



April, May, June 2013

April's Training

THE HIDDEN COSTS OF ELDER FINANCIAL ABUSE

Presented by:

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Even more than the economic loss, the human costs suffered by victims when taken advantage of by families, friends, and trusted strangers are immeasurable. Simply put, a victim of any kind of elder financial abuse is never the same after it occurs. Broken Trust: Elders, Family, and Finances, MetLife Mature Market Institute, March 2009.



The effects of financial exploitation are recognized by many: families, businesses, taxpayers, government programs such as Medicaid, and seniors. But there is little hard data on financial exploitation of older people, whether by states or nationally; the exact costs of financial exploitation are largely unknown. Studies done in Utah estimated that stealing seniors' assets cost the state (seniors, businesses and government) anywhere from \$77 million to \$339 million in 2010, depending on how losses were calculated.

(Jillene Gunther, The Utah Cost of Financial Exploitation, Utah Division of Aging and Adult Services, March 2011).

Studies also differ on the number of unreported cases: one study (Cornell University) says only 1 in 44 cases are actually reported; other studies show 1 in 25. Government statistics show 1 in 10 cases reported. There is general agreement that financial abuse among the elderly is vastly underreported. Clearly the true cost of financial exploitation and abuse to our society needs further research.

Some studies evaluate cases where a

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In 2012, Colorado's AARP ElderWatch program estimated at least \$6.4 million was lost due to financial exploitation, based on an analysis of over one thousand complaints.

REGISTER HERE FOR THE NEXT FREE CCERAP TRAINING APRIL 17:

TRAINING DETAILS

- Wednesday, April 17, 2013
Registration: 8:30 am
Training: 9:00 am - 11:00 am
Aurora City Hall, City Council Chambers
15151 E. Alameda Pkwy, Aurora, CO

Training begins at 9:00 am

(no refreshments are allowed in the City Council Chambers)

Continuing education: 2 CLE's & POST units (applied for) 2 hours recertification for ombudsman training

Directions to Training:

- I-225 to Alameda Ave.
East on Alameda about 1/2 mile to Chambers Rd.
Left on Chambers Road 1 block
Left into City Hall parking lot
Parking garage is available on west side or park in lot on east side

All CCERAP trainings and materials are FREE.

REGISTER HERE BY EMAIL

ccerap@comcast.net. Provide name, title, organization, email and phone number.

CCERAP provides trainings at no cost, thanks to financial support from the Older Americans Act, disseminated by the Colorado Department of Human Services, State Unit on Aging.

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THE HIDDEN COSTS OF ELDER FINANCIAL ABUSE CONT.

senior was being exploited to such an extent that the senior was now on Medicaid. Studies also note losses that have no quantitative value such as eviction from public housing, drug dealers or users in the home, changes to a will or to a deed, threat of loss of home, credit damage, loss of trust with family, embarrassment and anxiety. There is no “one-size-fits-all” method to determine the hidden costs of elder financial abuse.

But we do know this:

- Financial abuse is very similar to other forms of elder abuse: it is devastating to the victim and is frequently traced to family members, caregivers and trusted friends. However, financial abuse more often occurs with the tacit acknowledgement of the victim, making it more difficult to detect. One finding from a 2010 study through focus groups was that known victims of financial fraud often would not acknowledge that they were victims and continue to believe they made a mistake. This may be one explanation for underreporting.
- Financial exploitation may be a motivating factor behind other forms of abuse. Physical or psychological abuse or caregiver neglect may lead the way to gaining access

to a vulnerable adult’s financial assets. Some family members believe they are “owed” money or property, either for caregiving or as an inheritance.

- Elder financial abuse can impact an elder by eradicating nearly all of his or her financial resources and unlike younger people, older adults have little or no time to recoup these losses. If restitution is offered, it may come too late to be of any help; the victim may have passed away before any recouped losses ever reaches him or her. Losses suffered due to financial exploitation can result in shame, guilt, or general mistrust escalating into paranoia or depression.

The June 2011 MetLife Study of Elder Financial Abuse, “Crimes of Occasion, Desperation, and Predation Against America’s Elders” concludes that “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.”

WATCH FOR THESE WARNING SIGNS

Be suspicious if the elderly person has a new “best friend,” becomes socially isolated, never seems to be available or able to come to the phone, or is hesitant to have contact with others unless his or her caregiver is present. Also be on alert for:

- Unpaid bills when someone else has been designated to make payments.
- Missing property, large or unexplained withdrawals from bank accounts, or transfers between accounts.
- Excessively large reimbursements or “gifts” to caregivers or friends.
- New authorized signers on a person’s bank account.
- Changes in banks or attorneys.
- Bank statements and canceled checks no longer coming to the person’s home.
- Unfamiliar signatures on checks and other documents.
- Changes in documents such as a will or power of attorney, or a change in beneficiaries that the senior can’t completely explain or comprehend.
- Excessive interest in the senior’s finances by a caregiver, friend, or relative.

