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Protective Services

Financial Exploitation Investigations Protocols for APS

National Adult Protective Services Association Conference 2013

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State Perspective: PA's Aging Population

- Nearly 2 million PA residents are age 65 and over and 300,000+ are over the age of 85*
- Additionally, 15.4% of the PA population is age 65 and over; PA ranks 4th (behind Florida, West Virginia and Maine) in percentage of population age 65 and over*
- 2.4% of PA population is age 85+; PA ranks 4th (behind Rhode Island, North Dakota and Iowa) in percentage of population age 85+ *
- Pennsylvania's age 60+ population is projected to increase by 1.04 million from 2010 to 2030.

**US Census Bureau*

Pennsylvania PS Program (Snapshot)

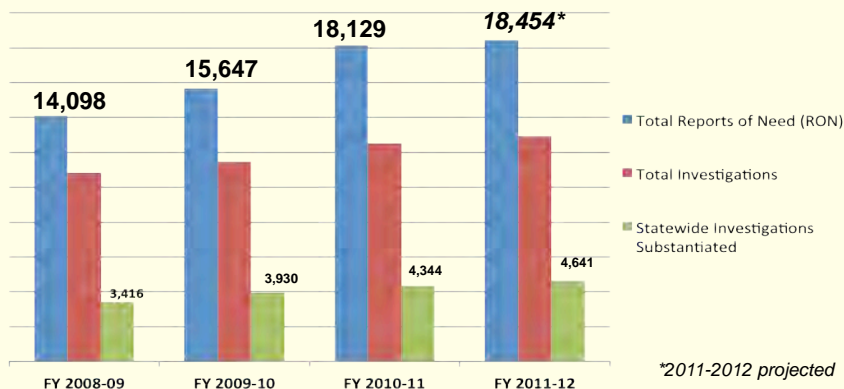
- **Administrative oversight**
 - Training, monitoring, data collection/analysis, annual plans, guardianship, quality assurance, appeals, public outreach/education/collaboration
- **Criminal History Background Check Unit**
 - Employment determinations and Mandatory Abuse Reporting
- **P4A Protective Services & Guardianship Committee**
- **Institute on Protective Services at Temple University**
 - Trainings (Basic, Enrichment and Advanced)
 - Case assistance (financial exploitation, prosecution)
 - Elder Abuse Task Force Development (30+ counties)
 - PA Commission on Crime and Delinquency grant



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A GROWING PROBLEM



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Challenges

- **Department of Aging**
 - Staffing
 - Expertise development and maintenance
 - Collaborations
 - Legislation revisions
 - Under 60 protective services
- **Aging Network**
 - Staffing
 - Demand
 - Complexity of Cases



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Challenges of Financial Exploitation Cases

- **Complexity of cases today and growing with aging baby boomers**
- **Large state with two large urban markets and very rural in between**
- **Skills, time, resources for APS**
 - Where to begin?
 - Social Workers not Accountants
 - How to put the case together?
 - How to capture law enforcement's interest
 - Limited dollars for legal expertise
 - Frustration when substantiated cases go nowhere

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Challenges of Financial Exploitation Cases

- **Skills and time for law enforcement**
 - Limited or no funds for forensic audits
 - Understanding the criminal nature of Power Of Attorney theft
 - Time to investigate a financial case while working robberies, homicides, etc..
- **Justice for older adult!**
 - Impact on health and sense of security
 - Limited opportunity for recovery
 - Legal system moving too slow

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Partnership with Temple University

- **Investigative expertise for complex cases can be shared across state – especially in counties with limited resources at all levels (APS and Law Enforcement)**
- **Successful prosecutions /case strategies can be shared county to county**
- **Standardized Training for APS, Law Enforcement, Community**
- **Staff:**
 - **Attorney / Professor – former county and state prosecutor**
 - **Certified Fraud Examiner and former banker focusing on FE cases and liaison to banks**
 - **Protective Services Supervisor with 20 years experience in investigations focusing on neglect and facility cases**
 - **University Professor Training Expert – former manager of social workers in a hospital setting**



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Financial Exploitation Study by Temple University

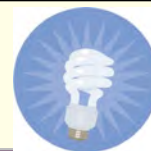
- Variation of the Gunther study (Utah)
- Findings:
 - \$50K is average exploited
 - (range of \$25-\$700,000)
 - Documentation needs to be standardized
 - Protected > Recovered
 - Extrapolation: \$300M to \$1B



