

**ELDER JUSTICE AND PROTECTION: STOPPING THE
FINANCIAL ABUSE**

HEARING
BEFORE THE
SUBCOMMITTEE ON AGING
OF THE
COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS
UNITED STATES SENATE
ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

ON

EXAMINING FINANCIAL ABUSE AND EXPLOITATION OF THE ELDERLY,
FOCUSING ON ISSUES THAT ELDERLY CONSUMERS FACE IN TODAY'S
INVESTMENT MARKETPLACE

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OCTOBER 30, 2003
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C O N T E N T S

STATEMENTS

THURSDAY, OCTOBER 30, 2003

	Page
Bond, Hon. Christopher S., a U.S. Senator from the State of Missouri	1
Mikulski, Hon. Barbara A., a U.S. Senator from the State of Maryland	2
Chambers, Richmond D., Chevy Chase, MD	11
Curran, Jr., J. Joseph, Attorney General, State of Maryland, Baltimore, MD ..	13
Scott, Carol, Missouri State Long-Term Care Ombudsman, and President, National Association of Long-Term Care Ombudsmen, Jefferson City, MO ...	15
Blancato, Robert, President, National Committee For the Prevention of Elder Abuse, Washington, DC	16
Hammond, W. Lee, board member, American Association of Retired Persons, Salisbury, MD	19

ADDITIONAL MATERIAL

Statements, articles, publications, letters, etc.:	
J. Joseph Curran, Jr.	31
Carol Scott	32
Robert B. Blancato	35
W. Lee Hammond	40
Richmond D. Chambers	43
Franklyn S. Greene	43
Pamela B. Teaster and Lisa Nerenberg	45

ELDER JUSTICE AND PROTECTION: STOPPING THE FINANCIAL ABUSE

THURSDAY, OCTOBER 30, 2003

U.S. SENATE,
SUBCOMMITTEE ON AGING,
OF THE COMMITTEE ON HEALTH, EDUCATION, LABOR, AND
PENSIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:13 a.m., in room SD-430, Dirksen Senate Office Building, Senator Bond (chairman of the subcommittee) presiding.

Present: Senators Bond and Mikulski.

Also Present: Senator Breaux.

OPENING STATEMENT OF SENATOR BOND

Senator BOND. The Subcommittee on Aging of the Senate Health, Education, Labor and Pensions Committee will come to order.

I would like to thank all of you for joining us, the witnesses in particular. We thank all of you for attending this hearing today on "Elder Justice and Protection: Stopping the Financial Abuse," which is a very important one, and we look forward to having your testimony and your guidance.

Although we are all vulnerable to financial abuse and exploitation, the elderly are at a particularly high risk of victimization because people over the age of 50 control 70 percent of the Nation's wealth, and they are extremely attractive targets. In addition, the elderly can be highly susceptible to promising officers and companionship, which could unfortunately result in financial ruin or worse.

Seniors tend to be more trusting and less cynical than younger people in dealing with fraudulent salesmen and other scam artists. In too many instances, seniors are no match for scam artists and predatory family, friends, or caregivers intent on robbing them of their life savings or worse, and that is particularly disturbing and troubling.

There have been very few attempts to quantify the crime among the senior population. The most authoritative estimates that we have about financial abuse come from the National Elder Abuse Incidence Study. This study found that out of approximately 450,000 substantiated reports of all types of elder abuse, approximately 30 percent of these involve some form of financial abuse.

Elder financial abuse ranks right behind neglect and psychological abuse as the most prevalent form of elder abuse. The study

also found that the officially reported cases are only the tip of the iceberg—for every case that is reported, several cases go unreported.

I think we have to protect seniors from scam artists and predators determined to take the money, the home, and the assets they have spent a lifetime saving and accumulating.

With the aging of baby boomers and the high concentration of wealth among older people, financial crimes against the elderly regrettably are certain to increase. Given this information, Federal resources can and should be targeted toward providing more training and assistance in the identification, investigation and prevention of financial crimes against seniors.

That is why I am pleased to be a cosponsor of Senator Breaux' Elder Justice Abuse Act. He is a true leader in the Senate on this issue, and we are delighted the he is joining us today.

This bill is the first comprehensive Federal effort to address the issue of elder abuse in all of its forms. It combines law enforcement and public health to study, detect, treat, prosecute and prevent elder abuse, neglect, and exploitation. This elder protection measure is based on successful approaches that have been applied to combat child abuse and violence against women.

Without question, tackling elder abuse is a complex question requiring a very comprehensive solution. The Elder Justice Act will play a significant role in building the vital Federal infrastructure and resources necessary to protect the financial safety of our Nation's seniors.

We look forward to the testimony of the witnesses on this important issue.

I will turn now to my colleagues for their comments, and then we will go back to our colleagues for introduction of witnesses.

It is a real pleasure for me to introduce again my running buddy on so many of the committees on which we work together, the distinguished Senator from Maryland, Senator Mikulski.

OPENING STATEMENT OF SENATOR MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman, for holding this hearing today on the financial exploitation of older Americans.

I want to thank you for your leadership and your vigor on combatting consumer fraud but also now focusing on the largest group in our population that is subjected to the schemes, the scum, the thugs, and the bums, and that is our senior population.

So we want to thank you for holding this hearing. We want to thank those who will be testifying here today, because we want to hear first-hand how we can fight financial scams against seniors, how we can prevent them, and also a better understanding about how people are victimized.

Protecting the financial security of older Americans must be a priority. They work very hard for their money, and as they get older, when they talk about a "rainy day," the rainy day can often be an everyday occurrence with the rising cost of health care and the rising cost of prescription drugs. Seniors need their money. Then, along come those who want to engage in despicable things

like telemarketing scams, identity theft, and investment scams to take people's hard-earned money away from them.

This hearing today is about how older Americans have been the victims of financial schemes and swindlers, and we need to talk about what the Federal Government must do to crack down on these schemes.

As I move around my own State, I have heard from seniors who are victims of these financial scams. Some, we will hear from today, like Mr. Chambers. Mr. Hammond, representing the AARP from the Eastern Shore of Maryland will talk about how AARP's educating older Americans about these schemes.

We will hear people talk about how they were promised investment schemes that would yield 18 percent in annual rates of return, and then, when it came time for the note to mature, the man lost the \$20,000 he invested.

There was a Silver Spring woman who got a telemarketing call that offered an opportunity to save money on food and vision care, but by the end of the day, she lost her life savings.

And again, we will be hearing from Mr. Richmond Chambers of Chevy Chase, who was the victim of a credit card scam.

Then, we turn to not only listening to the horror stories but also to how we can correct them. So we look forward to hearing from Maryland Attorney General Joe Curran, who has been doing a fantastic job fighting these rip-off artists.

What are the facts? Financial scams against people over 65 is not just a Maryland problem; it is a national problem. As you said, 40 percent of all elder abuse involves some kind of financial exploitation. It ranks third behind neglect and emotional/psychological abuse as one of the most prevalent victimizations of the elderly.

Telemarketers—the illegal kind—bilk Americans out of \$40 billion every year. That is 10 percent of what we want to spend on prescription drugs. Isn't this amazing?

So we need to protect our retirees. Honoring your mother and father is not only an excellent commandment—it is really good public policy. That is why we want to make sure that the way we honor them is to be able to have the right programs, the right public education, and the right legislative approaches to protect them, whether it is high-tech fraud on the Web, telemarketing, fraudulent investments, or just overt harassment to squeeze money out of them.

That is why I have cosponsored the Elder Justice Act—leading the way is our colleague, Senator Breaux—to protect our seniors.

State and local governments are on the front lines, preventing, detecting, and fighting financial abuse of seniors. But the Federal Government must play a more important role in preventing these scams and swindlers. We think public education and prevention are key. We also think that legislative approaches like the Do Not Call List are another important part.

We also think we need to look at what are the tools the Federal Government already has. Every month, they mail out checks to veterans, to senior citizens on Social Security, the Railroad Pension Act, and we think we need to be able to make greater use of those mailings to do the kinds of tips and advice that people can use to protect themselves.

I want to give help to those people who have practiced self-help all of their lives.

Thank you very much, Mr. Chairman. I look forward to the hearing.

[The prepared statement of Senator Mikulski follows:]

PREPARED STATEMENT OF SENATOR MIKULSKI

Mr. Chairman, thank you for holding this important hearing today on financial abuse of older Americans.

Protecting the financial security of older Americans must be a priority, with more prevention and punishment of crimes against seniors like telemarketing scams, identity theft, and investment scams.

I sympathize with each and every senior and their family that has been a victim of financial scams.

This hearing is about how older Americans have been the victims of financial scams and swindlers and what the Federal Government must do to fight and crack down on these schemes and scam.

Maryland Impact

As I travel around Maryland, I hear from seniors who are victims of financial scams. For example:

Story 1: Maryland resident's insurance agent told him about a unique investment opportunity.

- Nine month promissory notes that would yield an 18 percent annual rate of return.
- Notes were supposed to be secured by automobile titles and the man agreed to invest \$20,000.
- When it was time for the note to mature, he found out that the investment was not secured by anything.
- His money was gone, and the insurance agent was not registered to sell securities in Maryland.