ELDER FINANCIAL ABUSE AS A FAMILY MATTER

According to a study done by the MetLife Mature Market Institute, the largest percentage of cases of elder financial exploitation involve close associates: families, friends, caregivers, neighbors, and “trusted” advisors. Family members can take advantage of the elders’ dependencies and become perpetrators, misusing powers of attorney, taking money from bank

accounts, using credit cards to make unauthorized purchases, even embezzling by refinancing the elder’s home. Tensions and inequalities between the elder and a family member enhance the likelihood of financial abuse as well as a situation where a family member is dependent upon the elder for shelter and finances.

It’s Not Just Family: Businesses as Perpetrators

Those who have spent a lifetime of working and investing may possess an enormous concentration of wealth, making them very tempting targets. In addition, people who grew up in the 1930’s, 1940’s and 1950’s were generally raised to be polite and trusting. According to the FBI, “Con artists exploit these traits.” The “perfect storm”: today’s volatile stock market and near-zero interest rates on savings can make desperate older investors even more vulnerable to scam artists promising financial security.

According to the Office of Older Americans, Consumer Financial Protection Bureau, Americans 55 and over lost about 40% of their net worth during the recent financial crisis, making them vulnerable to unscrupulous financial advisors selling bogus or inappropriate investments. From 2008 to 2010 there was a 12% increase in the amount of money scammed from seniors.

This kind of financial elder abuse is often referred to as “commercial” elder abuse. Commercial organizations can become perpetrators through theft, fraud and embezzlement including:

- Life and health insurance misrepresentation or theft
- Predatory lending
- False investment claims
- “Get rich quick” schemes
- Credit card bailouts

- Home loan bailouts
- False sales and promises related to annuities, stock, and bonds
- False banking practices, including account draining or siphoning
- Property purchasing scams
- High-pressure telephone solicitations, especially for charities
- Identity theft, misrepresentation by various industries, claiming must-have information for verification purposes

Dollar amounts lost to “commercial” elder abuse were higher than losses due to abuse by family, friends and caregivers, according to a study by the MetLife Mature Institute. Commercial scams involve larger sums of money and often hundreds of victims. Commercial elder abuse is growing in its complexity, making these forms of elder financial abuse more and more difficult to detect and prevent.

Whether the abuse occurs within a family or from a business, the goals of financial exploitation are achieved through deceit, threats, and emotional manipulation of the elder and driven by greed. Another commonality is the building of trust: a relationship is built either with a family member or a professional advisor, leading to the taking of assets by stealth and cunning.

Elder financial abuse is the illegal taking, misuse, or concealment of funds, property, or assets of a vulnerable elder at risk for harm by another due to changes in physical functioning, mental functioning, or both.

National Center on Elder Abuse

WHY OLDER PEOPLE ARE EASY PREY FOR FRAUDSTERS?

Men and women of all races, economic levels, and health status can be victims of elder abuse including financial exploitation, which is the fastest growing form of elder abuse. Research shows that people over 80, people who need more physical assistance, or who have compromised cognitive functioning are more likely to become victims of financial exploitation.

The decline in reasoning ability as we age poses a massive potential threat to our financial health. Consider that Americans' assets total about \$42 trillion -- much of it concentrated in the baby-boom generation. Unlike previous generations, which depended mainly on pensions in addition to Social Security, baby-boomers will be managing much more of their own funds. And boomers face an array of financial choices they'll have to process in those years marked by declining brainpower. Unfortunately, we're wired to avoid taking on these looming financial issues when we're younger and best able to plan for them. We procrastinate, not realizing that we're losing our mental abilities. What's more, we tend to be overconfident that the future is predictable. And because we covet control, we refuse to delegate decisions.

Source: "How Age Imperils Your Finances", Kiplinger Magazine, June 2011.

What are the conditions that make elders most susceptible to being victimized?

Vulnerable adults often lack the physical or mental capacity to provide for their daily needs, making them prime targets for predators who want to exploit them. Anyone can be a victim of elder financial abuse, but older adults who are socially isolated are especially vulnerable because they are less likely and able to seek advice before making an important financial decision.

