consent of the elder person
- **Frequent Demands for money**—Abusers, usually family members, request money or loans frequently
- **Theft of property**—Abusers trick elderly to sign over the deed to their property or take out mortgages on their home.
- **Mismanagement of Assets**—Abusers use a power of attorney to rob the elderly person of his/her assets.
- **Investment Schemes**—Abusers persuade the elderly person to invest money into dangerous businesses and investments that are not suitable for an elderly persons risk tolerance.
- **Street and Internet Scams**—Con Artists often target the elderly to get them to make donations to fake charities or to gain their personal information for identity theft purposes

Types of Financial Abuse cont.

- **Identity Theft**—Abusers use the victim's credit history to take out loans or obtain credit. Use victim's identity to obtain health care or when committing crimes.
- **Real Estate Fraud**—Methods vary, but may including tricking the elderly to signing over the deed to their home or take out a mortgage.
- **Bequests and Life Insurance**—Financial Abusers persuade elderly to amek the abuser their heir or name abuser as beneficiary to life insurance policy.
- **Lodgers and Roommates**—Let family members or caretakers live with elderly person for free or in exchange for caretaking duties.
- **Power of Attorney Abuse**—Abusers use of POA for personal benefit and not in the best interest of the elderly person.

Who are the Perpetrators

90% of perpetrators are Known by the Victim

- family members—Family members commit financial abuse out of a sense of entitlement because they feel that they are the heir anyway and may be taking care of elderly parent and deserve the money
- Caretakers—may persuade elderly person to give them money or steal from the elderly person.
- Neighbors—usually steal from the elderly person
- Professionals or trusted advisors—embezzle funds or unscrupulous billing practices
- Con Artists—usually befriend the elderly person, begin a romantic relationship, or persuade elderly person to invest in non-existent businesses or schemes.

10 % of perpetrators are Strangers

Warning Signs of Financial Abuse

- sudden changes in bank account or banking practice, including an unexplained withdrawal of large sums of money by a person accompanying the elder;
- the inclusion of additional names on an elder's bank signature card;
- unauthorized withdrawal of the elder's funds using the elder's ATM card;
- abrupt changes in a will or other financial documents;
- unexplained disappearance of funds or valuable possessions;

Warning Signs cont.

- substandard care being provided or bills unpaid despite the availability of adequate financial resources;
- discovery of an elder's signature being forged for financial transactions or for the titles of his/her possessions;
- sudden appearance of previously uninvolved relatives claiming their rights to an elder's affairs and possessions;
- unexplained sudden transfer of assets to a family member or someone outside the family;
- provision of services that are not necessary;
- change of will or life insurance beneficiaries; and
- an elder's report of financial exploitation.

Report Suspected Abuse

- Notify Adult Protective Services
- File a Police Report
- National Center On Elder Abuse (ncea.aoa.gov) can point residents in every state to elder abuse hotline.

My Story

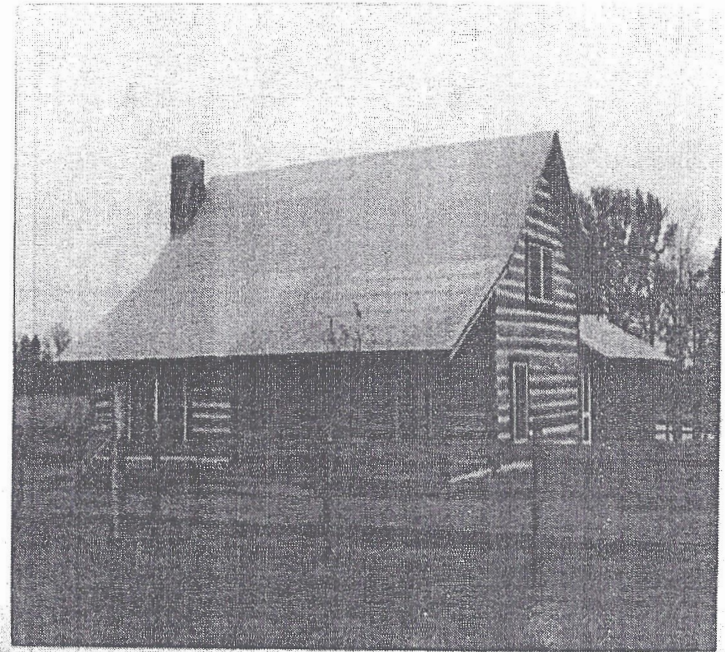
My Grandparents lived on a farm located in old Midlothian for most of my life. They also had a house located in Longview, Texas.