Story 2: Silver Spring, MD woman got a telemarketing call that offered her an opportunity to save money on food, jewelry, and vision care.

- Caller also told her they would send her large checks, totaling as much as \$25,000.
- But the telemarketers repeatedly asked her to send them money before she received her prizes.
- She spent her life savings—more than \$21,000—and received only a few hundred dollars worth of merchandise she did not need nor want.

Today the subcommittee will hear from Richmond Chambers of Chevy Chase, MD who was the victim of a credit card scam. I want to thank him and his family for taking the time to be here today.

I look forward to hearing from Maryland Attorney General Joseph Curran, who has been doing such a great job in Maryland combating these rip-off artists. But he can't do it alone.

The Problem

Financial scams against people over age 65 is not just a Maryland problem. It is a national problem. Forty percent of all elder abuse involves some form of financial exploitation. Financial abuse ranks third behind neglect and emotional/psychological abuse as

the most prevalent form of elder abuse. Every year illegal telemarketers bilk Americans out of an estimated \$40 billion. Nearly a third of all telemarketing fraud victims are age 60 or older.

Need To Protect Retirees

Honoring your mother and father is not only an excellent commandment, it is good public policy. That's why I believe that one of the important things we can do is protect our retirees from scams, scum, and swindlers. I'm talking about the cunning rip-off artists who viciously prey on retirees to scam them out of their money, their assets, their homes, and their possessions. Whether it is high-tech fraud on the web, telemarketing, or fraudulent investments.

Bam Action

That's why I have cosponsored the Elder Justice Act (S. 333) to provide more Federal resources and tools to fight elder abuse and financial scams.

It would help prevent financial scams against the elderly by grants to prevent, detect, intervene in, investigate and prosecute financial fraud and exploitation. It will also provide training for police, attorneys, adult protective services personnel, and bank personnel.

ROLE OF FEDERAL GOVERNMENT

State and local governments are on the front lines preventing, detecting, and fighting some financial abuse of seniors. But the Federal Government must play an important role in preventing scams and swindlers from cheating older Americans, it must be a resource and a line of defense. It must crack down on those who scam and defraud seniors.

Public education and prevention are key. Whether it is adding your name to the Federal Trade Commission's Do Not Call list at <http://donotcall.gov/> or using the FTC's toll free hotline to report complaints or get information to help make sure you are not the victim of a scam (1-877-FTC-HELP).

I'm pleased that W. Lee Hammond of Salisbury, MD is here today on behalf of HARP to share how they are educating the public about financial scams.

CLOSING

I want to thank those who fight on a daily basis to help protect our retirees from scams and swindlers. Their efforts are invaluable.

I look forward to hearing from our witnesses about how seniors have been the victims of scams and swindlers and what the Federal Government should do to stop these schemes.

Senator BOND. Thank you very much, Senator Mikulski.

As I said, we are very pleased to be joined by the Senate leader in the elder abuse prevention effort, the distinguished Senator from Louisiana, Senator John Breaux.

Senator Breaux, we thank you for the very comprehensive and thoughtful statement that you have submitted. We will make that

a part of the record, and I now invite you to make such comments as you wish.

Senator BREAUX. Thank you very, very much, Mr. Chairman. I will be very brief. Thank you, Senator Mikulski.

And really, I want to say to both of you thank you very much for your leadership in this area. It is so refreshing to see not just one committee but multiple committees in the Congress now focusing in on the issue of elder abuse.

I remember over 30 years ago when I was in the House of Representatives, and our dearly departed colleague Claude Pepper was running around, holding hearings and doing everything he possibly could to benefit the conditions of elderly citizens in this country. I was a very young Member of the House then, and I could never really understand his intense interest, other than the fact that he was so much older than I was, and I guessed that was why he was doing it.

But here we are, 30-some years later, and we are still talking about it. I have never seen a Senator or a Congressman in my 32 years here who has been in support of elder abuse; everybody is totally opposed to it. And time after time and year after year, we have meetings and hearings, and we give speeches about the horrors of elder abuse. But we have not yet crossed the threshold to what are we going to do about it.

We have these horror stories—Mr. Curran testified before our Aging Committee; Mr. Blancato testified before our Aging Committee, and they are now here today. I would just suggest—and both of you have been leaders in this effort to get behind the major piece of legislation that we all are working on together called the Elder Justice Act, Senate bill 333.

We have over 31 cosponsors in the Senate and a significant number, bipartisan, in the House. Most of your subcommittee members have also sponsored a hearing. The full committee has a significant number of sponsors on the bill, four of your subcommittee members and eight of your full committee members.

We have to act on this legislation. If we want to leave a legacy of accomplishment, it has to be more than just having hearings, which we have done and you are doing—it has to be a product, it has to be something that we have done about the problem. We have now convinced the American public it is a problem.

So there are several stages—you convince the American people there is a problem; you offer a solution to that problem, and then you put together the political will to do something about it. And I think we are now at the third stage, and I think your hearing today, Mr. Chairman and Senator Mikulski, will be very helpful in convincing those final few Members that we have to convince in the Senate to push forward with this legislation, and I commend both of you for doing that.

Senator BOND. Thank you very much, Senator Breaux.

[The prepared statement of Senator Breaux follows:]

PREPARED STATEMENT OF SENATOR BREAUX

Chairman Bond, Ranking Member Mikulski and Members of the Subcommittee. I would like to thank you for holding today's hearing on financial exploitation of the elderly. I applaud you for your

efforts to address this growing problem. I also thank you for your co-sponsorship of S. 333, the Elder Justice Act, introduced by me, Senator Orrin Hatch and a bi-partisan list of 31 other Senate co-sponsors. I am convinced that we must find creative solutions for combating this and other forms of abuse. As the baby boomers age, this subject will only continue to grow in significance.

Over the last 25 years, we in Congress have focused on different types of elder mistreatment including physical abuse, sexual abuse, emotional or psychological abuse, abandonment and neglect to merely name a few. Congress has focused on abuse in institutions as well as home settings. Today, this subcommittee focuses on yet another form of elder abuse: the financial and material exploitation of our elderly.

Elder abuse in general is difficult to quantify. In fact, there is a dearth of data on the subject and a large disparity is evident between the number of cases reported and those that go unreported. According to the 1998 National Elder Abuse Incidence and Prevalence Study, the only such study on the subject, only 16 percent of all elder abuse cases are actually reported, leaving an incredible 84 percent of the cases unreported. Clearly, reported cases of elder abuse are merely the “tip of the iceberg.”

Experts believe that there are between 500,000 and five million reported instances of elder abuse each year in this country. In fact, elder financial abuse ranks third only behind neglect and psychological abuse as the most prevalent form of elder abuse. Approximately 30 percent of abuse is believed to be financially related. This is not surprising, considering the fact that those over 50 years of age control at least 70 percent of the nation’s household net worth. It’s no wonder the elderly are targets of financial crimes—crimes expected to increase as baby boomers age.

The results of financial exploitation can be devastating. The independence of our older Americans can be shattered and long-term psychological and emotional scars may never be overcome. There is even evidence to suggest that financially abused elders have a higher risk of premature death.

At hearings held by the Special Committee on Aging last year, we heard witnesses testify to various forms of financial exploitation of the elderly.

- Carl Fioche from Tacoma, Washington lost his home, his savings and declared bankruptcy at 79 years old. He did this due to financial exploitation by a much younger woman, apparently part of a gypsy con-artist ring operating in this country.

- Marie Bobo of Tacoma, Washington was imprisoned alone in her own “chamber of horrors” by her daughter who kept half of her mother’s income only feeding her mother one bowl of food and water each day. An emergency team found her permanently constricted in the fetal position in a most unimaginable condition.

- Bill Blevins of Manassas Park, Virginia, told the committee about the convicted felon who befriended and exploited his 72-year-old cousin, and dozens of other seniors, out of millions of dollars in Northern Virginia. This was accomplished by isolating the seniors and exerting undue influence over their decisions.

Everyday my staff receives reports of abuse around the country. Just this week, we received a report that a bookkeeper in Illinois

was sentenced to 12 months incarceration and ordered to pay \$23,000 in restitution for theft of monies, leaving the victim penniless and buried in a pauper's grave with no headstone. Here are some of the stories we've seen recently in a few of the States represented by this subcommittee:

- **Virginia**—a daughter was charged with felony abuse and neglect of her father, refusing help so that she had access to his \$800 disability check monthly.

- **Ohio**—a former caretaker and her teenaged daughter are accused of murdering a 79-year-old woman for money presumably left in a will.

- **Tennessee and North Carolina**—the daughter of an 88-year-old woman whose frozen remains were found 2 years ago on Roane Mountain in North Carolina was charged with reckless homicide and two counts of theft, including \$10,000 in Social Security checks.

- **Washington**—a businessman was sentenced to 7.5 years in prison for stealing more than \$200,000 from his senile stepmother's estate while serving as her legal guardian.

- **Colorado**—a court conservator entrusted to oversee the estate of a 101-year-old Alzheimer's victim was charged with swindling the woman out of almost \$2 million.

- **Massachusetts**—a disbarred attorney was charged with stealing more than \$350,000 from clients and failing to file State income returns.

These are just a few of the stories we see daily. I know the Chairman and Ranking Member are aware of stories from their own States.