Some older adults 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, or other mild forms of cognitive impairment making them particularly susceptible to swindles and other kinds of financial abuse.

What psychological tendencies might make particular groups of people especially vulnerable to being exploited?

The elderly can be particularly vulnerable due to clinical depression and many fraud pitches are tailored to the psychological needs of the victim. Older adults may have poor physical or emotional health, impaired mobility, or both. The death of a spouse and even the loss of close friends leave older persons alone and lonely to the point that they may become unwitting victims of people who seek to befriend them. Women are especially vulnerable. Many older women may become responsible for household finances for the first time in years or the first time ever; inexperience in financial matters may make them more trusting in the advice of others.

A National Focus on Elder Financial Exploitation

The Elder Justice Coordinating Council, comprised of federal agencies with responsibilities related to elder abuse, neglect and exploitation, emphasizes:

- Older Americans are victimized by a broad range of perpetrators
- Collaboration is critical
- Diminished capacity is the 800-pound gorilla in the room
- We need more and better data
- We need a broad-scale public education campaign to raise awareness of elder financial abuse and what to do about it.

WHY DON'T VICTIMS REPORT?

A major frustration within the aging services network and among those who work with elder abuse victims is that many victims do not report abuse or financial exploitation. In many cases victims:

- Do not want government interference in their personal lives
- Do not want their adult child or other family member going to jail or facing public embarrassment
- Feel responsible for what has happened
- Do not realize that they have been financially abused
- Believe financial abuse is a consequence of “doing business” or taking risks
- Fear that they will be placed in a nursing home or other facility
- Do not think anyone will really help them, even if they expose the exploitation
- Worry that the perpetrator might harm them even more
- Think resolution will come too late to be of any good
- Believe they will lose even more money to costs of pursuing the financial abuse

Even Professionals Fail to Report

Although most financial and other professionals who deal with elders feel a responsibility to help protect their elderly clients, they often fail to get involved when they suspect financial abuse because they:

- Do not know if they are mandated reporters in some states
- Do not want to compromise professional relationships (confidentiality vs. mandatory reporting)
- Are not clear who their client is (older adult or their family members)
- Are not able to determine the actual mental capacity of their older clients, a determination that affects decisions made by them and on their behalf
- Want to avoid adverse publicity to themselves and their organizations
- Do not understand business ethics and practices in relation to elder financial abuse
- Do not want to incriminate a fellow professional
- Want to avoid involvement in a criminal investigation and potential lawsuit

Source: *Broken Trust: Elders, Family, and Finances*, MetLife Mature Market Institute

In the 2013 Colorado General Assembly, SB 13-111, “Concerning Abuse of At-Risk Adults”, has been introduced. This proposed bill allows for those professionals who have been **urged** to report suspected elder abuse, including financial exploitation, would be **mandated** to report.

REPORTING FINANCIAL ABUSE

If Financial Exploitation Is Suspected...

All Colorado citizens are encouraged to immediately report suspected mistreatment or financial exploitation of an at-risk adult. Adult Protective Services in the county in which the financial abuse is suspected should be contacted. Reports to APS remain confidential. Click here to find the local [Adult Protective Services intake number](#).

Currently, certain occupational groups are **urged** by state law to report the mistreatment and/or self-neglect of an at-risk adult including:

- Physicians, surgeons, physicians’ assistants
- Medical examiners or coroners
- Hospital and nursing home personnel
- Psychologists and other mental health professionals
- Dentists, pharmacists
- Law enforcement officials and fire protection personnel
- Court-appointed guardians and conservators
- Community centered board staff
- Personnel of banks and other financial institutions
- Long-term care ombudsmen (only with the consent of the victim)
- Any caretaker, staff member, or employee of or volunteer or consultant for any licensed care facility, agency, home, or governing board

What to Report

When making a report to Adult Protective Services (APS), provide as much information as possible about the adult and the alleged perpetrator including:

The adult’s:

- Name, address, and phone
- Date of birth, or estimated age
- Medical and/or disabling condition(s)
- Family members, friends, neighbors or caregivers

The adult’s situation:

- Specific concerns (allegations)
- History of previous safety concerns
- Names and contact information of family, friends, or other persons who might be of assistance during an investigation

The alleged perpetrator(s):

- Name, address, and phone number
- Relationship to/history with the at-risk adult

ELDER FINANCIAL EXPLOITATION AND ABUSE: WHO CAN HELP?