We would go visit my grandparents annually for a week or two ever summer.

In March of 1990, my grandfather died unexpectedly. I was 15 years old.

My grandparents had relocated to Carthage, Texas in January of 1990.

My grandmother had macular degeneration and could no longer read, and had falled and broken both arms and needed help driving, putting on clothes, buttoning buttons.



Marjorie Nugent

Nanny instantly became a widow.

She was living in a town that she had only been in for 2 months.

She was legally blind.

Her family lived over 600 miles away in Amarillo.

She instantly became responsible for running my grandfather's oil and gas business.

She lived in her own home.

She was 74 years old.



Bernie Tiede

Bernie Tiede was in his early thirties.

He was an assistant funeral home director, who lived in the back room at the funeral home.

He made approximately \$22,000 a year.

He was also the lay minister at the Methodist Church in Carthage.



After the Funeral:

Nanny bought a headstone for my grandfather which costs \$30,000

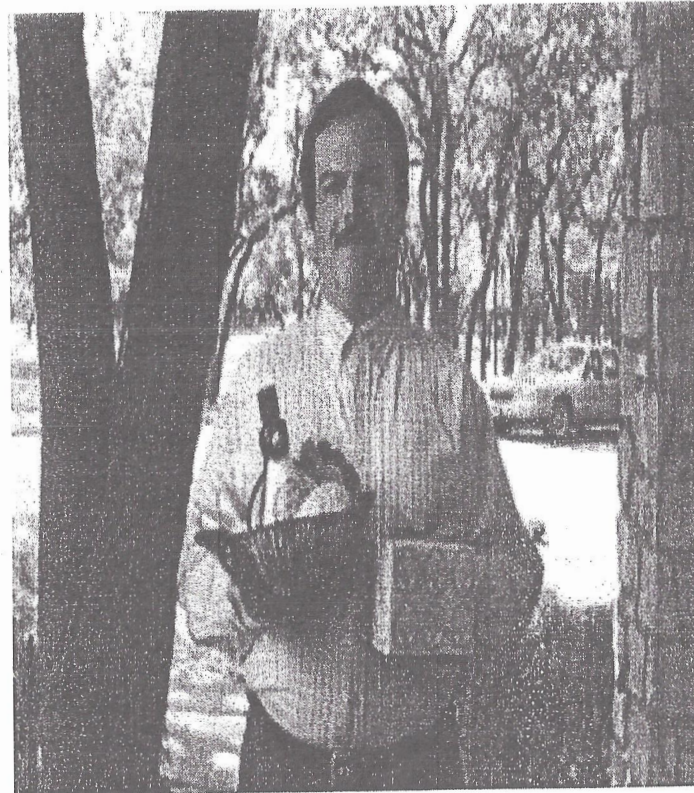
Bernie Tiede got paid a 20% commission on this sale.

He began showing up to her home with gifts and showering her with attention.

By May 2000, he was hired on as her caregiver for \$900 per month.

By June of 2000, Nanny had signed a document giving him the ability to sign checks on her operating account.

By the end of 2000, Bernie Tiede had misappropriated over \$60,000.



Next Few Years...

- Mr. Tiede would tell my grandmother that he had inherited a fortune from his grandparents.
- He would buy her extravagant gifts.
- He quit his job as the assistant funeral home director.
- He became my grandmother's business manager.
- She and he became a couple.
- Bernie Tiede invested my grandmother's money for her and paid her a return.

Investment Scheme

- Bernie Tiede would get deposits of money from my grandmother designated as “for investment account”, “for investment purposes”.
- He would deposit these checks in his personal checking account.
- He would spend the vast majority of the money on himself and paramours.
- He would pay my grandmother an investment return and deposit this into her banking account.
- She would keep track of her investments on her home accounting software.

Investment Scheme cont.

- In 1994, Bernie Tiede ran out of liquid assets in my grandmother's accounts.
- He continued writing her investment return checks, but he stopped depositing them into her account.
- He would forge deposit slips for her files, and deposit different deposit amounts into her account.