The stories of financial exploitation of the elderly are endless. Today's hearing, will focus on this growing phenomenon in our society where all too often life savings are depleted and the vulnerable elder population is exposed to financial ruin.

As more and more of the baby boomers draw closer to senior citizen status, sons, daughters, grandchildren, and our society must exercise vigilance in protecting those who have protected us during our vulnerable years. What we have found is that in most States, the protective system currently in place, although well intended, is fragmented at best. Public service professionals across our country unanimously agree that protection services, law enforcement and prosecutors lack the special skills, training, funding and legislative support to properly investigate and resolve increasingly complex cases of elder financial abuse. With the lack of comprehensive, ongoing, reliable studies regarding the extent and nature of elder financial abuse, there is little information to help us focus on designing specific services and remedies. This hearing will help to lift the veil from elder financial abuse and support the creation of a functional elder justice infrastructure.

I believe abuse, neglect and exploitation is one of the gravest issues facing millions of American families. It is essential that we begin to put in place the infrastructure to understand and address the myriad of issues facing older Americans. We must ensure that older Americans are safe in their homes and in institutions and free from all types of abuse: physical, sexual, financial and neglect.

Mr. Chairman, these are among the several reasons, why Senator Hatch and I offered the Elder Justice Act, S. 333, as part of that solution. I am pleased to say we have 33 cosponsors in the Senate and a companion bill introduced in the House. Between the two houses, S. 333 and H.R. 2490 have almost 100 cosponsors, and the number continues to grow. Four of the Senate cosponsors are members of this subcommittee and eight cosponsors are members of the full Committee on Health, Education, Labor and Pensions. More than half of the members of the Finance Committee, the committee of jurisdiction, are cosponsors of the bill.

Congress has passed comprehensive bills to address the ugly truth of two other types of abuse—child abuse and crimes against women. These bills placed both issues into the national consciousness and addressed the abuses at a national level. Yet, despite dozens of congressional hearings over the past two decades on the devastating effects of elder abuse, neglect and exploitation, interest in the subject has waxed and waned, and to date, no Federal law has been enacted to address elder abuse in a comprehensive manner.

The time has come for Congress to provide seniors a set of fundamental protections. Nursing homes are regulated at both the Federal and State levels. Yet, abuses still occur. The larger percentage—approximately 80 percent—of our older population is cared for in homes, not nursing homes and other institutions. We are ill-equipped on both public health and law enforcement levels to address these abuses of our seniors now, and I submit we will be far less equipped to prevent abuses in the near future as 77 million baby boomers advance in age. The Elder Justice Act will elevate elder abuse, neglect and exploitation to the national stage in a lasting way. We want to ensure Federal leadership to provide resources for services, prevention and enforcement efforts to those on the front lines in the States.

The Elder Justice Act addresses elder abuse in a comprehensive manner in homes and in institutions. It seeks to jump-start research and promising projects and improve the quality, quantity and accessibility of information. In addition, the bill seeks to develop forensic capacity to assist in the detection of elder abuse and train individuals to combat abuse by recognizing the signs. Also, I would like to mention just a few of the provisions of the bill that address abuse of our older Americans:

- The bill **enhances detection** by creating forensic centers and developing to enhance detection of the abuse.
- The bill **bolsters treatment** by funding efforts to find better ways to mitigate the devastating consequences of elder mistreatment.
- The bill **increases collaboration** by requiring ongoing coordination at the Federal level, among Federal, State and local private entities, law enforcement, long-term care facilities, consumer advocates and families.
- The bill **aids prosecution** by assisting law enforcement and prosecutors to ensure that those who abuse our nation's frail elderly will be held accountable, wherever the crime occurs and whoever the victim.
- The bill **improves prevention and intervention** by funding projects to enhance long-term care staffing.

Finally, Mr. Chairman, even more specific to financial exploitation, the bill provides the following requirements:

- Prompt reporting of crimes in long-term care to local law enforcement;
- Criminal background checks for all long-term care workers; and
- Model State laws and practices developed to share with the States.
- Training of social services, judges, prosecutors, law enforcement, the public and others to address elder abuse from a multidisciplinary setting.
 - Creation of a research institute to aid prosecutors in preparing cases of elder abuse.
 - Enhanced community policing efforts to protect at-risk elders.
 - Victim assistance, “safe havens,” and support for at-risk elders.
 - Enhancement of Adult Protective Services in the States to address abuse in home settings.

The cost of elder abuse and neglect is high by any measure. The price of this abuse is paid in needless human suffering, inflated healthcare costs, depleted public resources, and the loss of one of our greatest national assets—the wisdom and experience of our elders. With scientific advances and the graying of millions of baby boomers, the number of the elderly on the planet passed the number of children for the first time last year. Although we have made great strides in promoting independence, productivity and quality of life, old age still brings inadequate health care, isolation, impoverishment, abuse and neglect for far too many Americans.

I believe the Elder Justice Act can provide many of the solutions we seek today with regard to financial exploitation of the elderly. The bill has broad support across diverse segments of the populations and across party lines. It is supported by a coalition of more than 190 organizations nationwide.

I thank you, Mr. Chairman, for providing me the opportunity to submit these comments for the record, and again, thank you for all your efforts to improve the quality of life for older Americans.

Senator BOND. Now I turn to my good friend, Senator Mikulski, to introduce all the witnesses that she has brought from Maryland. It looks like it is a bit Maryland-packed, but we are delighted to have the experts that you have invited.

Senator MIKULSKI. Thank you very much, Mr. Chairman.

First of all, it is a little bit Maryland-tilted, but our Attorney General, Joe Curran, has really led the fight—and I believe you were also an attorney general before you became Governor; am I correct?

Senator BOND. I was chief counsel in the Consumer Protection Division. I was working for Jack Danforth; he was the only one who would give me a job.

Senator MIKULSKI. So then, you know the vigor that there can be at the State level, because a Federal program cannot be a one-size-fits-all, Mr. Chairman. So much has to be oriented around the State. Some are very rural, like Utah, some are very urban. This is why we are proud to introduce Attorney General Joe Curran, who has vigilantly fought to protect children against child abuse. He has been a national leader on consumer protection, particularly

Medicaid fraud protection, securities regulation, and now he has launched Project SAFE, Stop Adult Financial Exploitation.

He has been a real leader in this, and again, I think we can learn what we can do to help the States, because it has really got to be at that level.

We will also hear from Mr. W. Lee Hammond, who comes to us from Salisbury, MD and is here representing the AARP. He is on the Board of Directors. He has a broad knowledge of these programs, and we look forward to hearing from him.

And we welcome Mr. Chambers who is from Chevy Chase, MD, who was the subject of Visa card fraud.

Rather than long introductions, we really need to hear from them, each one of whom brings great expertise, and Mr. Hammond represents a national organization.

Senator BOND. Thank you, Senator Mikulski.

I am very pleased to introduce a long-time friend, Carol Scott, from my home State of Missouri. Ms. Scott is the Missouri Long-Term Care State Ombudsman, currently serving as president of the National Association of Long-Term Care Ombudsman Programs. Prior to that, she was legislative liaison for the Division of Aging and a budget analyst for the Division of Medical Service. She is currently a member of the Professional and Technical Advisory Committee on Long Term Care and Assisted Living of the Joint Committee on Accreditation of Health Care Organizations.

Carol, we appreciate you making the trip up here.

We are very pleased also to have Mr. Robert Blancato with us today. He is the president of the National Committee for the Prevention of Elder Abuse. His career involves more than 25 years in public service in both Congress and the executive branch, serving as staff director of the House Select Committee on Aging Subcommittee on Human Services, and a senior advisor until 1993. He served as executive director of the 1995 White House Conference on Aging, appointed by President Clinton.

He has many other recognitions, serving as national coordinator for the recently-launched Elder Justice Coalition, and in December of 2000, he launched CaregiversCount.com, an online resource for up-to-date nonpartisan information.

With that, let us turn to the witnesses and see how many we can get in before we have to leave for the vote. To all of you, we will accept your full statement for the record, which all of us on the committee and the subcommittee will find helpful. We ask because of the time constraints that you try to keep your testimony to 5 minutes so we will have time for questions.

With that, Mr. Chambers, thank you very much for being here. We look forward to having your testimony.

Thank you, sir.

STATEMENT OF RICHMOND D. CHAMBERS, CHEVY CHASE, MD

Mr. Chambers. Thank you, Senator.

I am pleased to be here today to describe a scam against elderly Visa credit card holders. I live in a condominium apartment at 8101 Connecticut Avenue in Chevy Chase, MD.

I received a telephone call on April 2, 2003 from a man purporting to be a representative of the Visa organization. He said Visa

had sustained a computer problem in which information on 5,000 accounts had been lost and that certain information had to be retrieved if my account was to remain active.

I had received a similar call some months before from a source that hung up when I refused to answer his questions. I was again suspicious. I asked this caller a number of questions, which he answered very convincingly. He finally gave me a toll-free number which he said would verify his identity. I called back and was answered by a female who said "Visa" and connected me with the original caller. I believed he had established his identity, and I gave him three numbers on the back of my Visa card which he requested. I also gave him my mother's maiden name and my Social Security number. He in some way had already secured my address, Visa card number, and obviously my phone number.