LOCAL RESOURCES

■ **AARP ElderWatch**

Toll Free: 1-800-222-4444

Metro Denver: 303-222-4444

This is a partnership between the Colorado Attorney General's Office and the AARP Foundation as well as the Better Business Bureau and County Sheriffs of Colorado, Inc., working together to provide a clearinghouse for complaints, educational information, and training materials dealing with the financial exploitation of elderly Coloradans.

■ **Adult Protective Services Intake Numbers for Colorado**

■ **Area Agencies on Aging**

Each Colorado County will have an Area Agency on Aging or "aging services" program (within the social or human services department of county government. Depending on the nature of the legal issue, referrals can be made to the local Colorado Legal Services or the county's Legal Assistance Developer. Some AAA's support Money Management Programs to help seniors with financial planning, bill paying, credit issues and identity theft. AAA's can also refer to APS at the county level.

■ **Better Business Bureaus** can provide information on accredited businesses including financial services, as well as fraud and scam alerts and helps with filing a complaint.

- BBB Serving Denver/Boulder
303-758-2100 www.denver.bbb.org
- BBB Serving Northern Colorado
970-484-1348 www.wynco.bbb.org
- BBB Serving Southern Colorado
719-636-1155 www.southerncolorado.bbb.org
- BBB Serving Western Colorado 505-346-0110
www.newmexicoandsouthwestcolorado.bbb.org

■ **The Colorado Office of the Attorney General** www.coloradoattorneygeneral.gov

The Attorney General's Office oversees the Colorado Consumer Protection Act, which contains provisions, regulations and penalties related to deceptive trade practices, including a variety of scams and frauds that are perpetrated against older adults. The

[Consumer Resource Guide](#) features a section on "Elder Issues". An [Identity Theft Repair Kit](#) is especially helpful for those who have been victimized by ID theft.

■ **Senior Resource Officers** - The following Colorado law enforcement agencies have Senior Resource Officers or detectives who are especially trained to deal with crimes and abuse of at-risk adults:

- Adams County Sheriff's Office: 720-322-1234
- Aurora: 303-739-6349
- Arvada: 720-898-6724
- Brighton: 720-641-5725
- Broomfield: 303-464-5747
- Colorado Springs: 719-444-7594
- Northglenn: 303-450-8858
- Thornton: 720-977-5090
- Westminster: 303-658-4415

■ **State of Colorado Department of Regulatory Agencies, Division of Securities**

1560 Broadway, Suite 900 Denver, CO 80202
303-894-2320.

This is the state agency that oversees the licensing of brokers and other financial professionals; it also provides investor education, takes complaints and provides information on disciplinary actions.

OTHER COLORADO RESOURCES

■ **Colorado No-Call**

Toll Free: 800-306-7041

Metro Denver: 303-776-2675

www.coloradonocall.com

■ **Uniform Consumer Credit Code**

720-508-6010

www.coloradoattorneygeneral.gov/uccc

■ **Citizens Advocate Office**

Toll Free: 800-283-7215

Metro Denver: 303-866-2885

www.colorado.gov

■ **Colorado Bar Association**

Toll Free: 800-332-6736

Denver Metro: 303-860-1115

www.cobar.org

ELDER FINANCIAL EXPLOITATION AND ABUSE: WHO CAN HELP? CONT.

OTHER COLORADO RESOURCES, CONT.

- Colorado Bureau of Investigations - Identity Theft Hotline
855-443-3489
www.cbi.state.co.us
- Colorado Foreclosure Helpline
Toll Free: 877-601-4673
www.coloradoforeclosurehotline.org
- **Denver Regional Council of Governments (DRCOG)** Network of Care (drcog.networkofcare.org) provides a service directory and database with listings of metro area Adult Protective Services, elder law attorneys, District Attorneys, programs for identify theft, and elder abuse prevention.
- **United Way's 2-1-1** is a free, multilingual service that is available 24 hours a day/7 days a week and refers callers to non-emergency health and human services, including senior services and legal assistance.

NATIONAL RESOURCES

- **Eldercare Locator**
1-800-677-1116
www.eldercare.gov
The Eldercare Locator is a public service of the US Administration on Aging that helps connect older adults and their families to services and resources in their local area, including resources for those who have been victims of elder abuse or financial exploitation

CONSUMER FINANCIAL PROTECTION BUREAU, OFFICE OF OLDER AMERICANS

www.consumerfinance.gov

Email: info@consumerfinance.gov

- CONSUMER HELP
(855) 411-CFPB (2372)
Español (855) 411-CFPB (2372)
TTY/TDD (855) 729-CFPB (2372)
8 a.m.–8 p.m. Eastern, Monday–Friday
- Congress established the CFPB to protect consumers by carrying out federal consumer financial laws. The CFPB's responsibilities are to:
 - Write rules, supervise companies, and enforce federal consumer financial protection laws

