



# The MetLife Study of Elder Financial Abuse

Crimes of Occasion, Desperation, and Predation Against  
America's Elders

June 2011



National  
Committee for  
the Prevention  
of Elder Abuse



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# Executive Summary

In 2009, the MetLife Mature Market Institute, in collaboration with the National Committee for the Prevention of Elder Abuse (NCPEA), and the Center for Gerontology at Virginia Tech, released a groundbreaking study to provide a comprehensive understanding of the extent and implications of elder financial abuse. The study, *Broken Trust: Elders, Family, and Finances*, consisted of a review of the scholarly and professional literature and an in-depth analysis of newsfeed articles from April through June 2008. It was designed to provide easily accessible and well-researched information specifically focused on the problem of elder financial abuse.

In 2010, to further examine the impact of elder financial abuse on the lives of seniors nationwide, the MetLife Mature Market Institute once again partnered with leading researchers, Dr. Karen A. Roberto at Virginia Tech and Dr. Pamela B. Teaster at the University of Kentucky, in consultation with NCPEA. The research team expanded its analysis of research published in the scholarly literature and gathered additional articles from the U.S. Administration on Aging's National Center on Elder Abuse newsfeed. In addition, several individuals whose stories appeared in the 2008 newsfeeds were contacted and asked to share subsequent information about their situations. Newsfeed articles were analyzed from April through June 2010. An additional subset not included in the overall data analysis was collected during the 2010 holidays (November 2010 through January 2011) to determine if instances of elder financial abuse increase during this time when family and friends are in greater proximity and with greater frequency. *The MetLife Study of Elder Financial Abuse: Crimes of Occasion, Desperation, and Predation Against America's Elders* further illuminates the widening problem of elder financial abuse.

## Key Findings

- The annual financial loss by victims of elder financial abuse is estimated to be at least \$2.9 billion dollars, a 12% increase from the \$2.6 billion estimated in 2008.
- Instances of fraud perpetrated by strangers comprised 51% of the articles. Reports of elder financial abuse by family, friends, and neighbors came in second, with 34% of the news articles followed by reports of exploitation within the business sector (12%) and Medicare and Medicaid fraud (4%).
- Medicare and Medicaid fraud resulted in the highest average loss to victims (\$38,263,136) followed by fraud by business and industry (\$6,219,496), family, friends, and neighbors (\$145,768), and fraud by strangers (\$95,156).

- Women were nearly twice as likely to be victims of elder financial abuse as men. Most victims were between the ages of 80 and 89, lived alone, and required some level of help with either health care or home maintenance. In almost all of the cases, there existed a combination of tenuous, valued independence and observable vulnerability that merged in the lives of victims to optimize opportunities for abuse by every type of perpetrator — from the closest family members to professional criminals.
- Nearly 60% of perpetrators were males. Most male perpetrators were between the ages of 30 and 59, while most of the female perpetrators were between the ages of 30 and 49. Perpetrators who were strangers often targeted victims with visible vulnerabilities (e.g., limited mobility, displays of confusion, or living alone).
- The number of news articles increased and the character of elder financial abuse changed during the holidays. From November 2010 through January 2011, of the 1,128 articles on elder abuse identified through the newsfeeds, 354 (31%) concerned elder financial abuse. At least one-quarter (27%) of the cases reported were random, predominantly single-event crimes accounting for relatively small monetary rewards and characterized by a high level of brutality and disregard for human life. Reports of elder financial abuse perpetrated by strangers and by friends and families were very similar (47% vs. 45%, respectively).
- Dollar losses over the holidays due to family, friend, and neighbor perpetrators were overall higher than any other category, likely owing to sheer numbers of instances, although the average number of dollars lost per individual instance was highest from business perpetrators. It is remarkable that the number of stranger cases comprise nearly 50% of all the holiday cases, comparable to the 51% April to June incidence rate.
- In almost all instances reported in the newsfeeds, the goals of financial abuse perpetrators were achieved through deceit, threats, and emotional manipulation of the elder. In addition, physical and sexual violence frequently occurred within the vortex of elemental greed and disregard for the victim that surrounded financial abuse.
- New research indicates that the instances of elder financial abuse are far higher than previously reported. In particular, a national study of 5,776 older adults found that the one-year prevalence for financial abuse by a family member was 5%.<sup>1</sup> Further, a recent prevalence study covering the state of New York revealed that the highest rate of any type of elder mistreatment was financial abuse, with a rate of 41 per 1,000 (4%).<sup>2</sup>

- Elder financial abuse appears to fall into three types of crimes: occasion, desperation, and predation. Crimes of *occasion* or opportunity are incidents of financial abuse or exploitation that occur because the victim is merely in the way of what the perpetrator wants. Crimes of *desperation* are typically those in which family members or friends become so desperate for money that they will do whatever it takes to get it. Many of these family members are dependent on the elder relative for housing and money. Finally, crimes of *predation* or occupation occur when trust is engendered for the specific intention of financial abuse later. A relationship is built, either through a bond of trust created through developing a relationship (romantic or otherwise) or as a trusted professional advisor, and then used to financially exploit the victim.