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Solutions



- Detailed FE investigative protocols and training for APS
 - Checklist
 - Forms
 - Tips for working with law enforcement
 - Training in one hour webinar format (3 parts)
- Modified training and tools for Law Enforcement
- Financial investigations / Legal expertise at state level – seeking additional funding for regional investigators with centralized management
- Training for bank employees by a former banker
- Expansion of county based multi-disciplinary task forces
- Use of college interns to help APS and Law Enforcement with labor intensive paper investigations and spreadsheets

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Financial Exploitation Investigative Tools

- Work cases with APS and Law Enforcement to better understand training, investigative and prosecutorial needs
- Focus the Protective Services Worker on 3 major phases of the investigation (makes it less intimidating):
 - Part 1 – Gather the Evidence and Protect the Assets
 - Part 2 – Organize and Review Documents
 - Part 3 – Document and Assess and (if appropriate) Refer case to law enforcement or civil attorney
- Provide checklists, forms, instructions and completed examples.
- Telephone consultation and investigative assistance provided
- Piloted for 18 months – protocols will be mandatory as of 1st Quarter 2014.

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Gathering the Evidence



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Investigation Checklist



- Every financial exploitation case will not require the same level of detailed analysis but the process should be the same.
- Using a checklist and actually “checking off the boxes” will help PSWs stay focused on the necessary steps in the midst of a busy workday and heavy caseload.
- Helpful to review list in advance of looking at bank documents so an inexperienced investigator will know the red flags when they see them.

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General Investigative Steps

1. Plan your Investigation
2. Gather & organize information (documents & interview)
3. Review records for unusual transactions for the consumer
4. File disputes with banks or credit card companies to recover funds
5. Protect remaining assets / funds
6. Obtain additional records as needed
7. Summarize findings – supported by the documents and spreadsheets.



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FE Checklist - Case Statistics

- Financial exploitation investigations are becoming more prevalent and more complex.
- It is important to keep uniform statistics to show the scope of the problem, the impact of your efforts to protect and/or recover assets for the older adult, and the outcome.
- Until this type of detailed tracking is available in SAMS*, this is a recommended format.
- It is suggested that you keep a copy of this completed first page of the Checklist in a separate file for all FE cases.

**SAMS is the case management system used in PA.*

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Consumer Interview /Observation



- Use Interview Guide to plan your interview BEFORE you get to Consumer's home
- Do NOT fill out the Guide as you interview the Consumer – complete it back at the office, in your car, or the local coffee shop
- Observation inside and outside the home can be as important as the questions you ask
- Goal is to document information that will be relevant when reviewing financial transactions on bank statements.

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Requesting Bank Documents

- Important tips when asking for bank documents:
 - Ask for front AND back of checks/withdrawals and OFFSETS.
 - “Offset” is the bank term for where the money came from or where it went to.
 - You need to see the back to “follow the money” to other accounts in the older adult or AP’s name. “Offsets” let you know if the AP took the money in cash, transferred funds to another account or purchased a bank check.
 - Deposit slips AND deposit items are very important to find other assets in the older adults name (dividend checks, investment withdrawals, etc..).
 - This also lets you know if the AP is also making deposits and rather than stealing they are just co-mingling funds.

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Locating & Protecting Assets

- If real estate has been transferred without the older adult’s consent, consideration should be given to “clouding the title” to avoid any sales during your investigation.
- Use Schedule B of Federal Tax Return to identify bank and investment accounts the older adult had the year before exploitation began.
- Request statements / records for all located accounts.
- If bank accounts or investments have been transferred out of the older adult’s name, have them write a letter disputing that transfer. Help the older adult contact the financial institution and request a freeze on the accounts pending the outcome of the investigation / court order. Your solicitor may need to assist in this request.

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Locating & Protecting Assets

- Help older adult file claims for credit card and debit card transactions that are unauthorized. This should be done right away as the clock is ticking and there is a 60 day rule.
- File claims with the bank(s) for any unauthorized checks, transfers, withdrawals or new accounts.
- Opening a new account is often the best way to stop the bleeding. This can be cumbersome if there are a lot of electronic deposits and payments but the bank can help the older adult through the process.
- Obtain credit reports at www.annualcreditreport.com if any indication new loans or credit cards have been opened.