- Restrict unfair, deceptive, or abusive acts or practices
- Take consumer complaints
- Promote financial education
- Research consumer behavior
- Monitor financial markets for new risks to consumers
- Enforce laws that outlaw discrimination and other unfair treatment in consumer finance

- Federal Bureau of Investigation (FBI)
303-629-7171

www.fbi.gov

- Federal Trade Commission (FTC)
Toll Free: 877-382-4357

www.ftc.gov

- Internet Crimes Center

www.ic3.gov

- Investor Protection Trust

www.investorprotection.org

- National Do Not Call Registry

www.donotcall.gov

TRAINING MATERIALS

- “**Before the Money Is Gone**”, a training program developed several years ago for financial institution personnel; shows how front-line staff can spot and report suspected cases of financial abuse of the elderly.
- “**At-Risk Adult Training Curriculum**”, The Financial Services Roundtable and BITS (the technology policy division), February 2013.
- “**Guidelines for Establishing and Coordinating A Fiduciary Abuse Specialist Team**”, National Center for the Prevention of Elder Abuse
- “**Protecting the Elderly and Vulnerable from Financial Fraud and Exploitation**”, BITS, April 2010.

ELDER FINANCIAL EXPLOITATION AND ABUSE: WHO CAN HELP? CONT.

HELPFUL INFORMATION FOR PROFESSIONALS, FAMILIES, CONSUMERS AND ELDERS

- **[“Broken Trust: Elders, Family and Finances”](#)**, MetLife Mature Market Institute, the National Committee for the Prevention of Elder Abuse (NCPEA), and the Center for Gerontology at Virginia Polytechnic Institute and State University, March 2009.
- **[“Crimes of Occasion, Desperation, and Predation Against America’s Elders”](#)**, The MetLife Study of Elder Financial Abuse, June 2011.
- **[“Fighting Fraud 101: Smart Tips for Investors”](#)**, (also available in Spanish) a brochure produced by the FINRA Investor Education Foundation and AARP.
- **[SaveAndInvest.org](#)**
1735 K Street, NW Washington, DC 20006-1506
www.SaveAndInvest.org
(888) 295-7422
- **[“Protect Seniors: Take A Stand Against Elder Abuse”](#)**
The Administration on Aging is offering a new toolkit to help organizations participate in the Year of Elder Abuse Prevention. It includes an outreach guide, event planning materials, fact sheets, poster, and more.
- **[“Protect Your Pocketbook: Tips to Avoid Financial Exploitation”](#)**
A user-friendly informative brochure for seniors provided by the Eldercare Locator, describing the many types of financial exploitation, potential perpetrators, “red flags”, and what to do and who to contact if financial abuse is suspected.
- **[“Protecting Mom and Dad’s Money”](#)**, Consumer Reports, January 2013
- **[Senior Fraud Protection Kit: Helping Seniors Stay Safely at Home](#)**
Home Instead Senior Care Network 800-640-3914
This is an excellent resource; it covers financial abuse tactics, top scams, impacts of crime against the elderly, and provides helpful checklists.

Information for this newsletter was adapted from the following sources: “Broken Trust: Elders, Family and Finances”, March 2009; “Crimes of Occasion, Desperation, and Predation Against America’s Elders”, June 2011; “The Essentials: Preventing Elder Abuse”, 2012, published by the

MetLife Mature Market Institute. Information was also adapted from “The Utah Cost of Financial Exploitation, Utah Division of Aging and Adult Services, March 2011; the National Center on Elder Abuse; Kiplinger Magazine, June 2011; and the Consumer Financial Protection Bureau..

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*Colorado Coalition for Elder Rights and Abuse Prevention
programs are available to all without discrimination.*

Helen Davis, Coordinator and Newsletter Editor, ccerap@comcast.net

Visit CCERAP's Web site www.ccerap.org to find . . .

- Updated Fraud and Scam Alerts
- CCERAP's Newsletter Archive
- Information on Training Opportunities
- Webcasts of Prior Trainings
- Links to Organizations Serving and Advocating for the Elderly
- Aging Resources
- Additional Articles and Information on Powers of Attorney

For more information or to subscribe to the CCERAP newsletter,
contact Helen Davis, Coordinator by e-mail at ccerap@comcast.net.

CCERAP has discontinued its 800 telephone number. Please visit our website for the most recent information.

*Promoting statewide understanding of elder/adult abuse and the rights and protections
available to elder and at-risk adults.*