

# SumNEWS



**WHAT'S NEW  
for MSCPA  
Members in  
2017**

## INSIDE:

Does your Aging Client Have a Cognitive Impairment?

War on Talent: The Value of Employer Branding in the Fight to Recruit Top Talent

DOR Launches New Process for Amendments and Abatements

The CPA's Role in Business Process Management

Valuation Fraud: The Invisible Risk

This issue sponsored in part by:

**M·S·C·P·A**

Massachusetts Society of CPAs®



# Does Your Aging Client Have a COGNITIVE IMPAIRMENT?

By Carolyn Rosenblatt, RN



**C**PA's have a unique vantage point with aging clients: you see where the money is going in detail. You may have known your client for many years and you can retrieve their spending records over time. You know patterns. You give advice and you help them figure out the tax picture. But more than that, you know your client.

What's the big deal, you may ask? Here's the issue. We have a massive and growing problem of financial elder abuse in our country (and incidentally around the world) and you, the CPA, may be first to spot the warning signs. The wise CPA will know right away, at least at tax preparation time, that something out of the ordinary has occurred. Even if a client is not experiencing an unusual cash drain, you may see red flags that your client is declining in his/her cognitive abilities.

Your standards of ethics may not absolutely or clearly require that you act on a client's age-related warning signs when you see them. Undoubtedly, it is easier to just ignore them, or dismiss them as part of aging. But that does nothing to protect your client from financial harm. You don't have to be an expert or a doctor to be able to identify the basic indicators of cognitive impairment.

Predators are everywhere. A study by TrueLink, a financial products provider, found that over \$36 billion is stolen from elders every year in the U.S. It is likely that a client of yours is going to be a victim at some time as most seniors are at risk. Certainly, you can't stop all financial abuse of seniors, but you can sound the alarm when you see things that look like a developing problem or one that has already occurred.

Cognitive decline is often associated with dementia and Alzheimer's disease. This brain disease comes on slowly, eroding a person's financial judgment at the earliest stages. If you recognize the red flags, which we'll describe below, that's one thing. But it's even better if you anticipate them and you know what to do next when you see them.

For simplicity sake, I am using Alzheimer's disease and dementia interchangeably as terms. Dementia is a symptom of the disease but is often referred to as the disease itself.

## SOME RED FLAGS

Most of us know someone who has or had Alzheimer's disease during their lives. Parents, grandparents, friends and others around us may be affected and we know what that was like from personal experience. But that gives us only a small universe to look at while the commonalities with the larger population might be missed. Here are some things to look for in your clients as possible warning signs:

**Multiple telephone calls** in one day that are repetitive and do not make sense. The client forgets that he/she has already talked with you and is calling about the same thing in another call to you. He/she repeats a question they've already asked and that you already answered.

**Client forgets why he/she has an appointment with you.** This can be by telephone or in person. Perhaps the client himself asked for the meeting but then he/she forgets why. Or perhaps you wanted to discuss a tax question and told your client that, but when you call, your client has no idea why. Trying to refresh his/her memory about it does not help.

**Completely forgetting an event that just took place.** You just spent an hour with your client discussing information about upcoming deductions he/she should take. Your client seemed to understand when you were talking, but an hour later he/she asks you questions as if the meeting never took place. Your client had totally forgotten about it.

**No shows.** You have arranged meetings, appointments with others or events that require your client's participation. He/she agrees on the pre-arranged date and time but then does not show up. When you call, your client has no recollection of the event, that others are involved, nor that he/she had agreed to this.

## NOW WHAT?

Any or all of these signs might be warnings of a developing dementia. There could, however, be other explanations for the behavior, such as medication reactions, depression and grief or other physical conditions. The only way to determine if you have a serious problem here is to track these signs over time and keep good records of your observations in the client's file. But what should you do when you see these things, and they are reaching a level that makes you uncomfortable, as you see your client decline over time?

**Here is a checklist for any CPA who has even one senior client. You need to be prepared for a possible need for the involvement of a third party.**

**1** Anticipate that a client age 65 or older has an increased risk of developing dementia or Alzheimer's disease. Ask every client to **give you the names of two trusted others** whom you can call when you see warning signs that cause you to think the client needs help with his/her accounting and tax payment. Keep them in the file.

**2** If you notice memory loss, such as that described here, **make note** of it. **Schedule more frequent contact** with your client than normal. Perhaps you only speak to your client as the year draws to a close and you are collecting financial documents. Call more often and check in. **Compare your notes** from one contact to the next. If you see a worsening problem within a six-month period, it is time to **involve the third parties**.

**3** Now for the delicate part: you need to **let your client know that you are concerned**. You remind your client that **you have his/her OK to contact his or her trusted other(s)** whose names are in your file. You explain your concern about your client forgetting multiple calls, or whatever it may be that causes you to see a need to involve those trusted others. You can refer to the notes you took over the prior six months documenting your observations. You let your client know that you want



**Every financial professional can do more to keep aging clients safer.**

his/her friend to be aware of his/her tax obligations and accounting to be sure that your client does not fail to meet his or her obligations.

**4** **Reach out to the trusted others** your client has identified. Depending on your client's response and your relationship, you may or may not include your client in the conversation with third parties, or invite them to share the decision-making and responsibility that your client has always handled in the past.

People with dementia, even in the earliest stages, suffer from short-term memory loss. That means that they can forget to provide you with any documentation needed to file their return. They may forget to mail the envelope with the return in it. They can forget to sign anything you give them and not send or bring it back to you. They may forget altogether to seek your help when their decisions on accounting need to be done, despite a long habit of doing so. This exposes them to the harm of unnecessary losses or penalties, of course, but it is also a reminder to you of their vulnerability.

Those among us who suffer from short term memory loss associated with cognitive decline are more at risk than others being victimized by financial abusers. This is another important reason for you to pay attention to their conduct when it becomes unusual to you and to think of how you might protect them from predators.

## SHOULD YOU REPORT ELDER ABUSE?

That depends on where you work, and what you think is best for your clients. Reports to Adult Protective Services can be made anonymously. Reporting is only the beginning, but it may be a very important step to take if you witness actions that indicate to you that your client has been victimized.

In summary, every financial professional can do more to keep aging clients safer. You can learn more in **Working With Aging Clients, A Guide For Legal, Business and Financial Professionals**, available at [AgingInvestor.com](http://AgingInvestor.com). ♦

*Carolyn Rosenblatt is a co-author of "Succeed With Senior Clients: A Financial Advisor's Guide to Best Practices" ([aginginvestor.com](http://aginginvestor.com)). Rosenblatt is a registered nurse and elder law attorney and has more than 45 years combined experience in her professions. Contact her at [carolyn@aginginvestor.com](mailto:carolyn@aginginvestor.com).*