The next day on leaving my apartment, I found a flyer at my door entitled, "Resident Alert." The document was issued by my apartment manager and described exactly the Visa fraud in which I had been victimized the previous day. I immediately called the fraud unit at Visa and related the incident. After verifying several charges to my account, I was asked if I had charged \$2,750 to Western Union. I had not. I later discovered that Visa had authorized the claim but had not issued payment against the charge. My account was closed and reestablished with a new number.

I was fortunate that I had sustained no financial loss in the matter. I reported the entire affair to the Montgomery County police, who arranged two television appearances for me to publicize this scam. The Montgomery County, MD police and the State's attorney for Montgomery County have updated me on this case. The policy determined that the scam operators were based in Miami, FL. Officers were dispatched to Miami to investigate.

With the cooperation of the local police, 11 suspects were arrested and expected to Montgomery County, MD to face trial. I was recently informed that approximately 40 residents in the general Chevy Chase area were victimized by this scam. A number of the victims actually had money paid from their Visa accounts to Western Union for pickup.

At least five additional residents of my condominium were victimized in these scheme along with residents across the street in an assisted care residence. I have no information regarding whether those arrested had information on the ages of their victims. I was favorably impressed with the reaction of the valid Visa representative, the Montgomery County police, the local television stations, and our alert building manager, Katie Wyrsh, all of whom had a part in bringing these alleged criminals to justice.

Thank you.

Senator BOND. Well, congratulations, Mr. Chambers. Thank you very much for playing a leadership role. It is good to hear a success story, and we hope that those people are now residing in public accommodations with bars on the windows.

Mr. Chambers. I understand they are.

Senator MIKULSKI. We got their number—they got a number.

Senator BOND. Thank you for your aggressiveness, Mr. Chambers. You have served many of your friends and neighbors very well.

Senator BOND. Now let us turn to the distinguished attorney general, General Curran. Thank you for being here.

**STATEMENT OF J. JOSEPH CURRAN, JR., ATTORNEY GENERAL,
STATE OF MARYLAND, BALTIMORE, MD**

Mr. CURRAN. Permit me also to say thank you to Mr. Chambers for your quick action and the education that was available in Montgomery County.

I believe that it is education of the public and enforcement by law enforcement, both Federal and State—and permit me, Senator, if I might say on behalf of all of my colleagues in the attorneys general offices across the Nation that on the issue of preemption, which I know comes up from time to time, that I simply urge you to consider when these issues arise that the local persons on the scene, be it in Chevy Chase or in Baltimore or in St. Louis, are the “cops on the beat,” so to speak, and with rare exceptions, we do not endorse the idea of preemption. But I do understand that there may well be some times.

Having said that, Senators, education is indeed a real effort to deal with financial fraud. We have, Mr. Chairman, a very aggressive consumer protection division, as you have in Missouri. I am pleased to say that about 100,000 times a year, someone calls our office with a concern, and we do respond. I have with me here our securities commissioner in Maryland, Mounty Lubin, and she will verify that of all the securities scams that we have contact with, seniors are involved in all of them. Now, that is not to say that some nonseniors are also not scammed, but I can promise you that every scam we have involves seniors.

One, as you have already said, they have money; they are growing older; they fear that they will outlive their savings—in the volatile stock market, interest is low, and there is a need now to get more income to take care of the cost of living and prescription costs. So they are targets, and they are susceptible.

You mentioned the SAFE program. Something I never realized before—my own daughter brought to my attention some years ago that a nextdoor neighbor of hers, a senior with some limitations, to be honest with you, living by herself notwithstanding, was being systematically defrauded when she went to the bank. How could that be?

What is happening is—and I did not realize this—is that many folks, including myself, to be honest with you, do not have these ATM cards, and we rely on going to our favorite bank, seeing our favorite teller, and making a withdrawal for our weekly expenses. Then, suddenly, there was a large series of withdrawals by this same lady, who came in with a stranger, and the teller could not do anything. Federal laws—and State laws, for that matter—prohibit disclosure—it is my money, and what I want to do with it—but the teller was not able to do anything.

I am happy to say that with the cooperation of the banks, we now have a law in Maryland that will permit the bank teller who is suspicious that something is amiss to say something, bring it to the attention of a supervisor, and he in turn looks into the situation and calls protective services in the Office on Aging, and someone will visit the senior.

So it just goes to show you how a little initiative—and the banks now are involved, and when they see something that does not look right, they do something, rather than say, “It is your money.”

The lottery is a big problem. You go to the mall, and in the mall, you see “Win a prize,” like a trip to Florida, or “Win a cake,” for that matter, and you fill in a little card. Well, when you fill in that little card, more often than not, that’s where—maybe you are eligible for a prize, but you are also going to get on a list. And then, seniors get a call that “You have just won a big prize.” In Baltimore County, Senator Mikulski, just the other day, someone complained of losing \$30,000. We had a lady in Cecil County who lost \$600,000 in a Toronto—a lot of it is coming from Canada—Miami was just referred to—we have seen these calls come in from Canada, where they advise you that you have won a Canadian lottery, and all you need to do is send a check to cover the expenses, the cover the lawyer’s fees or to cover the taxes—and then they, sadly, write a check and send it to Toronto. This woman lost \$600,000. Sadly, we were not able to get much of the money back because the Feds, working with the State police and the Canadian folks, caught these guys—they were later prosecuted in Kansas City, I am happy to say, and they went to jail, because there was a stronger case there than we had in Maryland—but by then, the money was gone.

Education and enforcement—I have a statement here of a range of things that are of concern to us—but I would say that if you have some laws that permit preemption, be careful of that. Let us do our thing at our level. On the banking situation, continue, if you will, please, to permit the banks to have a relaxed rule in which they can call law enforcement when there is something suspicious.

We do—and I have left with you some ideas of—I am happy to say, Senator Mikulski, that the things that we give you, like a “Consumer Guide for Seniors”—this is paid for not by you and me as taxpayers but by the money we recover from the bad guys. We turn that into publications, senior seminars, and other outreach. But our message would be that enforcement at the local level would continue to be very effective.

Thank you.

Senator BOND. Thank you very much, General Curran, and thank you for your great work. As one who came to Washington because I was tired of being preempted in so many things when I was Governor of Missouri, I share that concern. I think we need to balance this out. This is one area where I do have some concerns. We are delighted to see where the States are doing well, and there is clearly a role for the Postal Service, the FBI, and others, but nothing beats the cop on the beat.

[The prepared statement of Mr. Curran may be found in additional material.]

Senator BOND. Now let me turn to one of my favorite cops on the beat, Carol Scott.

STATEMENT OF CAROL SCOTT, MISSOURI STATE LONG-TERM CARE OMBUDSMAN, AND PRESIDENT, NATIONAL ASSOCIATION OF LONG-TERM CARE OMBUDSMEN, JEFFERSON CITY, MO

Ms. SCOTT. Good morning. Thank you for inviting me to speak on the very important topic of financial abuse. I want to congratulate you for focusing on elder abuse and for being among the leaders in the effort to get people off their rockers and do something to help elderly and disabled Americans who are being abused, neglected, and exploited. Their health, security, and sometimes their lives are cut short because of the actions and inactions of others.

As a long-term care ombudsman, I am one of 10,000 staff and volunteers from across the country who are trained to advocate on behalf of residents of long-term care facilities. We visit nursing homes and board and care facilities and listen to the issues, complaints, and questions of residents, their friends and families.

In addition to individual advocacy, ombudsmen are to ensure that policymakers are aware of places in the system where improvements are needed. Well, here I am, representing not only the Missouri ombudsman program, but the national ombudsman program. Our national organization is a founding member of the Elder Justice Coalition, which is committed to ending elder abuse.

Perpetrators can be family members, friends, health care professionals, and even men and women. We need to act now. Legislation before this Congress, Senate bill 333 and H.R. 2490, will put into place needed training, data collection, legal assistance, investigative assistance, and most of all, beefing up of the adult protective services programs across the country, as well as assisting law enforcement, prosecutors, and judges.

I want to tell you about two Missouri cases that exemplify the growing crisis. "Mary" is a 91-year-old resident of a nursing home. She is mentally competent, and she is living in the nursing facility because her durable power of attorney took her to the facility for a visit and just left her there. Mary was afraid to object to this action.

Mary owns several farms and two homes. The local ombudsman was informed that one of Mary's farms and many of her household items had been sold and that Mary was not aware of this. The ombudsman visited Mary and asked if she knew that one of her farms had been sold. "How could he do that?" Mary was very upset and requested the ombudsman's help.

The person selling the property had Mary's durable power of attorney which she had signed when she was in the hospital and very ill. She does not remember signing the document, and she said she certainly had no intention of allowing someone to sell her property without her knowledge and permission.

The ombudsman assisted Mary in getting an attorney and in repealing the durable power of attorney document. In the meantime, 250 acres of land and many of her household items are gone forever. The announcement of the auction of the household items did not list Mary as the owner of the property because the durable power of attorney holder "did not want her to be upset."

In the second case, an in-home aide stole money from three clients. She took \$900 from one of the clients. Luckily, this case was

referred for prosecution, and the aide pled guilty to charges of Class C felony forgery and Class C felony stealing. She has also been placed on the Missouri Employee Disqualification List, which for 5 years prevents the aide from working in the in-home agency or nursing facility industry.