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Part One Summary

- The most important thing is to protect the accounts from further loss...and the clock is ticking.
- Use banking regulations to recover some funds right away by filing claims of unauthorized transactions (forged checks, unauthorized debit/credit card transactions).
- Freeze investments, savings accounts, certificates of deposit. (Checking accounts often need to remain open to pay legitimate bills – ask for bank's help in monitoring activity)
- Prevent sale of property by clouding the title.
- Submit requests for financial records to banks, investment firms and insurance companies....and wait....

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Organizing and Reviewing



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Organizing



- **Use Excel to document and summarize findings**
 - Professional presentation of your case more likely to be accepted by law enforcement
- **www.Lynda.com online Excel training – subscription as low as \$25 for 30 days of training**
- **Use the ACCOUNT SUMMARY form to list all banks and financial institutions for the Consumer and track records received**
- **Make sure your start and end month for each account is the same (“apples to apples” comparison)**
- **Use red font to highlight missing or incomplete data**
- **Creates a one page snapshot of Consumer’s financial profile, suspect transactions, and the status of your investigation**

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Account Summary Form

Financial Institution	Account #	Earliest Date on documents reviewed	Balance	Latest date on documents reviewed	Balance	SUSPECT TRANSACTIONS	Comments
UNKNOWN	**6280	8/24/08	\$ 42,489.22	2/22/09	\$ 11,626.93	?	Missing stmts Sep, Oct, Dec 09
FNCB	**397-0	9/5/08	\$ -	12/9/08	\$ 90,067.23	\$ -	Missing Nov 08 stmt
PNC	**4645	8/19/08	\$ 298,045.95	10/17/09	\$ 20,071.25	\$ 125,627.98	Checks to AP, ATM withdrawals and debit card purchases. ordered documents though Dec 2011
PNC	**1109	8/19/08	\$ 547,591.87	10/17/09	\$ 366,317.94	\$ 10,000.00	\$10k transferred to AP's account by official check. Ordered documents though Dec 2011
HILLIARD LYONS							Transfers on **1109 June 2009 statement. documents requested 2/25
Total			\$ 888,127.04		\$ 488,083.35	\$ 135,627.98	

NOTES

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Reviewing – The Big Picture

- If you are not sure if FE has occurred, use **BANK STATEMENT REVIEW WORKSHEET** to get a quick assessment of changes in banking activity
- Make sure you have at least 6 months of activity prior to the alleged exploitation so you can see changes in patterns (if there are any)
- Move on to detailed review of the transactions if financial exploitation is indicated. Use the **FE CASE CHECKLIST** as a guide.

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Bank Statement Review Worksheet

BANK:	ABC BANK			ACCOUNT NUMBER: **50-99		
MONTH	DEPOSITS	CHECKS	BANK W/D	PURCHASES	ATM W/D	OTHER
Dec-09	\$ 2,051.00	\$ 241.89	\$ 100.00	\$ 54.34	\$ -	
Jan-10	\$ 2,051.00	\$ 432.17	\$ 200.00	\$ 43.56	\$ -	
Feb-10	\$ 2,051.00	\$ 219.20	\$ 150.00	\$ 78.90	\$ -	
Mar-10	\$ 2,051.00	\$ 197.09	\$ 125.00	\$ 67.43	\$ -	
Apr-10	\$ 2,051.00	\$ 260.25	\$ 100.00	\$ 43.56	\$ -	
May-10	\$ 2,051.00	\$ 222.20	\$ 150.00	\$ 87.90	\$ -	
Jun-10	\$ 2,051.00	\$ 434.56	\$ 300.00	\$ 32.21	\$ -	
Jul-10	\$ 2,051.00	\$ 722.78	\$ 100.00	\$ 67.28	\$ -	
Aug-10	\$ 2,051.00	\$ 876.90	\$ 150.00	\$ 124.56	\$ 706.00	
Sep-10	\$ 2,051.00	\$ 1,290.78	\$ 75.00	\$ 178.54	\$ 810.00	
Oct-10	\$ 2,051.00	\$ 1,119.87	\$ 125.00	\$ 223.56	\$ 1,026.00	
Nov-10	\$ 2,051.00	\$ 1,675.98	\$ 100.00	\$ 443.78	\$ 756.00	
Dec-10	\$ 1,551.00	\$ 2,177.90	\$ 500.00	\$ 1,278.90	\$ 1,129.00	\$2,000 online transfer to acct *57-65
Jan-11	\$ 1,551.00	\$ 2,190.80	\$ 150.00	\$ 543.23	\$ 850.50	
Feb-11	\$ 11,551.00	\$ 1,654.88	\$ 125.00	\$ 447.66	\$ 3,586.00	\$5,000 online transfer to acct *57-65
TOTALS	\$ 39,265.00	\$ 13,717.25	\$ 2,450.00	\$ 3,715.41	\$ 8,863.50	
NOTES -what happened to \$500 monthly transfer from Morgan Stanley Dec 10? -new account 57-65 not in name of Consumer per bank -debit card transactions in Atlantic City NJ - consumer has not left NH -John Adams added as POA June 2010						