Passage of the Elder Justice Act in 2010 has the potential to bring to bear more attention to this crime and resources to better understand, educate about, and prevent elder financial abuse among the expanding older population. In addition, a new Office of Financial Protection for Older Americans was established in 2010 as part of the new Financial Regulatory Reform Bill. Congressional activity on the Elder Abuse Victims Act (S.462) and the expected introduction of the Senior Financial Empowerment Act indicate that Congressional attention will continue to be focused on the issue of elder financial abuse.

Elder financial abuse continues to decimate incomes both great and small, engenders health care inequities, fractures families, reduces available health care options, and increases rates of mental health issues among elders. Elder financial abuse invariably results in losses of human rights and dignity. Despite growing public awareness from a parade of high-profile financial abuse victims, it remains underreported, under-recognized, and under-prosecuted.

# Introduction

In 2011, elder financial abuse continues to be the “Crime of the 21st Century,” one that is often at the heart of other forms of elder mistreatment. As revealed in *Broken Trust: Elders, Family, and Finances* (2009), elder financial abuse is a many-headed Hydra for both elders and their families, as the tentacles of exploitation reach far beyond a single event reported or a single elderly victim. Losses are significant, with actual dollars lost not the only losses incurred.



# Methodology

The MetLife Mature Market Institute, in partnership with Virginia Tech, the University of Kentucky, and the National Committee for the Prevention of Elder Abuse (NCPEA), conducted a study to determine the extent and consequences of elder financial abuse. Newsfeed articles, collected daily by the National Association of Adult Protective Services (NAPSA) through an initiative funded by the National Center on Elder Abuse (NCEA), served as a primary source of information. This newsfeed database tracks media reports of all types of elder abuse through Google and Yahoo Alerts, which scanned billions of Web pages. In order to compare to findings presented in *Broken Trust: Elders, Family, and Finances* (2009), articles on elder financial abuse were gathered from April through June 2010. Over the time period, the scans identified 389 unduplicated articles on elder financial abuse of any type from a total of 1,248 articles cited. Of those, 314 (81%) reported specific instances of financial abuse and provided information on victims and/or perpetrators.

For each of the 314 articles, information identified included:

- Victim age and gender
- Perpetrator age, gender, and relationship to the victim
- Type of financial abuse
- Frequency of financial abuse
- Location of financial abuse
- Amount stolen
- Outcome of each incident

An additional 354 cases were identified in the newsfeed database between November 2010 and January 2011. These reports were analyzed to determine if there was a different pattern or incidence of elder financial abuse during the holiday period as reported anecdotally by elder abuse treatment practitioners and intervention specialists.

Academic journals were also reviewed for content about elder financial abuse. From 2008 through 2010, 35 unduplicated, peer-reviewed articles addressing elder financial abuse were identified from a search of the social science, medical, and legal disciplines.



# Elder Financial Abuse in the News

## Losses and Costs of Financial Abuse

Over the three-month period from April through June 2010, the NCEA newsfeed media reports revealed approximately \$530,476,743 in losses from all forms of elder financial abuse. However, as reported in *Broken Trust: Elders, Family, and Finances* (2009), the actual dollar amount involved is much higher, as no dollar amount was reported in 36% of articles. Extrapolating that unreported losses are equivalent, we estimate the annual dollar amount loss by victims of elder financial abuse in 2010 was \$2.9 billion, a 12% increase from 2008.

For the 314 articles specifically concerning cases of elder financial abuse in which dollar amounts were included, Medicare and Medicaid fraud (in one instance, a statewide prosecution) resulted in the highest average losses to victims (\$38,263,136) within that category followed by fraud by business and industry (\$6,219,496); family, friends, and neighbors (\$145,768); and fraud by strangers (\$95,156).

Instances of fraud perpetrated by strangers and family, friends, and neighbors were most frequently reported. Cases involving strangers as the perpetrators comprised 51% of the articles. Reports of elder financial abuse by family, friends, and neighbors was second, with 34% of the articles. It is possible that stranger fraud is more likely to be reported and publicized than family/friend/neighbor fraud, given the shame and fear of retaliation or further harm often expressed by elders abused by their loved ones or trusted friends and neighbors. Other reports of exploitation occurred within the business sector (12%) and Medicare and Medicaid fraud (4%).

## New York Daily News (NYDailyNews.com)

**November 19, 2010**

Cher Thompson is expected to be sentenced to 3½ to 7 years in prison. A con artist pleaded guilty Friday to swiping more than \$100,000 from two disabled lonely hearts, and now faces

3½ years in prison. In 2008, Cher Thompson married one of her victims — 64-year-old Howard Zeimer, who suffered from mental and physical handicaps. But the motive was larceny, not love: She stole more than \$50,000

from his bank accounts, officials said. The 29-year-old gold-digger also cashed checks worth \$60,000 from 90-year-old dementia patient John Grant in the summer of 2009.

