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Testimony:

My name is Bob Blancato and I present testimony as President of the National Committee for the Prevention of Elder Abuse (NCPEA). We are the largest interdisciplinary membership organization focused on elder abuse prevention through research, advocacy, public awareness and training.

I also serve as National Coordinator of the Elder Justice Coalition, a bi-partisan group of 190 national, state and local organizations as well as individuals working with you and your colleagues in the Senate and House to gain passage of S. 333 and H.R. 2490, the Elder Justice Act. I am pleased to note that both Chairman Bond and Ranking Member Mikulski are co-sponsors of this landmark bill.

I, and so many others involved in the national effort to combat elder abuse, commend this Subcommittee for holding this hearing on a growing and especially debilitating form of elder abuse: financial abuse and exploitation.

The introduction of a 1999 report for the National Center on Elder Abuse presents the problem quite explicitly: "Losing the fruits of a lifetime's labor through financial exploitation can be devastating. It may compromise victims' independence and security, destroy legacies and lead to depression, homelessness or even suicide. Although financial crimes are committed against members of all age groups, the impact is particularly great on the elderly, who are unable to replace lost assets through work, saving or investment." Dealing with elder financial abuse and exploitation is complex. Our primary policy focus, however must be directed toward the elderly victims because of the crimes impact on their lives. In fact, the Elder Justice Act in its Statement of Findings notes that victims of elder abuse, neglect and exploitation are 3.1 times more likely to die at an earlier age than expected than elders who were not victims of elder abuse, neglect and exploitation.

Let me briefly review some of what we know about financial abuse and exploitation from various studies and reports reviewed for this hearing.

A 1998 study of financial abuse and exploitation by the National Center on Elder Abuse determined that 40 percent of all reported cases of elder abuse, or more than 220,000 cases, involved some form of financial abuse.

Further, they report that about 30 percent of all crimes against the elderly involve financial abuse, a higher percentage than physical abuse. Senator Breaux and the Special Committee on Aging have reported that elder financial abuse ranks third behind neglect and emotional psychological abuse as the most prevalent form of elder abuse.

As Senator Breaux and the Special Committee on Aging have reported, there may be as many as four times as many cases of elder abuse which go unreported. On this basis they conservatively conclude that three to five million seniors are abused annually.

Adult Protective Service agencies investigate more cases of financial abuse than physical abuse, according to a 2000 study done in 44 states.

The primary abusers in financial abuse and exploitation cases, as in all other forms of elder abuse, are family members.

Other studies done in recent years focusing on financial abuse and exploitation make two important points for consideration by this Subcommittee. First, of all the types of elder abuse, financial abuse may be the most difficult to grasp because the problem itself is both poorly defined and defined differently in the states. Second, while financial abuse is similar to other forms of elder abuse in terms of its impact on the victim and perpetrators are more often family members (85 percent of perpetrators), it is distinct because it is more difficult to detect and prosecute because it is unclear whether an older person has truly understood and consented to the actions in question.

For this Subcommittee's purposes, my testimony will concentrate on financial elder abuse and exploitation that occurs in a domestic rather than institutional setting.

Returning to the issue of definition as it relates to financial elder abuse and exploitation, one definition is provided in a recent National Academy of Sciences report. They refer to "elder mistreatment" and define it as "intentional actions that cause harm or create a serious risk of harm (whether or not harm is intended) to a vulnerable elder by a caregiver or other person who stands in a trust relationship to the elder." The panel uses the phrase "trust relationships" to denote the relevant relationships. Financial exploitation is illustrative. The conduct of interest is exploitation by family members and others who may have assumed fiduciary obligations for elders with diminished capacity for financial decisions.

Another definition I would refer the Subcommittee to in a broader context is contained in the Elder Justice Act. Exploitation is defined as "the fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual including a caregiver or fiduciary that uses the resources of an elder for monetary or personal benefit profit, gain or that result in depriving an elder of rightful access to, or use of benefits resources belongings or assets."