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Reviewing Bank Records



- **Statement requests are the fastest to produce and the best place to start to look for irregular transactions.**
 - **“Does it make sense for this consumer to be doing this transaction at this location?”**
- **Recent large withdrawals should be traced quickly with help of a bank fraud investigator to improve recovery opportunity and prevent additional losses.**
- **Branch/ATM film can be recycled every 90 days or accidentally erased if not digital. Contact bank security officer to preserve film.**

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Financial Investigations



- **Financial Investigations Checklist – Detailed Transaction Review**
- **Follow the money – debits and credits must equal – what is the “offset” where did the money go? Where did the money come from?**
 - Transfers to other accounts
 - Money Order or Bank check
 - Cash
 - Loan Payment
 - Investments
- **Use Internet Searches for unfamiliar terms on bank statements**

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Financial Investigations

Don't miss the opportunities for recovery!

- **Unauthorized Check/withdrawal - determined by bank agreement. Usually errors must be reported within 30 days of receiving bank statement.**
- **Forged/improper endorsement (payee did not get money) - up to 3 years (varies by state)**
- **Altered check – change to amount or payee – 1 year**
- **Unauthorized electronic debits (PPD) & demand/ paper drafts – 60 days**
- **Debit and Credit Cards – generally 60 days**

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Part Two Summary

- Organize and label the records as they come in to keep your sanity.
- Look for large withdrawals or transfers and ask bank security officer to help you trace and protect the funds.
- Help consumer file any additional claims or disputes.
- If you identify new accounts or companies submit additional requests for records.
- Compile your file of suspect transactions.
- Update your Account Summary form.
- Wait for the additional records...

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Documenting & Assessing



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Documenting



- Use SUSPECT TRANSACTIONS form to list all suspect transactions
 - Include offset information if available
 - Document each suspect transaction with copy of check, deposit slip, withdrawal ticket, bank check, or statement copy (for electronic transactions).
- For Complex cases, use MONTHLY SUMMARY or DETAIL form for full reconciliation of all accounts during the investigation time period.

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Monthly Summary "Ins and Outs"