These two cases demonstrate that the elderly can be exploited by anyone who has access to them. Whether by intimidation or outright stealing, something must be done to make it easier for people to report crimes, something that will assist with the coordination between adult protective services, long-term care ombudsmen, nursing home licensing staff, law enforcement, and district attorneys.

There are many groups and organizations in the aging network, from the National Association of State Units on Aging to AARP to local senior centers and long-term care ombudsmen. Stopping abuse will take more than just this network. It will take regular citizens asking questions, courts that are prepared to hear cases, and a better understanding of who can become a victim.

The Elder Justice Act will provide Federal resources to support State and community efforts on the front lines, to those dedicated to fighting elder abuse with scarce resources and fragmented systems. And maybe more important, this Act will bring national attention to the issue of abuse, neglect, and financial exploitation.

The time for the Elder Justice Act is now. Senator Bond, you just completed a tour of Missouri where you said that congress had its first hearing on this topic almost 30 years ago. Well, I join you in declaring that the time is now. I believe that it is now time for Congress, elder Americans, and elder advocates to “get off our rockers” and get the job done.

Senator Bond, Senator Mikulski, the Elder Justice Act is a fine piece of legislation. Please do not allow another year to go by without its passage.

Thank you for this opportunity for me to get off my rocker and make a difference.

Senator BOND. Thank you very much, Carol. I knew you would give us a good jab, and we probably need that.

[The prepared statement of Ms. Scott may be found in additional material.]

Senator BOND. Mr. Blancato?

STATEMENT OF ROBERT BLANCATO, PRESIDENT, NATIONAL COMMITTEE FOR THE PREVENTION OF ELDER ABUSE, WASHINGTON, DC

Mr. BLANCATO. Thank you, Mr. Chairman.

I commend this subcommittee for holding this hearing on financial abuse and exploitation of the elderly. I also salute you, Mr. Chairman, and Senator Mikulski for being cosponsors of S. 333.

Our primary focus must be on the vulnerable elderly victims of abuse. The Elder Justice Act notes that victims of elder abuse, neglect, and exploitation are 3.1 times more likely to die at an earlier age than expected compare to nonvictims. The 1998 study by the National Center on Elder Abuse which you mentioned said that 40 percent of all reported cases of elder abuse involve some form of financial abuse. More crimes against the elderly involve financial

abuse than physical abuse. Adult protective service agencies investigate more cases of financial abuse than physical abuse, according to another NCEA study in 2004 from 44 States.

Financial abuse of the elderly, a majority of which is committed by family members, may be any of the following criminal acts: stealing, larceny by false pretense, embezzlement, forgery, uttering, extortion, burglary, and robbery.

Indicators of financial abuse that have occurred or are likely to include erratic or uncharacteristic bank activities such as the active use of the ATM card of a homebound senior; recent acquaintances, especially those taking up residence with an elderly person; missing property; an older person being evicted or having utilities disconnected; redirection of an older person's mail to a different address.

Then, we have some recent news headlines which provide further illustration. Brooklyn, NY: "New York Judges Investigated over Aunt's Fortune." Two nephews, both judges in New York, gained control of their elderly aunt's assets; her fortune went from \$1 million to less than \$10,000.

Exeter, NH: "Son Charged with Stealing from Dad in Nursing Home." This involved a man indicted for stealing more than \$6,000 from his own father living in a nursing home.

Kingston, NY: "Couple Charged for Nursing Home Scam." This involved the sentencing of the second person for a scam which involved stealing of more than \$1 million from 19 nursing home patients through the establishment of joint bank accounts.

Seatac, WA: "Mayor Pleads Guilty, Resigns, Vows to Repay Money." This involved a plea of guilty to first-degree theft for taking more than \$139,000 from the trust of an 86-year-old woman who was a 30-year friend of this mayor.

Federal support for prevention, training, and public awareness programs is critical. I would like to offer four initial recommendations for The Older Americans Act to consider as you look ahead to the next reauthorization.

One, strengthen a good program, Title VII, which supports elder abuse prevention activities and the Long-Term Care Ombudsman Program. The total appropriation for prevention is less than \$5 million nationally. The value of prevention programs needs to be better-recognized with increased appropriations. Title VII funds should be used to expand successful local prevention programs and to help develop those where they do not exist.

Two, closer collaboration between the National Family Caregiver Support Program and elder abuse prevention. Elder abuse by family caregivers is rising. Some of the information and referral activities could better focus on educating caregivers on indicators or problems that could be a future basis for abuse.

Three, review how Title VI and Title VII can be more responsive to elder abuse affecting American Indians. A report will soon be released by the National Indian Council on Aging. Early findings show that two-thirds of those Tribal grantees surveyed said that financial abuse is the most common form of abuse they encounter.

Four, the next White House Conference on Aging should give priority attention to elder abuse and specifically address issues related to senior and boomers as they age. As you noted, Mr. Chairman,

70 percent of all wealth is held by those 50 and over. Intergenerational transfers of wealth will increase as boomers age. Even more serious financial abuse may be just around the corner.

One immediate request—additional funding for the social services block grant, the largest Federal program for adult protective services, is needed in fiscal year 2004.

And on behalf of our National Committee for Prevention of Elder Abuse and the 192 members of the Elder Justice Commission, let us pass the Elder Justice Act, the most comprehensive legislation ever proposed. This bill has many important provisions dealing with financial abuse, such as a dedicated funding stream for adult protective services, creation of an elder abuse resource center to collect data and information on financial abuse and exploitation, support for multidisciplinary training to better recognize signs of financial exploitation in our communities, and support to State and local prosecutors to provide backup resources and research to assist in prosecuting financial abuse and exploitation.

Elder abuse is a growing public health, law enforcement, and social service crisis nationally, and very directly at the State and local level. We need a coherent and coordinated national policy to combat elder abuse, neglect, and exploitation as is called for in the Elder Justice Act.

Policies today are too limited and reactionary. They must be proactive, comprehensive, culturally responsive, goal-driven, and outcome-oriented. Federal policy must also recognize the many innovative and successful elder abuse prevention programs and strategies in effect today in local communities, including more use of multidisciplinary teams. I would like to insert in the record, Mr. Chairman, a report that just came out on multidisciplinary teams by the National Center on Elder Abuse.

As the Elder Justice Act notes, the Federal Government has played an important role in the prevention of child abuse, domestic violence, and violence against women. We need to do the same with elder abuse. Federal policy is best when it helps those most vulnerable—in our Nation, there are few more vulnerable than elderly victims of abuse.

Thank you very much.

Senator BOND. Thank you very much, Mr. Blacato, and we will make the additional information available for the record.

[The prepared statement of Mr. Blacato may be found in additional material.]

Senator BOND. Mr. Hammond, I am going to introduce you and apologize. They have called for the vote, so I am going to go vote and come back and will turn the hearing gavel over to Senator Mikulski so that, for the convenience of our witnesses, we will try to keep the hearing going with as little disruption as possible. And I will look forward to reading your testimony and talking with you during the questions and answers.

Thank you.

Senator MIKULSKI [presiding]. Thank you very much, Mr. Chairman. While you dash, Mr. Hammond, we are going to ask you to present your testimony. We are so pleased that you have been elected to a 6-year term on the AARP Board of Directors, that you serve on the Maryland Commission on Aging, and the U.S. Attor-

neys' Health Care Fraud Task Force. You are quite an expert on fraud. You are a former teacher in Wicomico County, and we are looking forward to you teaching us a lesson or two about what we need to do to prevent elder fraud.

So, sir, please proceed.

STATEMENT OF W. LEE HAMMOND, BOARD MEMBER, AMERICAN ASSOCIATION OF RETIRED PERSONS, SALISBURY, MD

Mr. HAMMOND. Thank you, Senator.

I am Lee Hammond, a member of the AARP Board of Directors. AARP has long been engaged in efforts to deter financial fraud, the fastest-growing form of elder abuse.

The many hurdles to successful prosecution of these crimes are getting the cases reported to law enforcement, having them thoroughly investigated, and attaining timely and appropriate prosecution.

Financial exploitation has many disguises, causes, and forms of expression. But its common thread is an effort by unscrupulous persons to extract money and resources through a variety of devious means from unsuspecting and often vulnerable adults.

The incidence and impact of exploitation are difficult to estimate because there is no national reporting mechanism, cases are not often reported, definitions vary, and the crimes are difficult to detect.

In the 2000 survey of the National Association of Adult Protective Services Administrators for the National Center on Elder Abuse, financial abuse or exploitation comprised 13 percent of the allegations of mistreatment that were investigated. Regardless of the amount of exploitation detected, virtually all observers agree, as the chairman indicated in his opening remarks, that much more happens than is brought to light, and any exploitation is too much.

While numerous types of activities constitute elder financial abuse, all have the same characteristic—improper use of an older person's assets. But these activities go far beyond what most of us would consider merely "improper." Perpetrators employ deceit, forgery, coercion, or undue influence for personal gain.