According to another NCEA study entitled "Financial Abuse of the Elderly", financial abuse of the elderly may constitute the following criminal acts:

Stealing

Larceny by False Pretense

Embezzlement

Forgery

Uttering—trying to pass a forged document as genuine

Extortion

Burglary

Robbery

A number of studies as well as discussions held with professionals in the field of elder abuse prevention point to the following as indicators of financial abuse that has occurred or is likely to occur:

Bank activity that is erratic or uncharacteristic, including active use of an ATM card of a homebound senior.

Recent acquaintances, especially anyone who takes up residence with the elderly person.

Missing property.

Older person being evicted or having utilities disconnected.

Redirection of an older person's mail to a different address.

An older person for whom arrangements have been made for the provision of care in the home who is then found to be uncared for or living in an unkempt environment.

These indicators are supplemented by real life horror stories that take place every day in each of your states. In preparation for this hearing, NCPEA e-mailed a number of both NCPEA and Elder Justice Coalition members for examples of financial abuse and exploitation against the elderly. The responses were diverse and disturbing. They were stories, or in some cases news stories, which I will excerpt.

“NY Judges Investigated over Aunt with Dementia’s Lost Fortune in their Hands.” This story from the New York Daily News relates to a case which is still under investigation in Brooklyn, New York, and focuses on how a fortune worth nearly \$1 million is now down to less than \$10,000 after a woman’s two nephews gained control of her assets.

“Son Charged with Stealing from Dad in Nursing Home.” This case from Exeter, New Hampshire, involves a man who was indicted for stealing more than \$6,000 from his own father who was living in a nursing home.

“Couple Charged for Nursing Home Scam.” This story from Kingston, New York, describes the sentencing of the second person in the couple for a scam which involved stealing more than \$1 million from 19 nursing home patients, utilizing the establishment of joint bank accounts.

“SEATAC Mayor Pleads Guilty, Resigns City Post, Vows to Repay Money from Woman She was Helping.” This story from the Seattle Post Intelligencer earlier this year discussed the case of this public official pleading guilty to first degree theft for taking more than \$139,000 from the trust of an 86 year-old woman of whom she was a friend for 30 years.

Finally, there is a story from Phoenix involving an older man who was deemed unable to drive and was approached by his longtime neighbor with an idea. The idea was for the older man to buy his neighbor a \$30,000 pickup truck. In exchange, the neighbor would transport the older person to the grocery store, pharmacy and other necessary places. One month after this, the neighbor suddenly became unavailable and stopped helping his elderly neighbor. Of course, he still has the pickup truck.

Since elder abuse is a public health, law enforcement, and social service crisis, our search for solutions that stress prevention must involve these sectors and the other disciplines involved including research, the financial community and the advocacy community. Solutions must also be driven by government programs and policies which support prevention systems.

The Elder Justice Act is premised on the fact that the federal response to combating elder abuse and neglect has been piecemeal and inadequate as the problem has intensified. Less than one percent of all federal funds spent on abuse go to elder abuse and not one single full-time federal employee exists who works exclusively on elder abuse prevention.

I would urge as a starting point that this Subcommittee commit to a strengthening of Title VII of the Older Americans Act, entitled Vulnerable Elder Rights Protection Activities. Under this program, states receive separate allotments of funds for the Long-Term Care Ombudsman Program and elder abuse prevention activities. The latter program has an appropriation of less than \$5 million nationally. The ombudsman program is also underfunded. If the goal is to work for prevention of elder abuse, this program needs to be strengthened to be able to support those sound programs operating in the different states that are making a difference in preventing elder abuse. Money spent on elder abuse

prevention activities is a sound and compassionate investment. I hope we can work together in advance of the next reauthorization of the Older Americans Act to make Title VII as strong as it needs to be to combat this problem.

On a related point, closer collaboration is needed between the National Family Caregiver Support Program and elder abuse prevention. Elder abuse by family caregivers is rising. It is vital that as we provide information and referral and counseling to family caregivers, that it include the tools to avoid abuse that might occur due to the stresses of caregiving. It can also be used to better educate family caregivers on indicators or problems that might be the future basis for abuse, especially self-neglect. I would hope this Subcommittee could schedule a hearing on the National Family Caregiver Support Program and how it can aid in elder abuse prevention.