**Table 1: Elder Financial Abuse Cases, by Type, April — June 2010**

Category	Description	Number of Cases per Category (% of total)	Cases Missing Dollar Amounts	Total Dollar Reported	Percent of Total Loss	Cases Including Dollar Amount	Average for Cases with Amount Included
1	Business	37 (12%)	4	\$205,243,400	39%	33	\$6,219,496
2	Family, Friend, Neighbor, etc.	107 (34%)	28	\$11,515,737	2%	79	\$145,768
3	Strangers	159 (51%)	79	\$7,612,513	1%	80	\$95,156
4	Medicare and Medicaid Fraud	11 (4%)	3	\$306,105,093	58%	8	\$38,263,136
<b>TOTALS</b>		<b>314</b>	<b>114</b>	<b>\$530,476,743</b>		<b>200</b>	

## Notes:

- Category 1 includes insurance, banking, attorneys, contractors, nursing home administrators (legitimate businesses)
- Category 2 includes family, friends, neighbors, caregivers (paid/unpaid, family/non-family, facility/home), and “befriending”
- Category 3 includes home repairs scams, all phone scams (typically amount is not included), strangers, criminal (robbery, burglary)
- Category 4 includes Medicaid/Medicare and medical fraud (Note: one of these stories included several cases, state-wide bust)
- There were 72 general financial abuse articles or workshop announcements.
- Where articles reported “thousands”: a conservative value of \$2,000 was used.

## Who Were the Victims?

Overall in 2010, when gender of the victim was provided in the article, there were 244 elderly victims, 161 of whom involved women. There were nearly twice as many female victims of financial exploitation as men, consistent with previous newsfeed findings and the elder abuse literature.

The highest numbers of victims were in the 80 to 89 age range, involving 68 elders: 26 men and 42 women. The typical victim in this age group was visible to potential perpetrators in the community through activities at banks, grocery stores, churches, or driving around town, and was currently exhibiting some noticeable signs of mild to severe cognitive or physical impairment. In almost all cases, there existed a combination of tenuous, valued independence and observable vulnerability that merged in the lives of victims to optimize opportunities for abuse by every type of perpetrator — from the closest family members to professional criminals.



## Putting a Face on Elder Financial Abuse: Erma

The numbers are an important and compelling component of comprehending the magnitude of elder financial abuse, but the stories of the victims help further an understanding of the toll that elder financial abuse extracts on individual victims and their families. To further elucidate what the newsfeed articles report about elder financial abuse, researchers went back to the newsfeeds from 2008 and attempted to locate some of the victims to find out about the continuing effects of exploitation two years later. Many of the victims had died, as was borne out in a landmark study of elder mistreatment.<sup>3</sup> Researchers were able to contact victims in a number of cases and record their stories.

*“She sounded just like my granddaughter...”*

When Erma received a phone call from her “granddaughter” saying she needed duty fees for items she had bought out of the country but had not declared, Erma immediately wired her the money. Erma is an 85-year-old woman who had been married for 61 years and has four children. She has some health issues — heart disease and diabetes — but is coping well and still active and engaged in her community. Erma regards her financial situation as stable. She is not wealthy by any means, but she and her husband have enough to live on comfortably. Erma reported during the follow-up interview that they had downsized into a smaller apartment in December of 2008. She rated her quality of life as good.

Erma experienced exploitation by scammers posing as a close relative in a jam and in need of cash fast. As far as the perpetrator is concerned, Erma has no idea of what happened. She filed a complaint with the Federal Trade Commission and was told that it would be unlikely that she would ever hear the outcome. She wonders if she should have called the FBI as well. She and her husband have received two checks in the past year from the FTC totaling approximately \$250 for a class-action lawsuit against Money Gram International, Inc., for assisting in fraudulent wire scams. She was told that these would be the only compensation to be sent.

When asked if the financial exploitation significantly affected her life, Erma said that she was fortunate to have money in her bank account and did not need to borrow to cover the losses incurred. Although Erma has not suffered any short- or long-term effects on her physical health as a result of the financial abuse, she reports that she is more suspicious of everyone than prior to the scam and not quite as trusting as she used to be. She is still concerned about how the scammers found out her information and that of her granddaughter.

When asked what she would tell others in order to prevent them from being a victim of elder financial abuse, Erma emphasized, “Don’t send money to someone you don’t know, especially over the phone. Be more vigilant.” She stressed that scammers are good talkers. People should be sure to ask questions if being solicited on the phone. She wishes that she’d asked more questions.

## Who Were the Perpetrators?

As reflected in *Broken Trust: Elders, Family, and Finances* (2009), the newsfeeds provided less information about the perpetrators than the victims. When information about the perpetrators was reported, 60% of perpetrators were males. Most male perpetrators were between the ages of 30 and 59, while most of the female perpetrators were between the ages of 30 and 49. Most perpetrators were strangers (51%), followed by family and friends (34%), Medicare and Medicaid fraud (4%), and business (12%).