ACCT: **1234

\$ 4,055.41 Starting Balance as of 12/31/09

Note: See Exhibit B for Itemized listing of all transactions

STMT DATE	Total Credits	Social Security	Federal Annuity	Morgan Stanley Investment Account	Other	Interest	Total Debits	Other Checks and Debits	Space Odyssey Personal Care Home	Asteroid Health Plan	Judy Jetson	Ending Balance
Jan-10	\$ 616.39	\$ -	\$ 616.30	\$ -	\$ -	\$ 0.09	\$ 2,553.82	\$ 2,465.82	\$ -	\$ 88.00	\$ -	\$ 2,117.98
Feb-10	\$ 22,796.92	\$ 992.00	\$ 625.60	\$ 21,178.98	\$ -	\$ 0.34	\$ 10,425.00	\$ 500.00	\$ 2,925.00	\$ -	\$ 7,000.00	\$ 14,489.90
Mar-10	\$ 1,617.96	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.36	\$ 12,188.52	\$ 846.00	\$ 6,078.52	\$ 264.00	\$ 5,000.00	\$ 3,919.34
Apr-10	\$ 16,617.72	\$ 992.00	\$ 625.60	\$ 15,000.00	\$ -	\$ 0.12	\$ 5,288.00	\$ 700.00	\$ -	\$ 88.00	\$ 4,500.00	\$ 15,249.06
May-10	\$ 1,617.90	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.30	\$ 12,414.28	\$ 810.28	\$ 3,016.00	\$ 88.00	\$ 8,500.00	\$ 4,452.68
Jun-10	\$ 17,417.79	\$ 992.00	\$ 625.60	\$ 15,000.00	\$ 800.00	\$ 0.19	\$ 13,404.00	\$ 800.00	\$ 3,016.00	\$ 88.00	\$ 9,500.00	\$ 8,466.47
Jul-10	\$ 16,617.70	\$ 992.00	\$ 625.60	\$ 15,000.00	\$ -	\$ 0.10	\$ 14,973.71	\$ 55.71	\$ 3,130.00	\$ 88.00	\$ 11,700.00	\$ 10,110.46
Aug-10	\$ 1,654.74	\$ 992.00	\$ 625.60	\$ -	\$ 37.00	\$ 0.14	\$ 11,748.97	\$ 258.97	\$ 3,200.00	\$ 88.00	\$ 8,200.00	\$ 18.23
Sep-10	\$ 1,617.61	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.01	\$ 888.00	\$ -	\$ -	\$ 88.00	\$ 800.00	\$ 747.84
Oct-10	\$ 1,617.63	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.03	\$ 2,288.00	\$ -	\$ -	\$ 88.00	\$ 2,200.00	\$ 77.47
Nov-10	\$ 1,617.60	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ -	\$ 888.00	\$ -	\$ -	\$ 88.00	\$ 800.00	\$ 807.07
Dec-10	\$ 1,617.64	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.04	\$ 2,088.00	\$ -	\$ -	\$ 88.00	\$ 2,000.00	\$ 336.71
Jan-11	\$ 1,617.61	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.01	\$ 1,948.00	\$ -	\$ -	\$ 88.00	\$ 1,860.00	\$ 6.32
Feb-11	\$ 1,617.62	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.02	\$ 1,588.00	\$ -	\$ -	\$ 88.00	\$ 1,500.00	\$ 35.94
Mar-11	\$ 1,617.61	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.01	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 653.55
Apr-11	\$ 1,617.61	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.01	\$ 1,550.00	\$ -	\$ -	\$ -	\$ 1,550.00	\$ 721.16
May-11	\$ 1,617.61	\$ 992.00	\$ 625.60	\$ -	\$ -	\$ 0.01	\$ 1,700.00	\$ -	\$ -	\$ -	\$ 1,700.00	\$ 638.77
<div> <div>\$ 93,815.66</div> <div>\$ 15,872.00</div> <div>\$ 10,625.90</div> <div>\$ 66,178.98</div> <div>\$ 837.00</div> <div>\$ 1.78</div> <div>\$ 96,932.30</div> <div>\$ 7,436.78</div> <div>\$ 21,365.52</div> <div>\$ 1,320.00</div> <div>\$ 66,810.00</div> </div> <div> <div>17%</div> <div>11%</div> <div>71%</div> <div>1%</div> <div>0%</div> <div>8%</div> <div>22%</div> <div>1%</div> <div>69%</div> </div>												

\$ 638.77 Balance as of 5/31/11

NOTES	Transferred from 2 Holiday Club Accounts Includes Overdraft fee and refund \$37	Check to Elroy Jetson
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Real Cases

Woman gets probation for stealing more than \$100,000 from mother

Intelligencer Journal
Lancaster New Era
Updated May 29, 2013 10:03
Lititz



Maryann Logan

Recommend 96 +1 1

Tweet 8

+

YOU SHARE

Originally Published May 29, 2013 09:28

By BRETT HAMBRIGHT
Staff Writer
bhambright@lnpnews.com

A Lititz woman will serve eight years on probation for bilking her 95-year-old mother of more than \$100,000 while serving as her caregiver.

Lancaster County Judge Jeffery Wright also ordered Maryann Logan to pay back \$98,251 that she still owes her mother. The scam went on for three years and ended last summer with Logan's arrest.

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Documenting

- Each investigation should be documented by a narrative that summarizes all of the pertinent facts.
 - The narrative should allow any person to quickly understand the case without reviewing the entire file.
 - The narrative should answer 6 basic questions
- Who
 - What
 - When
 - Where
 - How
 - Why

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Documenting



- **WHO**: Older Adult, Alleged Perpetrator(s) (and relationship) and other relevant parties. Include addresses and other identifiers like DL and DOB
- **WHEN**: Time period in question
- **WHAT**:
 - The allegation – general statement of the Report of Need.
 - Steps you took to investigate
- **WHY**: Why you conclude FE has occurred (OR has *not* occurred)