DEPOSIT TICKET 10-11/11/94

MARJORIE M. NUGENT
111 COOK LAKE WEST
CARPENTER, TEXAS 75003

ALL OTHER BANK & TRUST COMPANIES APPROVED BY THE FDIC

DATE: 11/11/94

CURRENCY	AMOUNT
CASH	
CHECKS	
Key Bank	93.20
Key Bank	22.25
Wells Fargo	105.25
Bank of America	17,448.28
Wells Fargo	13,122.97
Sub Total	17,791.75
TOTAL FROM OTHER BANK	
BY DEPOSITOR'S SIGNATURE	
TOTAL	20,257.10

10/15/94

Check and other items are retained for deposit in the possession of the Robert Commercial Bank in the applicable electronic system.

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Sub Total	17,791.75
TOTAL FROM OTHER BANK	
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TOTAL	67,978.32

10/15/94

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Family Involvement

- My grandfather had left his estate primarily for the benefit of his grandkids.
- My grandmother was not fast at retitling all the assets upon my grandfather's death.
- On date of death, their combined estate was \$5.4 million.
- \$2.7 million was my grandmother's half
- My grandfather's will then left:
 - \$600,000 to his grandchildren in a Trust (this is for tax reasons)
 - And the remainder \$2.2 million in a remainder trust for the benefit of my grandmother while she was living, and then to go to the grandkids.

Family Visits to Grandmother

- We continued to visit my grandmother every summer, but we no longer spent a week at the farm. We would visit her for a couple of days at her home in Carthage.
- She would also describe her relationship with Bernie Tiede as “just friends”
- In 1994, we had a fight with her over her relationship with Bernie Tiede. Our relationship with her degraded.
- In 1994, we threatened to sue her to remove her as trustee of the remainder trust. She agreed to resign as long as she chose the trustee. The order removing her as trustee and appointing the Longview Bank and Trust is dated October 29, 1996. She was killed 21 days later.

Nugent Family Believes Bernie Tiede had a Cover up Motive for Killing Marjorie Nugent

The Nugent Family believes that Bernie Tiede planned to murder their Mother and Grandmother to cover up the theft of over 3 million dollars.

Some of the reasons the family believes this was the motive, include:

- The confession, in which, Tiede says he thought about killing Marjorie for months, thought about different ways of killing her, and that on the morning of the murder he went to her home early and moved the gun beside the garage door.
- Her computer printout from 1994 showing her assets as including over 2 million in the Bernie Tiede Investment Account, as well as income from those investments. She also shows a loan to Bernie Tiede and the current balance on that loan.
- Checks from her to several accounts controlled by Bernie Tiede, clearly marked investment or investment only. Tiede accounts included Beta Tau Systems, Bernie Tiede Enterprises, and Boot Scootin Western Wear.
- Trial testimony, in which, Bernie Tiede told others he was investing for Mrs. Nugent. Conversations with her accountant Tom Stone that she told him Bernie was investing for her and making her a lot of money and that "he was the smartest man she had ever known".
- Duplicate deposit slips, one found in her records, and computer accounting, showing the checks from Tiede as a return on her investment. The other directly from the bank, where the check for her profit was excluded.
- Un-deposited check written to Tiede for investment, that was never deposited by Tiede. Nugent family believes Marjorie Nugent wrote the check thinking that she had sufficient assets to cover the check, and that Tiede did not deposit the check because he knew that there were insufficient funds in the account.

- The fact that the Longview Bank and Trust was about to assume the trusteeship of the trust Rod Nugent, Sr. left to his grandchildren and had written many letters trying to ascertain the whereabouts of certain assets and had a meeting the morning (Nov. 19, 1996) that Tiede killed her. Tiede cancelled the meeting.

The Nugent Family does not have **ALL** of the financial records, and this is what they have been able to piece together. It is why they believe the motive for Marjorie Nugent's murder was greed, theft, and cover up. Marjorie had made statements to her family and others (See Trial Transcript) where she commented that Bernie was investing for her and making her a lot of money and that "he was the smartest man she had ever known".

All of this evidence was excluded from the trial; however, all of this evidence was collected and processed to show motive by the Panola County Sheriff's office, with the assistance of Asst. U.S. Attorney Wes Rivers and IRS agent D.H. Carter. The Nugent family has requested copies of all financial data and the reports of Asst. U.S. Attorney Wes Rivers, IRS agent D.H. Carter, however, all requests have been denied by the Panola County Sheriff's office and the Nugent family is seeking a ruling from the Attorney General regarding their release.

Attachments

Exhibit A--Confession

Exhibit B--Computer Print Out from 1994

Exhibit C--Copies of checks

Exhibit D--Copies of dual deposit slips

Exhibit E—Undeposited check