AARP is addressing this problem through programs that educate members, families, professionals, and potential victims. Some AARP initiatives include the AARP Daily Money Management Program that helps older persons who are losing their ability to handle financial affairs find someone to help them manage their money; financial education projects, which expand financial awareness and enable participants to evaluate the trustworthiness of supposed advisors and experts; Colorado Elder Watch, which protects older adults from the financial exploitation of telemarketers and other forms of identity theft scams.

Attorney General Curran mentioned Project SAFE, where AARP joined with the Maryland Attorney General's Office, the Banker's Association, and the Department of Aging in a coalition to pass legislation which provided training and allowed banks to report, State officials to investigate and prosecute instances of financial exploitation.

AARP Campaign Against Predatory Lending advocates legislative reform, pursues precedent-setting litigation, and offers edu-

cation to older homeowners regarding what to watch for when borrowing against the equity in their homes.

AARP Consumer Universities offer presentations by leading local experts on how to avoid being exploited in the financial marketplace, in one's home, or by false advisors.

Legal clinics and attorney training seminars provide expert lawyers or housing counselors to examine loan applications to see if the owners may be exploited by the terms of the loan.

Use of the AARP media, including "The Bulletin" and "AARP—The Magazine," enables many persons to be educated about financial exploitation through the featured articles.

Research by the AARP Public Policy Institute on consumer financial and fraud issues includes deceptive or fraudulent pre-need funeral and burial arrangements, identity theft, and the regulation of home improvement contractors and sub-prime mortgage lending.

AARP regards its multifaceted effort against the financial exploitation of older persons as a valuable way to equip consumers, families, professionals, and vulnerable elders to recognize signs of potential abuse. The goal is to enable them to detect, prevent, or intervene before financial crises arise.

We make information about all of our programs, services, and research available online, in print media, or both.

AARP appreciates this opportunity to share some of our financial abuse education and prevention activities with the committee and looks forward to working with you to pass legislation like Senate bill 333, the Elder Justice Act, to provide a comprehensive national approach to elder abuse prevention.

Thank you.

[The prepared statement of Mr. Hammond may be found in additional material.]

Senator MIKULSKI. Thank you very much, Mr. Hammond, for that very comprehensive testimony. We know that you have summarized it very well, and it is appreciated.

I have to leave for the vote, so I am going to temporarily recess the committee. Senator Bond will return and begin the questioning, and we will have a good conversation. Each of you comes at it from a different perspective, but this has been enormously instructive, and I think we can get our hands on this, and we do have some questions.

Mr. Curran, one of the things that we want you to think about while we dash for a vote is that we are not talking about preempting, we are talking about partnership. The fact is that you are the cop on the beat and also, the ombudsmen are another form of the cop on the beat. The question becomes what is the best way to support efforts at the State and local level.

I know the Elder Justice Act presents a framework, but I really want to be able to strengthen the State and locals. Mr. Chambers was prevented from terrible exploitation because of a vigilant apartment manager and then, the ability of a smart police force to put him right on TV, which immediately broadcast the alert and could tell the story. That was partnership at the local level. So that is what we want to look at—how can we strengthen the ombudsman. I think Mr. Blancato gave some excellent ideas as well.

So that is going to be the line of questioning, which is how do we get the job done. With the Elder Justice Act, this is the time to make suggestions on how to make it more vigorous.

You are right, Ms. Scott, and also Mr. Hammond, people are being mugged every day, but instead of walking down the street, they are now being mugged on the Internet, mugged on their telephones, and I think one of the most despicable is when you are exploited by your own family.

So let us look at that. We got our hands on predatory lending; let us get our hands on these other predators.

Now the committee stands in temporary recess subject to the call of the chair. So take a break, and we will be back in 5 minutes.

[Recess.]

Senator BOND. If we could ask the witnesses to take their seats, we will reconvene the hearing. I apologize. It is a long way to go to get to the floor and vote, and I know that Senator Mikulski will be rejoining us, but I appreciate your patience in waiting for us.

To begin the questions, Mr. Chambers, you worked very effectively. What kind of advice would you like to give to other seniors across the country if they find themselves being victimized?

Mr. Chambers. I think the main thing is do not be stupid, the way I felt when I found out that I had been taken.

I think that on the whole, probably, older people who are not used to being out among the people who are doing things and are busy get a little rusty on taking care of themselves, and that is the way I felt when I was taken.

I would be interested to know exactly how many of the 40 people who were victimized in my case were actually older people. I imagine most of them were. The ones that I was speaking of who live across the street in the assisted living quarters, I know that all of those people are older, and there are a number of older people in our building, I think that probably they were the ones who were victimized.

Another thing, I believe that most of these people probably have more credit cards than they need. That seems to be open season for methods of getting information about older people and using it for criminal purposes.

Senator BOND. Thank you, sir. I can imagine that most of those who were victimized were elderly, although I must tell you I have a son who just graduated from college, and the number of credit cards they push on college students and young people—it is not just the older people they are going after.

Again, do you have any final advice for preventing it? It certainly sounds like you took reasonable care, but what would you say if somebody has a credit card question, or any advice on avoiding the problem? You at least called back and got some confirmation.

Mr. Chambers. Yes, both to the Visa people, who are obviously very conscious of the type of fraud, and the police also. I was really impressed with the fact that the police department took hold of this thing and followed it all the way to the end. They were very cooperative.

Senator BOND. I would guess probably one of the lessons to be learned—and maybe this is going too far—but if somebody calls and asks for credit card information over the telephone, your first

instinct is to tell them "No," even if there is a problem with your credit card; you can deal with that better than losing \$2,700 to Western Union.

General Curran, I am very interested in your discussion of the partnership. How would you describe the coordination, and what advice could you give us on assuring that the Federal Government works as good partners with the State and does not get in your way yet provides the kind of assistance that you need?

Mr. CURRAN. Maybe one example might tell you where we think we could be of more help to a consumer. So many folks come to the Washington area from other areas. They move with their goods and possessions which are transported by moving van. They may in Missouri or California, for that matter, make an arrangement that the estimated moving costs are \$10,000. When they arrive in Maryland, there was a concern sometime back that, "Sorry, we made a low estimate; it is really \$15,000, and the goods are on the moving van, and they are not going to be unloaded until we guarantee the \$15,000." What does the person do at that time?

There is a Federal law that would permit the Department of Transportation to see to it that, I believe it is no more than 10 percent, can be charged over and above the estimate, which is fine if it were enforced. But the reality is that at 3 o'clock in the afternoon, the trucks arrive there, you want to get unloaded, and they want \$15,000. We cannot enforce that law. We have our own law, but on interstate carriers, we are prohibited.

And there may well be some reason why every interstate carrier should not have to worry about 50 State laws, but I am simply telling you there is one example where perhaps, had we had concurrent jurisdiction, we could have been able, on the scene, as cops on the beat, to enforce the Federal law that permits no more than 10 percent over the estimate, which might be fair.

That is just one example that I have seen happen because so many folks do move to this general area.

Senator BOND. Specifically on elder abuse, how would you suggest we proceed with assisting you on the kinds of financial frauds like credit card fraud, having somebody accompanying an elderly person to the bank and getting them withdraw money—what could we do that would be helpful at the Federal level?

Mr. CURRAN. It really is a problem. Mr. Chambers might have been an exception. But as a class, the generation that Mr. Chambers comes from is, by and large, trusting; they believe people. They do not think they are being conned. It was a different generation, perhaps. Would that we were that way today, to be honest with you. But that is the fact of life. And many times, as a class, seniors are embarrassed—"I do not want to tell anybody that I made a fool of myself, because I do not want my daughter to know, or my son to know, or my other friend to know, because they might put me away." So it is a real problem.

On the question of the banks, there was an example of Federal banking regulations that maybe the teller should not worry where I am going to take my money out—I may want to go and blow it on venture somewhere. It is my money, and my business. But maybe there should be some ability on these electronic transfers, when it is unusual, maybe someone should raise a question or at

least be able to check it out to see if there is some need for adult protective services to look into the situation.

As I said, in Maryland, we did have the cooperation not only of AARP, but the banks themselves understood—provided there was no liability on them for infringement on the privacy situation, and we gave them that immunity—but the banks did not want to cooperate because they did not want to see someone taken advantage of because they are frail.

That is just something I would recommend—and enforcement and education. If you do the PSAs, public service announcements, if you do the senior centers, if the Visa cardholders themselves would do more alerts to their members. I am a Visa cardholder; maybe I should get information and be leery of disclosing this information. I mean, they send you a bill every month; they could certainly have an insert in there that says, “Be more aware.” That would be something that they could do.

I noticed my Internet server on my home computer says, “We will not be asking you for your ID or other personal information. Do not give this information to somebody who contacts you and purports to be needing it. We will not be asking you for that.” So I thought that was good.

Mr. CURRAN. Another thing I see—you mentioned your son—I do not think a week goes by—I know a month does not go by—that at my house, there are not applications for credits. You have been preapproved, you have been preapproved.

What can happen—and I know they are trying to solicit us for these cards—but what can happen is that mail can be taken by an unscrupulous person, and we have been concerned about all these applications filled in with the personal information. If they know I am not there, they can fill it in, and when the application comes back and the card comes back, they can still take the mail.

I am just saying that by flooding the mailboxes of America with these applications, that also makes it a little bit easier for the bad guy to do bad things.