Perpetrators who were strangers often targeted victims who were out shopping, driving, or managing financial affairs, and often looked for particular flags of vulnerability such as handicap tags on cars, the use of a walking cane, or the display of confusion before implementing cons, purse snatchings, and associated physical assaults. Trusted helpers included caretakers, handymen, friends, “sweethearts,” children, lawyers, and others who seized upon opportunities to forge checks, steal credit cards, pilfer bank accounts, transfer assets, and generally decimate elders’ financial safety nets.

### **CBS NewYork.com (1010 WINS/WCBS 880)**

**November 19, 2010**

A Manhattan businessman has been charged with grand larceny, forgery, and other charges after stealing more than \$330,000 from a 98-year-old semi-retired lawyer, Manhattan District Attorney Cyrus Vance Jr. announced Friday. Harry Abrams, 76, allegedly

began the financial abuse after the victim broke his hip in July 2009. According to a release on the Manhattan DA’s website, Abrams ran several companies from his office in Midtown and allowed the victim to use his office space “for a few legal matters he was handling for private clients.” At a

news conference Friday, Assistant DA Elizabeth Loewy said Abrams had access to the victim’s financial information and when he was hospitalized, Abrams “committed forgeries and cashed out and redeemed several CDs.”

# Elder Financial Abuse During the Holidays

Practitioners have long asserted that during the holidays (e.g., Thanksgiving, Christmas, Hanukkah, Kwanza), when families and friends are in greater proximity and with greater frequency, instances of elder financial abuse increase. The holidays are not only times of financial movement but also of distraction, as familiar routines take a back seat to the exigencies of the season.

From November 2010 through January 2011, of the 1,128 articles on elder abuse identified through the newsfeeds, 354 (31%) concerned elder financial abuse. During this period, reported incidences of elder financial abuse perpetrated by strangers and by friends and families were very similar (47% vs. 45%, respectively). Dollar losses due to family, friend, and neighbor perpetrators were higher overall than for any other category, likely owing to sheer numbers of instances. However, the average number of dollars lost per individual instance was highest from business perpetrators.

**Table 2: Elder Financial Abuse Cases, by Type, November 2010 – January 2011**

Category	Description	Number of Cases per Category (% of total)	Cases Missing Dollar Amounts	Total Dollar Reported	Percent of Total Loss	Cases Including Dollar Amount	Average for Cases with Amount Included
1	Business	23 (8%)	3	\$13,163,837	35%	20	\$658,192
2	Family, Friend, Neighbor, etc.	125 (45%)	33	\$16,743,520	44%	92	\$181,995
3	Strangers	132 (47%)	78	\$8,046,353	21%	54	\$149,007
4	Medicare and Medicaid Fraud	0 (0%)	N/A	\$0	0%	N/A	N/A
<b>TOTALS</b>		<b>280</b>	<b>114</b>	<b>\$37,953,710</b>		<b>166</b>	

**Notes:**

- Category 1 includes insurance, banking, attorneys, contractors, nursing home administrators (legitimate businesses)
- Category 2 includes family, friends, neighbors, caregivers (paid/unpaid, family/non-family, facility/home), befriending
- Category 3 includes home repairs scams, all phone scams (typically amount is not included), strangers, criminal (robbery, burglary)
- Category 4 includes Medicaid/Medicare and medical fraud (Note: one of these stories included several cases, state-wide bust)
- There were 43 general financial abuse articles or workshop announcements.
- Two case-related articles did not provide enough information to determine either perpetrator relationship to victim or the general category of abuse, so these were also excluded from table data.
- Where articles reported “thousands,” a conservative \$2,000 was used. When a range of values was reported, median amount was used.

## News Channel 8 Tampa, FL

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**December 9, 2010**

Investigators say age and infirmity made her the perfect target. Two water purification salesmen are under arrest, accused of taking more than \$37,000 from an 88-year-old woman for filtration equipment valued at no more

than a few hundred dollars. Relatives say the woman lived by herself, suffered from dementia, and handled her own finances. By her own account, her door and check-book stayed open for charities and con artists alike. ...Her son, Gary Vann, a psychologist who lives

and practices in Michigan, wants to get her story out as a warning to others. "She doesn't even know what she was sold," Vann said. ...The arrest report says bank records show that she also wrote checks to him time and again, amounting to at least \$23,510.

Holiday crimes were somewhat unique. Twenty-seven percent of cases were random, predominantly single-event crimes accounting for relatively small monetary rewards (as opposed to only 12% of these types of crimes occurring in spring of 2010, and 3% reported in the 2008 newsfeeds). This segment of crimes was also characterized by a high level of brutality and disregard for human life. For cash, jewelry, or other relatively minor household items, many older adults during this time period lost their lives, lost their cherished independence, and/or reported a pervasive fear that persisted long after isolated traumatic events.

