

**House Aging & Older Adult Services Committee**

**Elder Abuse in Pennsylvania**

**Financial Exploitation**

**&**

**Role of Area Agency on Aging in Providing Protective Services**

**Testimony Presented By:**

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Good morning. My name is Jacqueline Burch and I am the Executive Director of the Lancaster County Office of Aging. I have been with the area agency on aging for more than 30 years, serving as director for the last 18.

I want to commend this committee, its leadership and staff for holding these hearings to focus time and attention on the issue of elder abuse. Thank you for the opportunity to be here today to speak about one critically important and growing aspect of abuse – one we all need to better understand and work to prevent – and that is financial exploitation.

Pennsylvania's Older Adult Protective Services Act passed in 1987 defines financial exploitation as an act or course of conduct by a person against an older adult or their resources, without the informed consent of the older adult, or consent obtained through misrepresentation, coercion or threats of force, that results in monetary or personal gain or profit for the perpetrator, or monetary or personal loss to the older adult.

Why is this discussion of financial exploitation and its impact on our elderly so necessary?

Well, we're in the midst of a 'perfect storm' of sorts, with our demographics meeting economics in an expanding caregiving arena. Not only are people living longer, but the largest amount of wealth in the US resides with those aged 60 and over, primarily in the form of assets held by banks. Among all investments, bank assets are the most easily accessed often needing just a signature or PIN #.

As people age, they may rely on assistance or care from others such as family or paid caregivers. That assistance includes help with managing finances. Regrettably the social, physical and cognitive limitations of some older adults make them especially vulnerable or easy targets of exploitation. Further, most older adults are not aware they are being stolen from – let alone knowing it may be their own family or caregivers who are the perpetrators.

These dynamics are only further complicated when the older adult learns of theft. They may be ambivalent, in denial, or fear that prosecution will mean the loss of a caregiver or worse-- placement in a nursing home. They may also accept such mistreatment as necessary in order to not be left alone.

Lancaster County is home to nearly 524,000 people, more than 106,000 (or about 20%) of whom are over the age of 60. Last year 18,000 reports of need for Protective Services were received in Pennsylvania; 1500 of those reports involved residents from Lancaster County. I share these numbers not just because they are considerable on their own, but because it represents only those we know about -- those someone took the time and interest to report to us. Perhaps more alarming about this 'tip of the iceberg' is the real or potential number of incidents that simply go unreported.

Currently our agency's Protective Services unit includes two supervisors, nine full-time case workers, and six additional staff trained to handle backup cases. The most common type of abuse allegation reported to us is self-neglect. This is followed by financial exploitation (often in combination with caregiver neglect), which comprises about a third of our total cases. In our experience reports of financial exploitation are not only steadily increasing, but tend to be very complicated and incredibly time consuming cases to manage and investigate. Sometimes the complex nature of the multiple, varied investments involved requires seeking the specialized assistance of a forensic accountant -- a professional who's skilled at detecting and understanding irregularities we may identify in someone's finances or bank records.

Through cooperative efforts with the Pennsylvania Department of Aging's Institute on Protective Services at Temple University and our own District Attorney's Office, we've had several 'success stories' when it comes to investigating and prosecuting cases of financial exploitation. Over the years we've also been able to freeze assets or have them returned to many individuals, which in many cases represented their total life savings. However, too often our intervention comes after resources are already gone or one's dementia makes prosecution unlikely.

Typical examples of financial exploitation cases we encounter range from the older woman with moderate dementia whose daughter was her POA or Power of Attorney. The daughter moved in with Mom and began making several monetary gifts to herself amounting to \$24,000. She also transferred the deed to the home into her own name without Mom's knowledge or consent.

Then there's the case of an older couple supporting their adult son, who frequently approaches them for money saying it's to pay for his chemotherapy treatments. Feeling sorry for him they give him checks made out to cash, which for several years unknowingly funds his illegal drug habit and related purchases. They in turn, deplete their limited income and savings and now face potential bankruptcy.

A higher profile arrest and prosecution occurred this summer in Lancaster County when a 68-year old caregiving daughter was charged with felony theft after bilking her 95-year old mother of more than \$122,000 from her checking and savings accounts over a three-year period. She currently serves an eight-year probation and been ordered to pay back the funds.

Lastly, a son-in-law and daughter were recently charged with defrauding nearly \$700,000 from her elderly parents, tricking them into signing a letter that falsely appeared to come from their bank. The document they signed, misrepresented as a 'reinvestment opportunity' for the older couple, actually granted the power to transfer all their assets to an account held by the daughter and her sister. Ironically, the son-in-law who essentially masterminded this large scale deception was a certified public accountant and financial planner.

Sadly, another example of not just exploiting someone's finances, but exploiting the very trust this older couple placed in their relationship with family. Brings a whole new meaning to the old adage of *"if you can't trust your family, who can you trust?!"*

In closing, I want to again thank the committee for this opportunity and applaud your efforts to learn more about elder abuse, specifically issues involving financial exploitation. While we may not be able to totally eliminate the neglect, abuse, financial exploitation and abandonment of all older Pennsylvanians, anything we can do to bring awareness, responsiveness, and justice on behalf of those most vulnerable and most deserving of our respect is indeed, necessary and worthy of our pursuit.