Senator BOND. That is a concern I have, too, with the number of credit card applications that come in.

Let me turn to Carol. You talked about a couple of examples, and I think one of the most tragic types of elder financial abuse is abuse committed by a family member.

What percentage of abuse cases involve family members taking advantage of an elderly person? That really gets me. That one bothers me probably as much as anything.

Ms. SCOTT. One more than needs to be.

Senator BOND. Exactly.

Ms. SCOTT. I do not know that we know that number, and that may be one of the—

Senator BOND. Is it a frequent occurrence?

Ms. SCOTT. It is a frequent occurrence, very frequent. One of the difficulties in any kind of elder abuse is the reporting of it and especially financial exploitation, that from State to State, the mechanism varies. And one thing that might be very helpful on a national level would be some of the provisions in the Elder Justice Act that will allow States to have some—for things to be more—what am I trying to say—

Mr. BLANCATO. Better data collection.

Ms. SCOTT [continuing]. Yes, better data collection; thank you. That will then tell us how big the problem is, because sometimes we need to know how big the problem is before we can work on it.

And I will tell you, as far as families, it can be any family. It can be the most caring, loving family that takes advantage of people. One of the issues in the case I mentioned is the signing off on a durable power of attorney or, in a lot of cases, it is people putting other family members' names on checking accounts, thinking that they are doing the right thing. And I do not know what the answer is. Obviously, in some instances, it is good to have a second name on a checking account. So I am not sure what the answer is to protecting them.

Senator BOND. I agree with Mr. Blancato and others who talked about the importance of the ombudsman, and you do play a significant role.

What are the biggest obstacles that you face as an ombudsman in carrying out your responsibilities?

Ms. SCOTT. We are struggling across the Nation to be able to have a presence in every facility. The examples of abuse and financial exploitation that we get, we do as much of an investigation as we can, but then we turn it over to another agency or organization. So it is the partnering that you were talking about with the attorney general that is so important that is sometimes lacking. It is police who do not think that crimes occur in nursing homes. It is prosecuting attorneys who are pretty overwhelmed already and are not interested in taking cases that are not hundreds of thousands of dollars. It is adult protective services that is stretched thin already providing protection, and they do not have the resources and the understanding and the education to know how to get into the banking world and figure out exactly what the scam is.

So part of our frustration as ombudsmen is what do we do with this information, and what is that organization going to do with it.

Senator BOND. I do not know if you were at one of the hearings that I held in Missouri—I think it was in Colombia—but there was talking about the local law enforcement agencies had people specially trained in dealing with elder abuse, the whole range, and we were talking then about physical abuse as well as financial abuse. Is that reasonable commonplace around the State?

Ms. SCOTT. No, and actually, I think that was in Springfield.

Senator BOND. Springfield, okay.

Ms. SCOTT. The Springfield police department does have a special unit, and to my knowledge, that is the one, and—

Senator BOND. That is the only one.

Ms. SCOTT [continuing]. Yes, and they have been trying to go around the State, and I do not know on a State to State basis—one of the things that, coming to national events and in our National Association of Ombudsman, we have an opportunity to hear about best practices. States are reinventing the wheel, not realizing that there is a best practice out there, and just like what is happening in Maryland, we in Missouri should be looking at some kind of—

Senator BOND. I agree, and I think that obviously, these are things we need to know.

Let me turn to Mr. Blancato. Ms. Scott touched on the fact that there are successful programs. Is there an effective means for sharing those successes? We are delighted to be able to hear that discussion here, but the successes not just of Maryland and Missouri but of the other States need to be shared with all 50 States. How is that being shared, and do you have some thoughts on particular State programs that we ought to be looking at?

Mr. BLANCATO. First of all, Mr. Chairman, I would say that some of the information you asked for about data on percentages of family members and so on, we would be happy to supply for the record. There are some studies that have been done over time for the National Center on Elder Abuse, as well as some background materials for the Elder Justice Act, that address some of those concerns.

Also, in terms of examining successful State programs, that work has also been done to some extent through the National Center on Elder Abuse.

And also, one point that I tried to make in my testimony was that Title VII of The Older Americans Act—

Senator BOND. To fund Ms. Scott.

Mr. BLANCATO [continuing]. Well, that, and also the prevention programs, because through that progress—and I think that between now and when reauthorization takes place, if you did a focused hearing examining good programs that are existing at State and local levels using multidisciplinary teams, you would find the basis for supporting additional funding for prevention. You could support these programs and allow for them to be expanded, and from there, you could develop national models that could be used in those places that may not yet be there.

On the issue of particular States, I do not have that information in front of me, but I think again, we can supply some specific examples for the record.

Senator BOND. OK. Let me ask a final question before I turn it over to my colleague.

Mr. HAMMOND. You have the ElderWatch Program in Colorado and other programs. What advice would you give us for educating the elderly, because I happen to agree with General Curran that education, if we can prevent the fraud and abuse in the first place, is best, but backed up by strong law enforcement is essential.

What areas would you suggest we look to for good ideas?

Mr. HAMMOND. Well, first of all, Senator, I would agree that education and enforcement are definitely key to working with this issue.

In terms of education, the more information from good research that you can get out to the public, the better the public will be informed, the better they will be able to cope with some of these situations that occur. It is awfully difficult to get to some of our senior citizens who do not go out, who do not have comfort of people coming in to talk with them each day. And sometimes when they get these phone calls or these knocks on the door, they welcome them as simply a face to talk to, someone to see. So I think they need to be aware, the people who are responsible for their care need to be aware of some of the things that could happen.

We provide this kind of information from our research in our publications, so as I said, I think the more information that we can get out to these folks, the better off we are going to be.

We can do that in a number of ways, not simply by one organization doing it, but by working with other organizations in communities. Our States have been very effective through their State offices in working with other organizations in local communities to develop the kinds of education programs that will alert seniors and others of these kinds of efforts.

Senator BOND. Thank you very much, Mr. Hammond.

Now, I am happy to turn the questioning over to Senator Mikulski.

Senator MIKULSKI. Thank you very much.

Mr. Chambers, a question for you, sir. You said that when you had the Visa scheme, the very next day, you had an alert at your apartment.

Mr. Chambers. Yes.

Senator MIKULSKI. You had a fantastic resident manager. Could you tell me where you live? Is she part of a network? Is this senior housing? Is this private sector, and she is just as sharp as a tack? Because you obviously are a paperwork guy, you knew how to get in right away and protect yourself. You already asked for verification of identity, etc. Tell me about this apartment manager. She really was another cop on the beat there, or at least part of the auxiliary force.

Mr. Chambers. Yes, she is sharp; there is no doubt about that. The reason she happened to get out this alert was because some of the people had been scammed before I was and had reported to her. She is the sort of person who everybody looks up to in the building, because she is fairly familiar with what is going on and makes sure that she is.

Senator MIKULSKI. I understand. So this is a private sector building; this is not housing for the elderly?

Mr. Chambers. That is right. This is a condo with 175 apartments, and she ran this thing off on the machine and distributed it to every person in the building.

Senator MIKULSKI. Thank you very much, Mr. Chambers.

Senator Bond, in terms of techniques, one would be how we could use housing for the elderly services over at HUD, because the resident managers interact every single day, and that would be a very important way to go.

Attorney General Curran, first of all, your work on SAFE is great, and what we like are the partnerships that you have with the banking industry, with the service providers, and so on.

Utah is different than Maryland, rural is different urban even in the way we can all communicate. Do you have thoughts and recommendations on how we could be working, with the attorneys general, with the Commission on Aging? I think Bob Blancato has talked about Departments on Aging—do you have thoughts on that? It is not about preemption and are we preempting. This is going on internationally—we were very troubled to hear about Canada. This scheme against Mr. Chambers came out of Miami. And you prosecuted in Kansas, and you were in on it in Maryland.

Mr. CURRAN. Yes. The people who are dealing in these scams are not longer committing just street crime. The sweepstakes, which were national mailings, we learned about by simply asking—over in Montgomery County, I went to a senior center and asked would you work with us and, for the next 1 month, keep your mail and let me see who is mailing you letters, and surprisingly, we had—with the exception of personal information, cards and things—thousands and thousands of pieces of junk mail from just one senior center, and then we were able to identify who was actually mailing people the solicitations.

Senator MIKULSKI. But how can we help you reduce consumer fraud among the elderly?

Mr. CURRAN. Beefing up our enforcement—with the Medicaid fraud units that all States have, there is an elder abuse section that we are able to get. Now, I am happy to say from a budget standpoint that the bulk of the money that our Medicaid fraud units get is about 75 percent federally-funded—just making sure that continues, because that is where we do get into elder abuse. Also, the ability to give grants to have consumer protection units continue to do proactive education.

I am happy to say in answer to an earlier question that was posed to me that there now is a website, because even seniors are now getting into—

Senator MIKULSKI. A website for whom, from where?

Mr. CURRAN. A website for seniors dealing with—actually, it is in my statement—

Senator MIKULSKI. Do you mean your website?

Mr. CURRAN. No. It is a national—Senior Investor Resource Center, promulgated by all of the securities commissioners across the Nation—it just started last month—in which seniors can go to the website and see where the investment scams are, get common sense investment information. It just started up last month, and we are very proud of that.