The scenarios of these robberies reveal losses that cannot be captured in numbers: An 87-year-old woman who had never been intimate with anyone other than her husband was violently raped and sodomized by a juvenile in her own home; the 80-year-old man beaten and killed with a hatchet for just over \$500 by the 37-year-old woman and her friends who befriended him; a fully independent 78-year-old woman beaten with a metal bar during a robbery — an event that left her blind and forced her to move into a nursing home; a woman electrocuted with a stun gun and robbed after letting in someone she thought was the pharmacist delivering much-needed medications for her ailing husband; the 68-year-old woman who had to have her face rebuilt with metal plates after being brutally attacked in her driveway for the paltry amount of money in her purse. The holiday newsfeeds offer numerous examples of these extreme and tragic cases.

In these nearly 30% of elder financial abuse cases reported in the holiday newsfeeds victims were robbed of far more than material possessions. This trend has many possible explanations, perhaps a reflection of a worsening economic climate, or a reflection of intensified feelings of desperation during the holidays. Whatever the underlying causes, this time period captures a depth of loss that went far beyond dollars and cents for many unsuspecting older victims who described safety and stability in their lives until a single event changed everything.

## Putting a Face on Elder Financial Abuse: Allison

*“He was such a friendly man...”*

Allison was befriended by a man who was fixing her roof. She is 83 years old, divorced, and has two children. When asked about her health, she said that it is not great. She has high blood pressure and hypertension, which have led to kidney problems for which she needs dialysis. Allison lives on less than \$900 per month and receives benefits from Medicare and Medicaid. Her assets are mostly tied up in her home.

Allison typically kept the door to her house open and kept her money in her purse. She had previously helped the perpetrator with gas money and with paying for a party after a funeral. He knew that Allison kept cash in her purse and helped himself to her money when she was out of the house.

One result of the theft — Allison now keeps her doors locked and is suspicious of strangers, adding to her social isolation.

The perpetrator was sentenced to four to six years in prison. Allison testified in court against him. There were other victims who testified as well. While her finances have not changed significantly since the exploitation, Allison emphasized that she is no longer so generous with others. She realizes her limitations financially, but she is more secure in her feelings. She is more apt to speak up now and stand up for herself.

Allison learned a hard lesson from the repair scam. She realized that she was holding on to anger toward her ex-husband of 30 years and her daughters. She said that she was still embarrassed about the divorce and was “not in a good place” mentally. She confessed that she was socially lonely and would have befriended anyone to have some interaction with others. The financial abuse was a wake-up call. Allison determined that she needed to look forward and to stop holding onto old grudges.

Allison wants to help prevent others from being a victim of elder financial abuse. She advises, “Don’t have too big of a heart, don’t be too generous.” While Allison and others like her who had lived through the Depression can relate to the financial struggles of others, she feels there is a limit to what one person can do.



# Comparison of 2008 and 2010 Newsfeed Stories

At the time of the first analysis of the NCEA newsfeed information in 2008 (reported in *Broken Trust: Elders, Family, and Finances*), the country was just entering the recession. In 2010, when data were again collected, the country was just exiting the recession. A comparison of the 2008 and 2010 newsfeeds allowed an instructive examination of the two time periods, with there being 48 more articles on the topic in 2010 compared to 2008. There is a cautionary note here that the difference may not indicate solely an increase in the incidence of elder abuse, but potentially higher levels of media reporting from increased awareness, more incidents being reported by victims, or more prosecutions.

The greatest changes in elder financial abuse reflected in the newsfeeds have to do with phone scams and other cons/scams and robberies without a scam (see Table 3). Taken together, scams have risen from 9% to 28% of articles. Articles on elder financial abuse perpetrated by family members have declined by almost half, financial abuse by caregivers at home have declined by about a third, and abuse by a trusted professional by two-thirds.

**Table 3: Comparison of 2010 and 2008 Data**

Perpetrator by Type	2010 Number of Articles	2010 %	2008 Number of Articles	2008 %
Family	28	9%	45	17%
Friend/Neighbor	18	6%	8	3%
Befriended	15	5%	15	6%
Caregiver (at home)	39	12%	54	20%
Institutional Caregiver	16	5%	20	8%
Nursing Home Administration	20	6%	18	7%
Trusted Professional	20	6%	48	18%
Home Repair	32	10%	27	10%
Phone Scam*	44	14%	4	2%
Other Con/Scam	45	14%	19	7%
Crime (Robbery w/ no scam)	37	12%	8	3%
<b>Total</b>	<b>314</b>		<b>266</b>	

\* 2010 included most phone scam warning articles in the count because most warning articles were provoked by a local person being scammed whose story was included in the article.



Although there were more articles published on elder financial abuse in 2010 versus 2008, two-thirds of articles in both time periods mentioned a female victim (see Table 4). Males continue to comprise the majority of perpetrators (60% in 2010 versus 53% in 2008) and differ in age from female perpetrators (see Table 5). Most male perpetrators were between the ages of 30 and 59, whereas most of the female perpetrators were between the ages of 30 and 49.

