

# ***Elder Financial Exploitation***

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National Adult Protective Services  
Association

# *About NAPSA*

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The national voice of vulnerable adults, advocating for the services they need, and for Adult Protective Services (APS).

Membership organization with representation in every state

Funded by the Administration on Aging to establish the first **National APS Resource Center** to provide training, technical assistance and access to research to Adult Protective Services (APS) practitioners

Hosts the only national, annual conference on elder abuse, abuse of adults with disabilities and APS

# Elder Abuse Is:

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- Physical abuse
- Sexual abuse
- Emotional abuse
- Neglect
- Financial exploitation

*Most often, there is more than one type of abuse occurring*

# True or False

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**Most elder abuse occurs  
in nursing homes**

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**False**

# Elder abuse happens in:

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Private residences

Assisted living facilities

Nursing homes

Board and care homes

95% of seniors live in the community in their own homes or apartments, so that's where the majority of abuse occurs

# Research Tells Us That:

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Elder abuse is:

- *Very common*
- *Very Lethal* and
- *Very expensive* (to taxpayers and financial institutions as well as victims)

# True or False

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**There are far more child abuse victims than elder abuse victims**



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**False**

# Elder Abuse is Common

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The National Elder Mistreatment Study (Acierno et al) estimates that *one in ten* persons 60 and older are mistreated

This translates into approximately *5 million* victims in the US

“For FFY 2012, 51 states reported *678,810* (unique count) *victims of child abuse and neglect.*” (Child Maltreatment 2012)

# Elder Abuse is Common

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New research findings from New York State Elder Abuse Prevalence Study (Dr. Lachs et al)

- Statewide random telephone surveys of community-dwelling older persons - results compared to elder abuse cases reported anywhere (APS, police, aging services, DV)
- **One in 13 persons** 60+ reported abuse within the previous 12 months (7.6%)
- The US rate of coronary artery disease is exactly **7.6%** (American Heart Assn.)

# Elder Abuse Is Underreported

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NYS Prevalence Study (abuse by others):

- For every elder abuse case reported to any agency, **23.5** cases go unreported.
- For every case of financial exploitation reported, **44** go unreported.
- Seniors reported financial abuse occurs more frequently than any other type of elder abuse.
- Most reported elder abuse is committed by family members in the seniors' own homes.

# Elder Abuse is Expensive

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- Victims lose their hard earned assets and often their well-being, their homes and their trust in themselves and others
- Financial institutions lose deposits
- Victims of any type of abuse are likely to utilize medical services at higher rates
- **9%** of financial abuse victims in Utah went on Medicaid as a direct result of their abuse (Utah study).

# True or False

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**Elder abuse costs  
taxpayers a lot of money**

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# True

# Elder Abuse is Lethal

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- Abused seniors are:
- **Three times** more likely to die compared to non-abused age cohorts (Lachs)
- **Four times** more likely to go into a nursing home (Lachs)



# Why older people are vulnerable

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*Frailties of aging* may increase vulnerability

- Only 5% of persons over 60 have dementia
- Of people **over 85, almost 50%** have some cognitive impairment
- In early stages, cognitive impairment affects judgment, planning, abstract thinking but not social skills ⇔⇔⇔⇔
  - ***High Risk of Abuse, Neglect and/or Exploitation***
- Especially over age 80, **impairments** of sight, hearing, mobility make many seniors dependent on others
- Seniors take **multiple medications** that can lead to confusion

# Why older persons are vulnerable

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- **Isolation** is a big risk factor for all abuse
  - Can be self imposed
  - May be due to loss or physical impairments
  - Many seniors fear violence outside
  - **Abusers very often** cut senior off from others and convince the older person they are the only person who cares for and will help them
- Adult children and grandchildren may have a **sense of entitlement** and consider the senior's money already theirs
- The abuser may have a substance abuse or gambling problem or mental illness

# Brain Research

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- 30% of people 75 and older may have mild cognitive impairment (MCI)
- Persons with MCI lose their arithmetic abilities very rapidly – within about a year (Dr. Daniel Marson, University of Alabama at Birmingham)
- Cannot count bills or change; maintain a checkbook or make sense of bills
- Handling complex financial matters would seem to be completely out of the question
- Almost 50% of persons 85+ have full-blown dementia

