

The Huguette Clark Family Fund
for **Protection of Elders**

TRUST **BETRAYED**

WEAAD Global Summit When Professionals Exploit Elders



Ian Clark Devine June 15, 2015

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When Professionals Exploit Elders

Remarks of Ian Clark Devine

World Elder Abuse Awareness Day Global Summit
U.S. Securities and Exchange Commission Building
Washington, DC
June 15, 2015

By every measure, financial abuse of elders is a serious and growing problem in America. Although the field needs more data, the problem is **widespread** – as many as 5 million elders exploited each year; and **underreported** – only 1 in 20 cases reported to authorities.

Evidence tells us the majority of financial abuse situations involve family members as wrongdoers. But almost every case of elder financial exploitation requires the assistance of a professional. There's nearly always a lawyer, a banker, a healthcare professional involved who is enabling, or participating in, the financial abuse.

Huguette Clark's situation was infinitely worse. She was the subject of coordinated, decades-long financial abuse by **all** the professionals she trusted.

I would note that – despite ugly characterizations of our motives and continuing stonewalling by some of the perpetrators – the Clark Family's actions led to the unraveling of this 20-year fraudulent scheme.

While data about elder financial exploitation remain incomplete, Huguette Clark's specific case has lots of documented evidence given under oath. Here are a few examples of professional misconduct:

- Huguette's Attorney wrote a Will that made himself executor of the Estate, included a half-million-dollar bequest for himself, and appointed himself a paid Trustee of a charitable foundation.
- Her Accountant, a convicted sex offender, was also a Beneficiary, co-Executor and paid Trustee in the Will. Yet he neglected to file or pay Huguette's gift tax returns for years.
- Her private duty nurse asked for, and received, houses, apartments, cars, tuition payments, jewelry, cash, a Stradivarius violin – worth nearly \$35 million dollars.
- Huguette's primary physician convinced her to pay for his home improvements and medical malpractice insurance premiums. He even threatened to stop treating Huguette if she refused to move to a hospital of **his** choice.

These trusted individuals shredded nearly every ethical standard of their professions. I am proud to belong to a family that started a legal fight to uncover the truth about our Aunt, a member of a much older generation. Our actions resulted in the nurse not only returning \$5 million but prevented her from inheriting an additional sum that might have exceeded what she received earlier. Our actions led to the attorney and accountant relinquishing their bequests and being denied any role in Huguette's Estate or the Bellosguardo Foundation. But the financial abuse by professionals didn't stop there.

The hospital, Beth Israel Medical Center in New York City, now part of Mount Sinai Health System, was a serial offender. What Beth Israel Hospital did to Huguette Clark was an outrageous example of institutional greed.

Consider:

- The president of Beth Israel, together with the chairman of the Board of Trustees, solicited contributions while Huguette was in her hospital bed – a clear breach of ethical standards. In one instance, the two men assured Huguette she wouldn't ever have to leave the Hospital – if she would only agree to make a gift of \$125 million.
- Beth Israel's Development Office coordinated the assault. It used her doctors, top Hospital executives and the Board Chairman to solicit gifts for the Hospital.
- The Development Office persuaded Huguette's lawyer and accountant to disclose confidential information about Huguette's finances and estate planning. The evidence shows that senior Beth Israel executives knew the private duty nurse was receiving large gifts, did nothing about it, and even enlisted her help in its solicitation scheme.
- Moreover, the Hospital turned a blind eye as its doctors solicited personal gifts from Huguette. One doctor emailed colleagues that Huguette "had no concept of money." He and his wife eventually pocketed \$2 million in personal gifts.
- It is clearly documented that Beth Israel deliberately falsified records, violated internal protocols and state law, and hid Huguette's existence from outside inspectors and even its own legal department. For 20 years!

What Beth Israel did was horrible enough. The steps they **failed to take** were even worse for Huguette Clark.

Imagine an 84-year-old woman alone in her apartment, her face ravaged by cancer, unable to eat properly, skeletal, down to 75 pounds. The medical notes state she was "an apparition." She was described as: "like a homeless person – no clothes, not in touch with the world, had not seen a doctor in 20 years."

What did the Hospital do? Once her facial cancer had been addressed, Beth Israel Hospital did *nothing*.

Its medical staff conducted no psychiatric evaluation, and made no effort to assess her mental health. Even though a medical note stated Huguette was “an eccentric recluse living in ... an apartment lit by a small candle in one room and chaos present...”

The Hospital did nothing to address Huguette’s emotional vulnerability. Even though her doctor wrote she was “extremely frightened of external matters and avoids dealing with those that make her anxious.” Remember, this was a woman who, for reasons we shall never know, could not even call for help when she was days from death.

Beth Israel did nothing to help remedy Huguette’s obsessive desire for privacy. In fact, they facilitated her isolation. Even though one doctor described her as living in a “cocoon” – a cocoon provided and maintained by Beth Israel Hospital for its own purposes.

Fortunately, the court-appointed Public Administrator of New York continues to question the Hospital’s role in this tragedy. The story is not yet over by any means.

As we gather on World Elder Abuse Awareness Day, I ask you – the specialists in the field – what actions can you take to prevent financial exploitation by professionals like what happened to Huguette?

Let me suggest four broad goals toward which we should be striving – state by state, city by city:

1. **Stronger licensing and training** of Adult Protective Service and healthcare workers. Standards for front-line positions are minimal, vary dramatically by state, and are often inadequate to today’s challenges.
2. **Tougher regulations**, particularly for legal and medical professionals. Violations must be met with strong, consistently applied penalties by state bars and healthcare agencies.
3. **Meaningful collaboration of experts**, for example, “elder courts” and Financial Abuse Specialist Teams, which bring together diverse experts from mental health, victims assistance and social service agencies.
4. And let us not forget **services for victims**, who often need help recovering assets or receiving restitution, advocating with creditors and addressing their mental health needs.

I’m often asked what family members can do if they’re concerned about a relative. First, ask tough questions and demand honest answers from professional advisors and caregivers. It’s your right. Stay in touch with each other, share information about relatives, and decide together on a course of action.

Today’s activities, not just in Washington, but in cities across the U.S. and around the world, are a start. You are raising awareness, creating practical solutions and increasing the standard of protection for older generations.

Today the Clark Family is taking a step to protect future generations. Two years ago, while our legal fight was still raging, we established the Huguette Clark Family Fund for Protection of Elders. Since then, we have already made three grants to support the broad goals I mentioned.

The Clark Family is extremely pleased to announce our fourth grant. The Huguette Clark Family Fund is funding a project by the National Center for Victims of Crime that will develop model civil statutes dealing expressly with elder financial exploitation. This project will identify the best civil laws around the country, and codify them for use by individual states and cities. We want to expand the availability of the civil justice system so victims of financial abuse have a better chance of recovering funds and rebuilding their lives.

In closing, all of us, specialists and family members alike, must continue to shine a light – not a small candle, but a bright light – on professionals who enable or participate in financial exploitation of vulnerable elders.

Two centuries ago the Irish statesman Edmund Burke wrote, “All that is necessary for the triumph of evil is that good men do nothing.”

Not for us. Future generations depend on our actions.