Let me also note another area of concern about elder financial abuse as it relates to American Indians and Native Alaskans who are provided grants under Title VI of the Older Americans Act.

Our nation's American Indian and Native Alaskan communities are not spared from the devastation and pain of financial abuse. The National Indian Council on Aging (NICOA) will soon release a report on elder abuse among American Indians and Native Alaskans that it has done for the National Center on Elder Abuse. The NICOA report will note that "Although little is known about elder abuse in Indian country, the existing literature and accounts by Indian elders and their families, tribes, and advocates suggest that it is a serious and pervasive problem." As part of their study, NICOA surveyed the directors of tribes' Older Americans Act-funded Title VI programs about elder abuse. (Title VI is the part of the OAA that provides direct grants to tribes to establish programs for elders). According to the respondents to the NICOA survey, the most common form of abuse is, "financial abuse by family members, with almost two-thirds (63%) reporting that this type of abuse occurs often." Only 7 percent of the respondents indicated that financial abuse never happens to their tribe's elders.

The NICOA report will offer examples of financial abuse of Indian elders reported by those they interviewed or surveyed, such as:

An elderly woman was removed from a nursing home so that family members could gain access to her income checks.

An elderly woman's home was taken over by younger people who are alcoholic. They financially abused her and placed her in a nursing home.

Elders' family members come to visit at the beginning of the month and either take elders' money or leave when the money runs out.

Some elders have extremely valuable artifacts, including traditional costumes, baskets and beadwork, which is highly sought after by collectors. These assets may be taken and sold by family members or others who have access to elders' homes.

Family members may threaten elders into signing over funds or become their "self-appointed" guardians.

Elders are convinced to purchase items they do not need such Medigap insurance policies. Elders who do not read are sold magazine.

As NICOA states in their report, it is important to note that "experiences of Indian elders with abuse, however, and their attitudes about what should be done about it appear to differ from those of non-Indian elders, suggesting the need for new responses to prevention." With that in mind, NICOA will offer a number of recommendations for

responding to elder abuse among the American Indian and Native American population and describes “promising practices” from Indian Country.

In addition, in the short term, it is my fervent hope that this Congress can provide additional appropriations for the Social Services Block Grant program (SSBG). I am heartened by actions already taken by the Senate to boost SSBG funding over the next two years. The House has also considered a similar bill without the SSBG increase. I hope that the bi-partisan commitment to SSBG can result in this needed increase. SSBG is the largest federal program providing funds for adult protective services. APS workers are on the front lines every day in every state investigating cases of elder abuse including financial abuse and exploitation. They face a dangerous reality. Their caseloads are increasing and their resources, both in terms of state and federal dollars, are drastically decreasing. This double jeopardy funding crisis threatens the APS system in each state and renders older Americans vulnerable to elder abuse.

There are some programs that deal with elder abuse prevention, such as the Violence Against Women Act (VAWA) and the Victims of Crime Act (VOCA). NCEPA will speak to the importance of VAWA, especially in terms of the impact of VAWA funding and resources on the protection of older victims. Currently, the decrease in available funds for VOCA is impacting several programs that were trying to provide services to victims of elder abuse.

The National Committee for the Prevention of Elder Abuse and the Elder Justice Coalition of course support the speedy enactment of the Elder Justice Act. We are grateful that this bill authored by Senators John Breaux and Orrin Hatch as well as Representatives Roy Blunt, Peter King and Rahm Emanuel, enjoys bi partisan support. I have attached a current list of the co- sponsors to my testimony.

Overall enactment of the Elder Justice Act would bring us to a very important juncture in terms of embarking on a new and coordinated federal strategy and approach to the prevention of elder abuse, neglect and exploitation.