# Brain Research

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- Older persons with healthy brains may still make poor financial decisions
- They tend to focus on short term benefits rather than long-term risks (Natalie Denburg, University of Iowa)
- “After age 60, our financial literacy and savvy declines, no matter how well educated we are” (David Laibson, Harvard University)

# True or False

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**Financial exploitation is unrelated to physical abuse and neglect**

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# False

# Financial Exploitation

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May serve as the  
motivation for abuse and  
neglect

# Common scams & frauds by strangers

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- **Home repair/traveling con men** *“We’re in your area and have left over materials; we can coat your driveway / roof really cheaply.”* (Note: they pick out seniors’ homes)
- **Pigeon drops** *“If you’ll cover this small cost for me, I will reward you with a very large sum of money”*
- **Need to use your phone**
- **Your grandson is in jail** and needs money
- **You failed to report to jury duty** – now fill out this form
- **I’m from the utility company;** *“I need you to come outside with me for a minute”* (while accomplice steals valuables inside)
- **Telemarketing & sweepstakes scams** *“You’ve already won! Just send \$2,500 to cover your taxes.”*



# Exploitation by “professional” strangers

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- **Predatory Lending** – seniors pressured into taking out inappropriate reverse mortgages or other loans
- **Annuity sales** – the senior may be pressured into using the equity realized from a reverse mortgage (or other liquid assets) to buy an expensive annuity which may not mature until the person is well into their 90’s or over 100
- **Investment/securities fraud** – pyramid schemes; unrealistic returns promised; dealer is not licensed
- **Internet phishing** – false emails about bank accounts
- **ID theft** – credit cards opened fraudulently, etc.
- **Medicare fraud** – costliest in dollar amount

# Strangers who seem to be friends

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- Strangers can become seniors' "new best friends" in a very short time
  - **Sweetheart** scams ("I love you and will care for you")
  - **Affinity fraud** (investments sold by persons in trusted group such as church or social club)
  - **Caregivers** who promise lifelong care in exchange for deed to the house or access to bank accounts
- **All financial exploitation can escalate very, very rapidly!**

**\$50 → \$500 → \$5,000**

# How Con Artists Separate Seniors from their Money

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- **Creating fear:** *“You worry you won’t have enough money but I can help you”* or *“Your loved one is in trouble and needs your help”*
- **Creating urgency:** exert pressure with an offer that will expire or must be agreed to **now**
- **Creating confusion:** provide false and misleading information *“I’m from your bank and need your help”*
- Sending unsolicited offers, especially over the phone
- Asking for credit card number, bank account or important personal information over the phone

# Exploitation by known persons

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**Over 90% of reported elder abuse is committed by the older person's own family members**

Common methods used:

- Joint checking accounts cleaned out
- Unmet promises of care in exchange for money or property
- Theft of jewelry, other valuables, checks, money
- Physical abuse, threats, intimidation and neglect
- **Misuse of Powers of Attorney is very common**
  - Obtained fraudulently (e.g. from person with dementia) &/or
  - Fiduciary obligations violated (agent uses funds for self rather than on behalf of the principal)

# What are Adult Protective Services?

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- Purpose:
  - To investigate reports of abuse, neglect, self-neglect and exploitation of adults with disabilities age 18+ (42 states at minimum).
  - To intervene to protect the victim to extent possible.
- Authorization:
  - APS is the statutorily authorized entity under each state's laws to receive and investigation reports of elder abuse.

# Adult Protective Services (APS)

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- APS professionals are the first responders to elder abuse and abuse of younger adults with disabilities
- APS investigates, intervenes, protects
- Most APS cases involve self-neglect and abuse, neglect and exploitation by family members, friends and caregivers
- APS work is often difficult and dangerous.
- APS saves the lives and assets of vulnerable adults.