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Documenting

- **WHERE & HOW**:
 - Where did the theft occur? Names of banks, credit card companies, etc..
 - Use of Power of Attorney or other
 - Specific Transactions: Accounts Opened/ Closed, checks, withdrawals, credit card charges, ATM withdrawals, debit card purchases, loans, real estate transactions, etc...
 - If transaction list is lengthy summarize by type of transaction and then refer to detailed suspect transaction list. ("AP wrote 10 checks payable to herself for a total of \$10,000.00")

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Substantiation

Situations where Substantiation is **appropriate**:

- ❑ Power of Attorney using funds for own benefit and without permission
- ❑ Joint account where AP uses funds without permission AND does not make any deposits
- ❑ Forgery of checks
- ❑ Stolen ATM/Debit Card
- ❑ Identity Theft
- ❑ Theft of income (social security, pension)
- ❑ Use of fear, deception or coercion in order to get Consumer to pay out funds

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Substantiation



Situations where Substantiation is **questionable**:

- ❑ Deposits show AP has been making deposits of own funds and only spending what they contributed (co-mingling)
- ❑ Activity prior to start of alleged exploitation shows Consumer giving money to AP for years
- ❑ AP did take the money but then spent it all on Consumer's care
- ❑ Husband and wife joint accounts with no pre-nuptial agreement.
- ❑ Consumer knowingly lent money for a business deal that went bad and AP unable to repay - "meeting of the minds test"
- ❑ Consumer gave consent – actively or passively – unwilling to press charges or cooperate
- ❑ Power of Attorney has an unlimited gifting clause

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Putting it all together



- Not every case will be so complex as to require a detailed reconciliation and gathering of every document on the checklist.
- Assistance from the Institute on Protective Services is available for large/complex cases.
- Every case file should contain:
 - Completed checklist (check marks or “n/a”)
 - Narrative of case (place into SAMS)
 - Account Summary
 - Interview Notes (can be in SAMS)
 - Documents organized and labeled by type and date

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Putting it all together

- Every SUBSTANTIATED case file should contain:
 - Completed checklist (check marks or “n/a”)
 - Narrative of case (place into SAMS)
 - Interview Notes (can be in SAMS)
 - Account Summary
 - Listing of Suspect Transactions and/or Detailed Reconciliation
 - Copy of every suspect transaction (front and back)
 - Power of Attorney, signature cards and other financial documents
 - Financial Documents labeled, organized by bank/type and in chronological order

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Civil or Criminal Referral?



- Primary goal is to advocate for older adult and restore lost assets whenever possible
- Claims against banks and credit card companies may be best opportunity but the clock is ticking to file claims
- Sometimes the threat of arrest will motivate perpetrator to return stolen assets – but often you have to do the work to show you have a valid criminal case.
- If the older adult still has substantial assets, stopping the bleeding and pursuing civil action could be a viable option.

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Civil or Criminal Referral?



- Criminal referrals should be pursued if a crime has been committed but many factors impact opportunity for success.
 - Is Older Adult able and willing to testify?
 - Can you substantiate the case without older adult's testimony?
 - Has the money been stolen by the only heir in the will? It is still a crime but is it worth the cost of trial?
 - Is the thief the only family member available to provide care?

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Financial Exploitation vs. Theft (PA)

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">a. An act or course of conduct by a person, other than the older adult (a caretaker of other person) against the older adult or the older adult's assets;b. without the informed consent of the older adult or with consent obtained through misrepresentation, coercion or threats of force;c. Which results in monetary, personal, or other benefit, gain or profit for the perpetrator; or monetary or personal loss to the older adult. | <ul style="list-style-type: none">a. That the defendant took or exercised control over the propertya. That the property was the property of another (the elder)b. That the taking or exercise of control was unlawful (e.g., defendant had no authority to do so)c. That the taking or exercise of control was with the intent to deprive the person of the property (not a loan) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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Part Three Summary

A complete & well documented investigation will allow for full consideration of all the factors in determining the best outcome for the older adult.

It will also increase the likelihood of law enforcement taking a substantiated case.

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Real Cases

Nephew stole 93-year-old's life savings, Lehigh County authorities say

"A Pen Argyl man is charged with 17 counts of theft and related crimes for depleting the life savings of his 93-year-old uncle by using power of attorney and converting property and money for his personal use, according to the Lehigh County's District Attorney's Office. Because he lost his home to foreclosure and his life savings, police said, Stiles is living in a veterans center in the Scranton, Pa., area."