With specific reference to financial abuse and exploitation, the Elder Justice Act offers a number of provisions. Among them are the following:

Creation of an Elder Abuse Resource Center to collect data/information on financial exploitation

Grants to pilot various media awareness campaigns

Grants to encourage banks to be on look-out for unusual activity in bank accounts

Multidisciplinary training to better help recognize signs of financial exploitation

Creation of an elder justice resource center to help support law enforcement response to these crimes

Model state laws will be developed from what is learned about financial exploitation and shared with the states and local government

Support to state and local prosecutors to provide back up resources and research to assist in prosecuting financial exploitation.

Let me suggest Mr. Chairman that for a wide variety of reasons, it is important that Congress pass the Elder Justice Act. I do not make this statement alone. I am pleased to submit for the record a complete list of the 190 members of the Elder Justice Coalition which was formed just this year to try and advance the principles and provisions of the Elder Justice Act. We are proud to have representatives from the many disciplines who are involved in elder abuse prevention. These include adult protective and social services,

health care, legal and law enforcement professions, family caregiver groups, and concerned persons serving as community volunteer advocates.

A key element of this bill is its potential to empower and give greater support to the growing number of local and state based elder abuse prevention programs. The bill recognizes the reality that the federal government does not have to reinvent the wheel with respect to research, training and services in elder abuse prevention. Rather, it can evaluate successful models and best practices and provide resources to expand their growth or in some cases convert a local model into a national demonstration.

This could include some innovative and established programs such as the Financial Abuse Specialist Teams (FASTs), Lawyers for Elder Abuse Prevention (LEAP), Massachusetts Bank Reporting Project, the Elderly Financial Management Project at the Brookdale Center on Aging of Hunter College in New York, and the Texas Elder Abuse and Mistreatment Institute Team in Houston, Texas.

The Elder Justice Act would also foster an environment for other newer programs to be embellished or established. This might include Daily Money Management Programs or even individual initiatives such as the Undue Influence Worksheet.

One opportunity to further to focus on moving an elder abuse prevention agenda forward may rest with another program under the jurisdiction of this Subcommittee: the next White House Conference on Aging. It is to be held not later than December of 2005. It is to give specific focus to issues that will impact Baby Boomers as they age. Elder abuse prevention issues received unprecedented attention during the last conference in 1995. We need to do more during this next conference.

Mr. Chairman, your conducting this hearing today also suggests that you recognize the growing nature of the elder abuse problem today and the very real elder abuse crisis that could confront this nation in the future. We face a dramatic increase in our elderly population between now and 2030. The first boomers will turn 65 in eight years. Today in America, 70 percent of all wealth is held by persons 50 and over, and a substantial intergenerational transfer of wealth is expected as the 77 million baby boomers continue to age.

The table is being set for a new wave of elder abuse cases, especially those involving financial abuse and exploitation. We need to emerge with a coherent and coordinated national policy to combat elder abuse. Today our policies are more reactionary. Tomorrow they must be proactive, comprehensive, culturally responsive, goal driven and outcome oriented. It will take time, but the time to begin is now.

Mr. Chairman, The Elder Justice Act in its findings section notes: "The Federal Government has played an important role in promoting research, training, public safety, data collection, the identification, development and dissemination of promising health care, social and protective services and law enforcement practices relating to child abuse and neglect, domestic violence and violence against women. The Federal government should promote similar efforts and protections relating to elder abuse, neglect and exploitation."

Elder Abuse might have been an emerging issue in the late 1970s, but it has arrived today and its impact will grow significantly in the future. This Subcommittee has a strong and bi-partisan record of enacting legislation to benefit older Americans. Its record as it relates to elder abuse prevention must be expanded and the National Committee for the Prevention of Elder Abuse and the Elder Justice Coalition look forward to working with

this Subcommittee on behalf of elder justice. Elder justice is defined as the right of older Americans to be free from abuse, neglect and exploitation. We believe a new commitment to elder justice is as important as any initiative that has been undertaken to improve the quality of life for seniors in need. It reaffirms our commitment to the priority that federal policy has always given to those most vulnerable as older persons.