**Table 4: Victim Profiles**

Age	2010			2008		
	Male	Female	Total	Male	Female	Total
<60	0	1	1	3	0	3
60–69	5	10	15	3	4	7
70–79	12	30	42	8	25	33
80–89	26	42	68	31	39	70
90–99	7	16	23	7	13	20
>100	0	1	1	0	3	3
Age not given*	33	61	94	17	46	63
<b>Total</b>	<b>83</b>	<b>161</b>	<b>244</b>	<b>69</b>	<b>130</b>	<b>199</b>

\* Typically used language such as “senior citizen,” “elderly,” and so forth.

**Table 5: Perpetrator Profiles**

Age	2010			2008		
	Male	Female	Total	Male	Female	Total
<20	8	2	10	6	1	7
20–29	23	12	35	15	14	29
30–39	27	37	64	15	25	40
40–49	32	31	53	33	30	63
50–59	33	10	43	28	16	44
60–69	13	11	24	7	9	16
70–79	1	1	2	3	2	5
80–89	0	0	0	1	0	1
Age not given*	89	46	135	N/A	N/A	N/A
<b>Total</b>	<b>226</b>	<b>150</b>	<b>376</b>	<b>108</b>	<b>97</b>	<b>205</b>

\* Typically used language such as “senior citizen,” “elderly,” and so forth. Data for “age not given” were collected in 2010 but not in 2008.

# Findings from the Research Literature

In addition to the analysis of newsfeed data, from mid-2008 through 2010, 35 unduplicated, peer-reviewed articles addressing elder financial abuse were identified from a search of the social science, medical, and legal disciplines. Four primary trends emerged: (1) evidence of an increase in the incidence and prevalence of elder financial abuse,<sup>4,5,6,7,8,9</sup> (2) a focus on subpopulations of elders who experience financial exploitation,<sup>10,11,12,13</sup> (3) insights on risks for elder financial abuse,<sup>14,15,16,17</sup> and (4) attention to new measures and models to assess elder financial abuse.<sup>18,19,20,21,22</sup>

Most studies confirm what was known in the past: there are more female than male victims and perpetrators are typically friends or family members. However, new research also indicates that the instances of elder financial abuse are far higher than earlier research has shown. In particular, a study of 5,776 older adults found that the one-year prevalence for financial abuse by a family member was 5%.<sup>23</sup> Further, a recent prevalence study covering the state of New York revealed that the highest rate of any type of elder mistreatment was financial abuse, with a rate of 41 per 1,000 (4%) and that rates of underreporting may be much higher than estimated.<sup>24</sup>

Scholarly work is also delving into reasons why elders are victims:

- Low social support and exposure to previous traumatic events are the culprits.<sup>25</sup>
- Risk for clinical depression was a significant predictor of elder financial exploitation.<sup>26</sup>
- Social vulnerability and personal competence factors may contribute to risk of financial exploitation.<sup>27</sup>
- The Investor Fraud Study found that “victims of financial abuse scored higher than non-victims on eight financial literacy questions.”<sup>28</sup> Additional findings from this study indicated that:
  - Fraud pitches were tailored to the psychological needs of the victims
  - Fraud victims were more optimistic about the future than non-fraud victims

Academic attention to elder financial abuse will no doubt continue to expand as more attention to victimization and its consequences unfold, and legislative attention grows. These studies are an important adjunct to the newsfeeds as a measure of academic attention to this issue, and as a framework for theory and policy about elder financial abuse.

# Financial Abuse As a Catalyst for Other Types of Elder Abuse

The findings from the research literature and cases reported in newsfeeds illustrate the dehumanization of victims that takes place in the process of financial abuse and creates an avenue to further victimization. Most obviously, and in almost all instances, the goals of financial exploitation are achieved through deceit, threats, and emotional manipulation of the elder. In addition to this psychological mistreatment, physical and sexual violence frequently occur within the vortex of elemental greed and disregard that surrounds financial abuse. Examples of physical attacks, neglect, rape, and emotional abuse in the context of financial exploitation abound in the 2010 reports. In some cases, violence occurred during the perpetration of an isolated crime; in others, emotional control, threats, or neglect of care transpired over months and even years within close relationships; and in some instances of institution-wide fraud, multiple victims were mistreated in many ways at the same time:

- Two elderly women were beaten to death with a crowbar by their trusted handyman. He took and pawned all of their valuables.
- A 74-year-old man was stomped to death during a home invasion burglary.
- A woman was exploited for her social security checks by a live-in “caregiving” couple. She was neglected so severely that she was malnourished and weighed 80 pounds, had bedsores infested with maggots, and gangrene in both feet, which she lost to amputation after the abuse was finally discovered.
- The daughter of a healthy, active 78-year-old woman convinced everyone her mother had Alzheimer’s to gain power of attorney and financial control during the mother’s temporary recovery from a broken arm. The mother thought her daughter was offering care and support at a difficult time.
- A man extorted money from a senior couple for a year by using terrorist threats of violence and death.
- A 65-year-old woman who suffered from dementia was locked in a closet for months by three acquaintances who lived off of her money during that time.
- A son and his two friends extorted money from his dying adoptive mother by threatening to burn down her home and throw her dog against a wall.
- A woman barely came away with her life after her caretaker of four years stole money from her and pushed her wheelchair in front of a train. After the incident the woman said, “We were so good of friends...I’m so hurt that I can’t stop crying.”