# APS ≠ APS

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APS can differ from state to state and even county to county:

- Administration: State (DHS or Aging)/County (7 states)/Other
- Definitions of abuse
- Client eligibility:
  - Age and Disability
    - 18+ with disability (most states)**
    - 18+ with disability and 60 (65)+ without disability
    - 60+ with disability or 60+ without disability
  - Residence: Community – all states    Facilities – half of states
- Mandated reporting – Service and health care providers are usually mandated reporters; 11 states require financial institutions to report abuse to APS
- Resources and Training

# APS Case Example

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A state Adult Protective Services (APS) worker responded to a call about an 83-year-old woman living in her home under deplorable conditions, bedridden and suffering from dementia. Her 52-year-old son lived with her as her caregiver.

The woman appeared to have been neglected for an extended period of time and was confined to her bed, living in her own filth and infested with maggots. Her unemployed son had taken over \$50,000 from his mother's bank accounts to buy a car and to gamble at casinos.

Also living in the home was a 48-year-old severely developmentally disabled daughter, also found living in filth and without adequate nutrition, as well as numerous malnourished dogs.

The APS worker took emergency measures to get medical evaluations and treatment for the mother and daughter, found an alternative living situation for the mother, worked with a local disabilities advocacy organization to place and assist the daughter, contacted animal control to take the dogs, had the house cleaned up. APS also referred the case to law enforcement, resulting in the son being arrested and charged with felony counts of criminal neglect and theft.



# Important to Know

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- Between 2007 and 2012:
  - 50% of APS program budgets were cut
  - 87% of APS programs saw increases in reports and caseloads
- If a client has cognitive capacity APS cannot force them to accept services

# True or False

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**The federal government invests heavily in:**

- **Helping state to provide services to older abuse victims,**
- **Researching the causes of elder abuse and effective prevention and intervention strategies and**
- **Collecting and analyzing APS and elder abuse data**

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# False

# Federal Investment is Minimal

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In 2011, the federal government spent under \$12 million on elder abuse initiatives (GAO)

There is no federal funding stream for Adult Protective Services

Only a miniscule amount of federal research dollars go toward understanding elder abuse

The funding sources for other victims' services (battered women's shelters, victim advocates) devote very little to helping older victims

# Elder Justice Act

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First comprehensive bill addressing elder abuse and abuse of younger adults with disabilities

Passed in 2010

Would create a federal funding stream to support APS as well as research, etc.

Not one dollar has yet been appropriated

# Elder Justice Initiative

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President's FY 2015 budget include \$25 million for the Elder Justice Act

- \$13.8 million dollars create and implement a national APS National Data System, program standards and evaluation
- \$11.2 million for urgently needed research to create credible benchmarks for elder abuse prevention as well as effective program development and evaluation

# Why the \$25M is So Important

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- **“If it’s not counted, it doesn’t count.”**
  - *The President’s \$25 million request will provide funds to states to implement the first-ever national APS data collection system.*
- **This may be the last realistic chance for an EJA appropriation for years to come.**
  - *If the Senate changes hands in November, it may be far more difficult to get an appropriation; in fact, the entire Elder Justice Act could be at risk.*
- **Research is needed to validate the effectiveness of APS services.**
  - *Evidence-based research is needed to show that APS saves the lives, dignity and assets of abused, neglected and exploited vulnerable and older adults and by so doing, also saves taxpayer dollars.*

# Little Known Fact

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- Federal investment in addressing child abuse and violence against women has led to decreased rates of both
- Thirty plus years of hearings is enough. It's time for action to reduce elder abuse as well



# Please ACT NOW

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Contact your Senators and Representatives to ask them to support the President's Elder Justice Initiative

Sample letters and your Congressperson's contact information can be found on [www.elderjusticecoalition.com](http://www.elderjusticecoalition.com) (current issues) and [www.elderjusticeaction.com](http://www.elderjusticeaction.com) (take action) websites

*Senator Mikulski is key*

# Elder Justice

# NOW



# *Thank You!*

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**These slides available at**

**[www.napsa-now.org/WEAAD14](http://www.napsa-now.org/WEAAD14)**

# Color My World Free From Elder Abuse

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Click link to view video

<https://vimeo.com/77049223>