- Lehighvalleylive.com 8/10/13

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Real Cases

Police: Couple charged in death of older woman, misused victim's trust fund

"They didn't take care of older woman and stole \$110,000 from her trust fund, police say. When she died in August 2011 at age 70, she had lost more than 100 pounds in less than a year and was wearing an adult diaper stained with urine, feces and blood, the court records say. She had numerous bed sores and died from a combination of dehydration and choking on her own vomit, authorities said. "

- The Morning Call 7/10/13

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Knox Man Sentenced to Prison for \$250k Theft from Elderly Aunt



"I always trusted him and thought he was a good nephew, but today I wouldn't trust him at all. When I gave him Power of Attorney, I never thought he would do this to me. He took all the money I had."

- ExploreVenango 10/24/12

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Case Highlights – Methodology

- Worked with Protective Services Worker to gather all financial records starting 6 months prior to alleged theft
- Identified 21 different bank accounts (checking, savings, CDs, investments, insurance policies)
- Traced deposits and withdrawals for each account to determine source of deposits and how funds were spent
- Entered each transaction into a spreadsheet to analyze prior patterns of older adult and actions of perpetrator
- Submitted preliminary findings to law enforcement and recommended records that should be obtained for perpetrator
- Reviewed two bank accounts for perpetrator and traced flow of funds from victim into those accounts
- Interviewed victim to determine if she authorized any of the suspect transactions
- Finalized report and exhibits for District Attorney's Office

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Case Highlights – My Findings

- Funds removed by POA using 22 different types of financial transactions to commit the theft:
 - Cashed checks payable to victim
 - Wrote checks from victim's account to "cash"
 - Transferred funds to POA's personal account
 - Wrote checks to third parties from victim's account
 - Redeemed certificates of deposit (with penalties for early withdrawal)
 - Altered deposits written by victim to take partial "cash back"
 - Liquidated insurance policy and opened bank account for \$25k in POA's name only
 - Liquidated investment account for \$45k
 - Made personal loan payments using victim's funds
 - Cash advances at casino using victim's funds
- **Total of \$277,144.20 misappropriated**

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July 12, 2012

York County woman arrested after stealing more than \$300,000 from elderly aunt

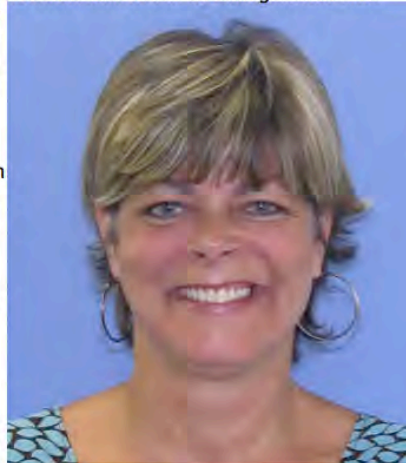
HARRISBURG - A York County woman was arrested last week on charges that she stole more than \$300,000 from her elderly aunt.

Attorney General Linda Kelly identified the defendant as Rita Wynegar, 52, 431 Dartha Drive, Dallastown, York County.

According to the criminal complaint, in April 2010 the York County Area Agency on Aging received a complaint that an elderly woman, who resided at the Brunswick of Longstown personal care home was being financially exploited.

The charges state that in 2002 the elderly woman appointed Wynegar, her great-niece, as her Power of Attorney. In September 2006 Wynegar allegedly took over full control of her great aunt's finances.

Kelly said that as Power of Attorney, Wynegar was responsible for all financial



The judge acknowledged her family's plea for leniency, but said the crime was a 'continuing course of conduct.'

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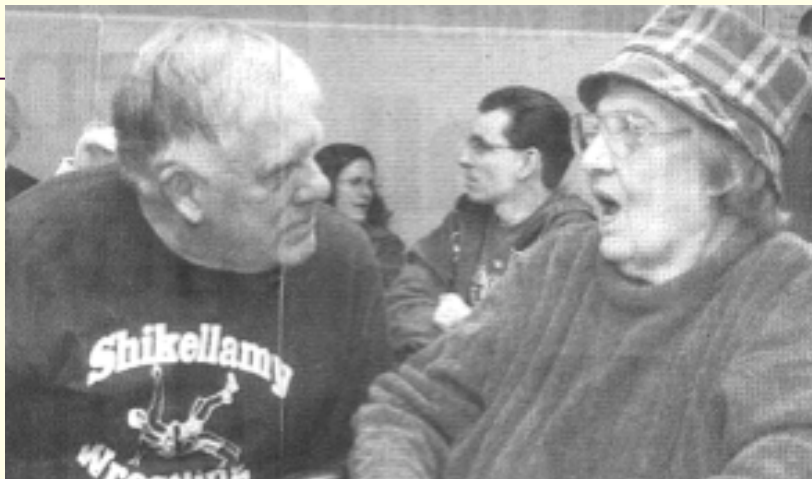
- York Daily Record, 12/31/12