- A “caregiver” son lived in the home of his 82-year-old mother. He cashed her social security checks while she sat in dirty diapers with rotting food caked in her hair and her body was covered in bedsores.
- Two nursing home operators left over 300 residents without basic necessities such as food and medicine as they attempted to defraud the Medicare and Medicaid programs of over \$30 million.

These are just a few examples of cases that, while spawned by financial greed of perpetrators, blurred the lines between different categories of elder abuse. Although there are cases in which financial exploitation occurs in isolation, the interrelationship between financial, physical, sexual, and emotional victimization of elders is undeniable.

## CBS Evening News

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**December 23, 2010**

Marie and Cliff Long lived frugally and invested wisely. Cliff died in 2003. Madelon and Jenette are Marie’s sisters. Jeanette said her sister had about \$1.3 million saved up — enough to last the rest of Marie’s life — or so the couple thought. To make decisions on her

finances and care, the court appointed a guardian — an agency called “The Sun Valley Group.” First, as guardian, Sun Valley’s owners Peter and Heather Frenette hired themselves to provide Marie’s personal care. That way they collected not only guardian fees, but up to \$15,000 a

month in companion care fees, too. Jeanette says her sister’s financial status today is “Zero. Everything’s been taken from her.” Today, Marie is 89 and now lives on Medicaid at taxpayer expense. Sun Valley withdrew as her guardian 12 days after her money ran out.

# The Elder Justice Act and Other Legislative Initiatives to Support Elder Justice

Advocates, practitioners, researchers, and supportive legislators worked diligently for many years to give elder financial abuse the legislative attention they believed it deserved. Their efforts finally bore fruit as attention and support grew concerning this pervasive but under-recognized crime. When *Broken Trust: Elders, Family, and Finances* was published in 2009, the Elder Justice Act had not yet passed in Congress. However, as of March 23, 2010, the Elder Justice Act became law and has significantly raised the national focus on elder abuse, and concomitantly, elder financial abuse. Provisions of the Act include:

- Authorization of \$777 million over four years to establish a more comprehensive federal response to fighting elder abuse including establishment and support of Elder Abuse, Neglect, and Exploitation Forensic Centers.
- First-time dedicated funding for Adult Protective Services (APS) and additional funds to improve quality of APS services in states — over \$500 million over the next four years.
- Establishment of an Elder Justice Coordinating Council.
- Establishment of a 27-member Advisory Board on Elder Abuse, Neglect, and Exploitation.
- Support for the Long-Term Care Ombudsman Program and training programs for national organizations and state long-term care ombudsman programs.
- Enhanced long-term care staffing through training, recruitment, and incentives for individuals seeking or maintaining employment in long-term care.
- Authorization of a National Training Institute for Surveyors of elder service providers.
- Requirement of immediate reporting to law enforcement of crimes in a long-term care facility and civil monetary penalties for failure to report.
- Provision for penalties for long-term care facilities that retaliate against an employee for filing a complaint against or reporting a long-term care facility that violates reporting requirements.
- Authorization of a study on establishing a national nurse aide registry.
- Authorization of the Department of Health and Human Services (HHS) to improve data collection and dissemination, develop, and disseminate information related to best practices related to Adult Protective Services (APS) and to conduct research related to APS.

- Authorization of the Secretary of HHS to make grants to long-term care facilities for the purpose of assisting such entities in off-setting the costs related to purchasing, leasing, developing, and implementing certified electronic health record (EHR) technology.

The financial resources that will be brought to bear through the Elder Justice Act to understand, educate about, and prevent elder abuse have the potential to begin to reduce the terrible impact of elder financial abuse on an expanding older population.

Also passed in 2010 is a new law establishing an Office of Financial Protection for Older Americans in the new Consumer Agency created in the landmark Financial Regulatory Reform bill. This office would be dedicated solely to tackling the growing threat of elder financial exploitation by better educating seniors on the warning signs of fraud, establishing best practices for programs that provide financial counseling, addressing the problem of misleading or fake certifications of senior financial advisors by providing better oversight, and improving coordination between current elder protection agencies to better serve seniors.

In addition, in conjunction with a March 2011 hearing of the Senate Special Committee on Aging featuring elder abuse victim actor Mickey Rooney, the Elder Abuse Victims Act, S.462, was introduced by Chairman Herb Kohl. If passed, this bill will enhance the capacity of local law enforcement to prosecute cases of elder financial abuse and will establish an Office of Elder Justice in the Department of Justice, reinforcing the continuing attention and efforts by legislators to address this issue and create new avenues for prevention and prosecution of a crime that is costly in dollars and destructive both socially and individually in its effects.



