A trusted guardian can be a wonderful resource. But sometimes guardians may take advantage of the people or assets in their care. Be aware of the red flags of guardian financial abuse.

**What is a Guardian?**

A guardian manages the day-to-day financial affairs of an individual who is no longer able to do so for him or herself.

A guardian is a person or entity appointed by a court to exercise some or all authority over a person and/or estate. A guardian has power to make decisions related to the health and safety of the incapacitated person. A guardian of an estate, often referred to as a conservator, has authority over the financial affairs.

Guardians have a legal obligation to act in a protected individual’s best interest. A guardian for the protected individual may be a public guardian funded by a state or local government, a professional private guardian, a family member, neighbor, attorney, accountant, investment adviser, insurance producer, or some other financial professional. Guardians often are granted extensive access to the protected individual’s assets and control over how those assets will be used.

**What is Guardian Financial Abuse?**

Financial abuse by guardians occurs when a guardian improperly uses a protected individual’s funds, securities, property, or other assets.

For example, a guardian takes money from a protected individual’s investment portfolio to buy a flashy car for the guardian’s personal use.

**Red Flags that a Protected Individual is Being Abused:**

- No explanation for large account withdrawals.
- No awareness or understanding of guardian’s financial decisions.
- Large loans or gifts made without regard to financial security.
- Social isolation.
- Total dependence on the guardian.
- Noticeable neglect or decline in appearance, grooming, or hygiene.
- Unusual degree of fear, anxiety, submissiveness or deference towards guardian.

**Red Flags that a Guardian is Abusing Protected Individuals:**

- Using guardianship authority to transfer property for guardian benefit.
- Receiving personal payments from protected individual without court permission.
- Authorizing frequent cash withdrawals from the protected individual’s accounts without explanation.
- Using or borrowing property for personal benefit without court authorization.
- Being overly secretive about the protected individual’s finances.
- Depending on the protected individual’s personal finances.
- Making unexplained decisions that are not in the protected individual’s best interest.
- Isolating the protected individual.

**What can you do if you Suspect Guardian Financial Abuse?**

Contact appropriate authorities, such as police, Adult Protective Services, state or provincial financial services regulators, or other government agencies with authority to stop guardian financial abuse.