Case Highlights – My Findings

- **Net Worth:** Victim had \$317k in assets – left with \$37k indebtedness to personal care home
- **Funds removed by:**
 - Funds transferred online from victim/POA joint account to POA account (50% of theft)
 - Checks to third parties benefitting POA
 - Certificates of deposit liquidated by POA
 - Equity Loan against victim's condo by POA benefitting POA
 - Diverted proceeds from sale of condo
- **Theft:** \$350k diverted less \$27k re-deposited and \$12k paid to personal care home

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Senior hustler duped 'mom'



SUNBURY — A Paxinos man who exploited and coerced a wealthy, elderly woman into giving up her home and cash was ordered by a Northumberland County judge to pay her \$200,000 in punitive damages.

- The Daily Item, 6/30/12

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Case Highlights – My Findings

- Victim (age 87) adopts 68 year old perpetrator who becomes her POA and eventually her Trustee and sole beneficiary
- Victim is moved into basement apartment of “son” and isolated from friends
- House transferred from victim to POA for \$1
- Funds removed by:
 - Checks payable to POA and/or wife as “gifts” signed by victim - \$120k
 - Checks payable to POA’s credit cards signed by victim - \$118k
 - Withdrawal signed by POA - \$30k
- Activity occurs over 30 months

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If only it was this easy to detect...

An elderly gentleman...

Had serious hearing problems for a number of years. He went to the doctor and the doctor was able to have him fitted for a set of hearing aids that allowed the gentleman to hear 100% .

The elderly gentleman went back in a month to the doctor and the doctor said, 'Your hearing is perfect. Your family must be really pleased that you can hear again.'

The gentleman replied, 'Oh, I haven't told my family yet. I just sit around and listen to the conversations. I've changed my will three times!'

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Key Elements of FE Cases

- **Protecting / recovering assets**
 - Placing holds on remaining bank and investment accounts
 - Filing disputes with banks, credit card companies, and investment firms. May involve court action to interplead disputed accounts.
- **Review of authority granted in Power of Attorney documents – specifically gifting powers and agent compensation issues**
 - Limited – assumes IRS limits
 - Unlimited – must have some specificity (in PA)



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Key Elements of FE Cases

- **Locating all of the assets / liabilities**
 - Tax Returns
 - Credit Reports
 - Review of paid checks
 - Review of alleged perpetrators bank accounts
- **Create Inventory of known assets and request detailed records:**
 - Signature cards, POA documents
 - Checks, withdrawals, deposits, deposit items
 - Wire Transfers
 - Loans and Lines of Credit



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Key Elements of FE Cases

- What did the older adult have in assets before the exploitation began – and what remains today?
 - Minimum 6 months review of older adult's spending patterns before alleged perpetrator enters the picture
 - Analysis of any changes in spending, transfer or liquidation of assets. New debt?
 - How did spending benefit older adult?
 - How did spending benefit alleged perpetrator?
 - Has the POA provided an accounting?

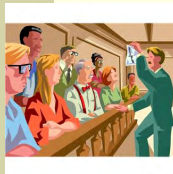


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Key Elements of FE Cases

- Telling the story in a simplified manner for the DA, judge and / or jury
 - Danger of knowing too much and trying to share all that knowledge
 - K.I.S.S. - Straight listing of all funds taken by alleged perpetrator – check by check.
 - Monthly summary of flow of funds over time. More effective for excessive spending with multiple instruments.
- Best outcome for older adult is a case by case consideration.



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It does work....2013 Results

\$2,478,645 !

- \$670,000 Recovered
- \$400,000 Civil Award
- \$540,740 Court Ordered Restitution
- \$867,905 Assets Protected



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PA Department of Aging

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- **Ronald Costen, Ph.D., Esq.**

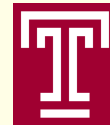
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QUESTIONS?



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