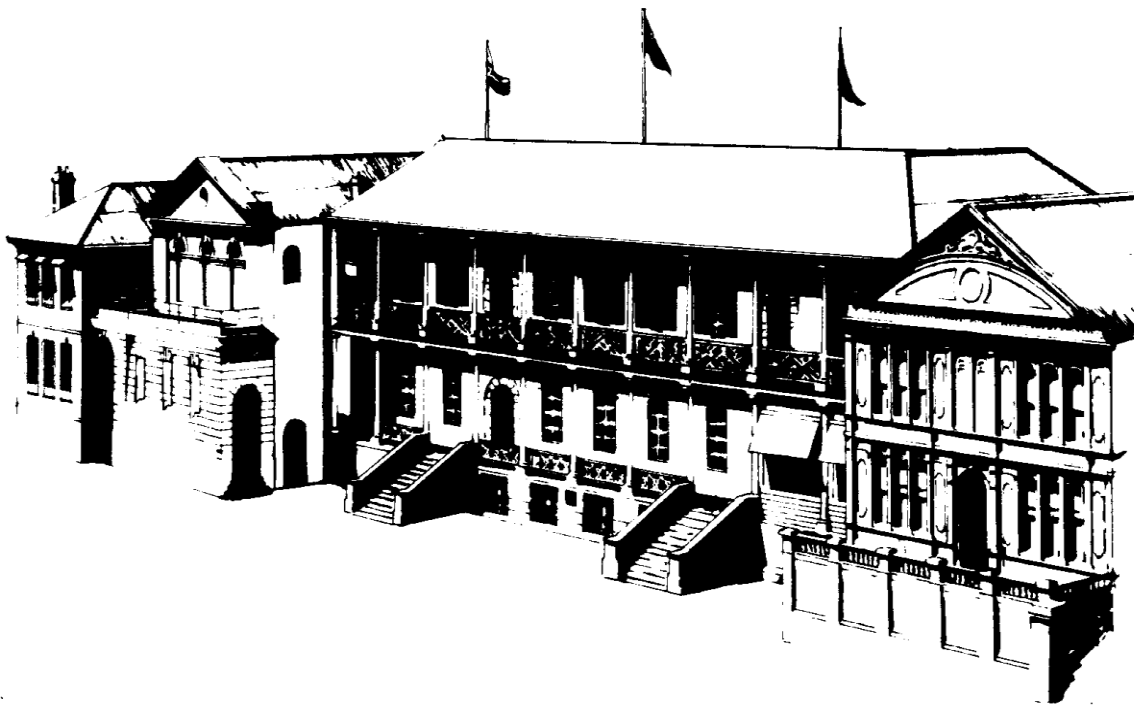




New South Wales



*Legislative Assembly*

**PARLIAMANTARY  
DEBATES  
(HANSARD)**

**WEDNESDAY 2 JUNE 1999**

## **SENIOR CITIZEN EXPLOITATION:**

**Mr PRICE: I ask the Minister for Community Services, Minister for Ageing, Minister for Disability Services and Minister for Women:**

**What is the Government doing to protect older persons from unscrupulous people posing as companions?**

**Mrs LO PO':** There is no more cowardly act than stealing from aged people. Recently it has been brought to my attention that the frail aged and people who can no longer manage their money are being preyed upon in the cruellest possible way.

The police describe these sick individuals as black widows or black widowers. These predators are cunning and heartless. There is no more important task for government than to protect the vulnerable members of our society.

Black widows and black widowers are men and women who befriend and become companions of vulnerable older people for the sole purpose of milking them of their life savings. Older people who have saved for their retirement deserve to be protected from such predators. Indicators of financial abuse include unusual activity in bank accounts, sudden withdrawal from bank accounts, recent acquaintances expressing overwhelming affection for a wealthy older person and missing belongings.

I would like to inform the House of one case that was recently brought to my attention by the Guardianship Tribunal. This case illustrates just how these black widows and black widowers operate.

In 1993 an elderly man began to experience the effects of brain damage caused by drinking. At that time he executed an enduring power of attorney in favour of his son who lived in another country town in New South Wales. This meant that both he and his son shared the power to manage his financial affairs.

In 1996 he retired from his job with a substantial bank balance and access to his superannuation funds. At the same time as this man suffered severe short-term memory loss he was befriended by a woman. During this time, despite permanent brain damage, he was able to continue to withdraw money from his superannuation fund without his son's consent.

On at least four occasions in just over a year he signed withdrawals from his superannuation fund of more than \$100,000. The man does not have this money and he does not remember handling it. He has also lost tens of thousands of dollars as a result of the activities of the same woman. And this black widow has done this before.

As soon as this man's family became aware of the situation, they contacted the superannuation fund. The fund advised that under the trust deed if a request was properly made, the company had to provide the funds. In this case the paperwork had been properly prepared and signed by him, even though it was highly likely that he did not have the mental capacity to understand his actions and the black widow's motivation.

In another case an 80-year-old woman suffering from dementia was befriended by a man who moved into her house. She lost \$50,000. I am appalled to learn that, on average, there is about one such case a month.

There may be more cases which do not come to the attention of authorities. This situation cannot be allowed to continue. We need to protect people still able to live independently but at risk of financial abuse by new-found friends or companions.

For too long, these issues have been put in the too-hard basket. I can inform the House today that I have asked the Guardianship Tribunal to work with the New South Wales Committee on Ageing to examine all measures to stop this practice.

The Government will consider increasing penalties for the financial exploitation of an older person, enhancing community education about the benefits of appointing an attorney to manage ones affairs when one is at risk of exploitation, assisting bank and superannuation trust staff to recognise the signs of dementia and report when people close their accounts or make substantial withdrawals and amending the Guardianship Act and other relevant legislation to revoke an enduring power of attorney when exploitation is taking place.

I have asked the Guardianship Tribunal and the New South Wales Committee on Ageing to work with peak organisations such as the Alzheimer's Association, the Council on the Ageing, the Combined Pensioners and Superannuants Association and the Carers Association to find a solution to the problem.

I am confident that the proposed measures will better protect vulnerable older people from this worrying form of exploitation.