# Conclusions

Elder financial abuse steals from all ages and incomes and thus robs us all. Three overarching themes about elder financial abuse emerged from the newsfeeds and research literature: Elder financial abuse falls into three types of crimes, vulnerabilities of aging increase the risk of elder financial abuse, and there is a continued lack of focus on the perpetrator.

## Three Types of Elder Financial Abuse Crimes: Occasion, Desperation, and Predation

Crimes of occasion, or opportunity, are incidents of financial abuse or exploitation that occur because the victim is merely in the way of what the perpetrator wants. The elder has money, assets, and the like, and an occasion presents itself for the perpetrator to avail himself or herself of the resource. The typical occasion scenario was seen in the case of the holiday crime in which a woman was electrocuted with a stun gun and robbed after allowing someone into her home whom she thought was a pharmacist delivering medications for her ailing husband. The occasion was the open door and a person she thought was one she could trust.

Conversely, crimes of desperation are typically those in which family members or friends become so desperate for money that they will do whatever it takes to get it. Many of these family members are dependent on the elder parent for housing and money. What exacerbates their desire for more money is often a heightened need for drugs, alcohol, their gender (i.e., men are frequently perpetrators of this in comparison to women), or some combination of the three. The exploiting family member or friend comes to believe that, in return for care (actual or perceived and however little that care may be), he or she is due compensation (money, possessions, etc.), and often on a continuing basis.

Finally, crimes of predation, or occupation, occur when trust is engendered specifically for the intention of financial abuse later. A relationship is built, either through a bond of trust created though developing a relationship (romantic or otherwise), or as a trusted professional advisor. The taking of assets is by stealth and cunning, by working his or her way into the trust and life of the elder only to take it all and leave the elder penniless and without a relationship that was important in his or her life.

## NBC Miami.com

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January 31, 2011

Wendy Sue and Gordon Novak were arrested after cops said they created a fake kidnapping scene to extort money from the woman's elderly mother. Gordon Novak, 47, called Betty Hewitt on Friday and claimed her daughter was being held at gunpoint for ran-

som. He told the elderly woman the kidnappers wanted \$425 or they would shoot Wendy Sue. Fearing for her daughter, 76-year-old Hewitt agreed to meet with her son-in-law at a Pompano Beach McDonald's to deliver the money. After getting the ransom payment, Novak was intercepted

by police before he could get to the alleged hostage takers. Turns out Wendy Sue Novak, 46, was at a gas station nearby waiting in a car for her husband. The couple planned to use the ransom to buy drugs, detectives said. The Novaks are charged with grand theft and exploitation of the elderly.

## Vulnerabilities of Aging Place Elders at Risk for Elder Financial Abuse

Many forms of vulnerability make elders more susceptible to abuse. Some vulnerabilities are consistent and explicit: older adults may have poor physical or emotional health, impaired mobility, or both. Some elders may not have the full capacity to make financial decisions as they once did due to the progression of dementias such as Alzheimer's disease.

Some vulnerabilities are implicit. Some scholars have suggested that, as a group, older adults are more trusting than some younger generations.<sup>29</sup> Thus, their trusting nature, in addition to a sincere desire to help out an individual who appears to be in financial or other distress, may make them unwitting victims due to their innate generosity of spirit. We labeled these examples the "'Well, okay' Syndrome." In this situation, the elder agrees to provide money "just one more time," and so the verbiage goes something like this: "Well, okay, I will give you money just this one more time." And then, as usual, another time emerges, and "Well, okay, I will do give you more, but this is it!" resulting in serial instances of financial exploitation over time.

Finally, some vulnerability is situational. For example, elders who are alone or isolated may be more likely to be victims of financial abuse.<sup>30</sup> Conversely, some research suggests that living with a relative is a risk factor for financial elder



abuse.<sup>31</sup> In addition, the very season of the year, as seen in reports of elder financial reports around the holidays, can heighten vulnerability due to being distracted or inattentive. The same could also be true of an elder who is caring for a spouse or other family member.

## The Perpetrator of Elder Financial Abuse Remains a Mystery

Victims are only one part of the elder abuse equation. There is little research on perpetrators. It is clear that to design effective prevention and intervention strategies, more information about what motivates perpetrators of elder financial abuse is needed. As additional resources come to bear on research, advocacy, services, and prevention, better understanding of who the perpetrators are and what drives their exploitative behavior should assist in further reducing the incidence of financial elder abuse in the future.

In conclusion, elder financial abuse decimates incomes both great and small, engenders health care inequities, fractures families, reduces available health care options, and increases rates of depression among elders. Elder financial abuse is an intolerable crime resulting in losses of human rights and dignity. Despite growing public awareness from a parade of high-profile financial abuse victims, it remains underreported, under-recognized, and under-prosecuted, a situation that will draw continued efforts by its opponents to eradicate it.



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