Senator MIKULSKI. Thank you. I think those are excellent ideas. Again, going back now to Mr. Blacato for a minute, and then to wrap up, thank you. I think that shows how we could build on Medicaid, and not be creating new trade routes for funds but enhancing, and we want to talk to Ms. Scott as well.

And what is so great, Senator Bond, is that now at our senior centers, there are so many people wanting technology, the kind of website news you can use. We have to give help to those people who practice self-help. Ultimately, the most important consumer protector is you of yourself, as long as you are mentally competent.

Mr. Blacato, I am not going ask you to elaborate; you gave us excellent ideas on the Social Security block grants and others.

Let me go to Ms. Scott. You talked about another problem, and that is family members. What a despicable situation. A bunch of techno-thugs operating out of Canada is one thing, but when it is your own niece or nephew—can you see where that protection comes through the long-term care ombudsman, because many people are in facilities?

Ms. SCOTT. Certainly we would be one of the sources that would notice something or be enough of a friend that an older person or disabled person would confide in us.

What happens after that is what is the Elder Justice Act is all about, and that is getting prosecutors and law enforcement and Medicaid fraud units to be willing enough to take those cases.

In Missouri, we have a law that says if you are responsible for the finances of an elder person who is in a nursing home that it can be a felony if you divert that money and do not pay the nursing home. But I am not sure that that is a law in other States. And we have difficulty in Missouri getting the prosecutors to pick up that case and run with it.

Senator MIKULSKI. But you know that where there is focus, enormously significant things happen.

Senator Bond and I were involved in dealing with predatory lending, and he was very gracious to lend his support to what was going on in Maryland—the so-called flipping. In 3 years, thanks to a lot of hard work between local prosecutors and the work of the Attorney General, we just announced that we have reduced it in Baltimore by 82 percent.

Senator BOND. That is great. Good job.

Senator MIKULSKI. But you know, one of the biggest deterrents is if they think they are going to go to jail—and also, in the course of the trials, they give tips.

So that strengthening the ombudsman program in the Elder Justice Act will really do what you are looking for; is that correct?

Ms. SCOTT. I believe so. I think one of the key points is that the ombudsman program is only as strong as our presence in the facilities, and if anyone is vulnerable, it is someone who may be in the beginning stages of dementia or on into Alzheimer's or some other disease, who cannot protect himself or herself and who is relying not only on their medical care from someone else but to handle all of their finances. If we are not there, assisting families in understanding where they can go, then we become the family for that resident; and if we are not in every facility on a regular basis, then who is there?

Senator MIKULSKI. But I think technology can be our tool. You are there, and you are important to this, but also flagging transactions that seem abnormally erratic or frequent or whatever.

Ms. SCOTT. Yes. I am excited to hear stories about how the banking industry is opening up and allowing their employees to report things.

Senator MIKULSKI. Well, we could not have fought predatory lending without the help of the banking industry.

I have one question for Mr. Hammond. First of all, the AARP does a fantastic job of educating, and we thank them—"The Bulletin" with its consumer tips is, again, "news you can use." But you had some innovative ideas, Mr. Hammond, and one was the Consumer University. I saw that you had one down on the shore, our beloved Eastern Shore, the first week in October. How did that turn out? Could you tell us what went on there; was it well-attended; did people feel empowered by it?

Mr. HAMMOND. Yes, Senator. It turned out very well, as have all of the Consumer Universities that we have hosted. We have had them throughout the State of Maryland and in many other States across the Nation. It was well-attended. There were tips on eco-

nomics, tips on predatory lending, all of the consumer kinds of activities that people need to be aware of.

Senator MIKULSKI. About how many people came?

Mr. HAMMOND. I am not exactly sure of Salisbury, but I would expect it would be in the neighborhood of 250 to 300, somewhere in that range.

Senator MIKULSKI. In a rural area, that is a pretty good turnout.

Senator BOND. Absolutely.

Mr. HAMMOND. Yes, it is.

Senator MIKULSKI. We could be running these through county offices on aging and say this is going to be your Consumer University, not only to prevent fraud but picking a nursing home. My dad had Alzheimer's, and we had to turn to long-term care, but I knew how to work with my mother to select that. When I bought my long-term care insurance, we worked through the National Association of Insurance Commissioners, which had the seven things you do to scrutinize that. So this could be dealt with.

I think this idea of a Consumer University, where you do it once a year, and it is a one-stop shop where you can come and get a lot of tips on how to pick out assisted living. As you know, where there is need, there is often greed. So I think you have given us a very creative idea.

Mr. HAMMOND. Senator, I do have to mention that we could not do this without our network of AARP volunteers. There are hundreds of them in the State and thousands of them across the Nation who really make these successful.

Senator MIKULSKI. That sounds just great.

And Mr. Blancato, we know from when he served in other administrations on aging. This is very practical, and your list just speaks for itself, but we want to thank you for your commitment and that fact that we have this national coalition, and we will be turning to you.

I think they have answered my questions, Senator Bond, and I think we have a good direction.

Senator BOND. I just have one question that is kind of nagging at me. Ms. Scott has talked about working in the institutions, and I know there are senior institutions, there are subsidized and non-subsidized senior institutions. I have a lot of neighbors who are in small towns in rural Missouri, who were friends of my parents, and they have taken great pride in saving enough so they can be independent. And it strikes me—to what extent are you able or are others able to find out if somebody is targeting them, because they are trying to live on their own, they have saved some money—like Mr. Chambers and his neighbors—they are the ones who would be the target. They are trying to make it on their own, and if they get wiped out, that is particularly devastating to them. They are trying to live on their own, and they are the targets.

How well are we doing getting the information out and finding out about problems that may occur with those elderly trying to live on their own?

Ms. SCOTT. One way I could answer that is that when a person has been living on his or her own and then needs to move into a long-term care facility, and that is when they start asking questions about how much money do you have and how are you going

to pay for your stay, we are finding more and more cases where people say, "Well, I have this money, but now I do not have it, and I do not know where it went." And Medicaid will not start coverage if you have given away your money, so we have had to go in on our hands and knees and say, "Look, this guy has been exploited, and that is why he does not have his money."

Senator BOND. Yes, those are the ones—how do you deal with that, because by the time they wind up there, saying, "I have lost all my money," and somebody has defrauded them—then they show up, and they are totally devastated. That is worrisome.

Ms. SCOTT. It is, and I cannot tell you a number, again, because I think one of the reports shows that only one in 14 financial exploitation cases are even report.

Senator BOND. Yes. We have one in five, but clearly, as the attorney general said, a lot of people do not want to comment on it.

Let me turn to Mr. Hammond and Mr. Blencato and ask if they have thoughts on that.

Mr. BLANCATO. I am not sure that I have anything else to add to this, except that you talked about people living alone, before they become institutionalized, and I think one thing that the subcommittee may want to look at is the emergence of gatekeeper programs around the country, where teams involved in elder abuse prevention are helping to train folks who come into contact with people living alone—the home-delivered meals folks, meter readers and people who give them gas services, and so on—who can do some assessment and give some information back if something unusual is going on with someone who is living alone, and they can report that information. Those small things are helpful in terms of maybe catching something before it goes too far along.

Senator BOND. Mr. Hammond, any thoughts?

Mr. HAMMOND. I would agree that those are the kinds of things that we need to have more of, and I think more of the grassroots activities, the kinds of things that are in local communities that people can partner with organizations to make sure that frail adults have some kind of contact and are checked on a regular basis.

Senator BOND. I am not even sure it is frail adults.

Mr. HAMMOND. That is true.

Senator BOND. Certainly there are lots of challenges ahead. Your testimony has been very helpful today. We appreciate the information that you have provided us and the great work that you are doing.

Mr. Chambers, you are our "poster boy" of the guy who took some action and helped bring it all to a halt. We are extremely proud of you, and we thank all the other witnesses for the work that you are doing and for the prod that you have given us to get moving on the Elder Justice Act.

Senator MIKULSKI. Excellent.

Senator BOND. With that, the hearing is adjourned.

Thank you.

[Additional material follows.]

ADDITIONAL MATERIAL

PREPARED STATEMENT OF J. JOSEPH CURRAN, JR.

Chairman Bond, Ranking Member Mikulski and Members of the Subcommittee, on behalf of Maryland's elderly citizens, I thank you for inviting me to testify today regarding the issues that elderly consumers face in today's investment marketplace. I am testifying today in my capacity as Attorney General for the State of Maryland. I was asked to share with you some of the law enforcement cases that have been brought by my office over the last few years and how my office was able to assist seniors who were harmed by the businesses that were the targets of these cases.

As the Attorney General for Maryland, I hear countless stories of financial abuse against seniors ranging from bogus investment products, to high pressure telemarketers, to shady investment advisers and stockbrokers. My office criminally prosecutes companies and individuals who commit crimes against seniors, brings civil law enforcement actions for injunctions, restitution and penalties against companies and individuals who commit securities fraud and unfair and deceptive trade practices, and seeks to educate seniors through publications and seminars so that they may be better able to protect themselves.

In recent years, my office has brought a number of cases that involve businesses that cheated seniors who were purchasing financial products and investment advice. These cases are particularly egregious because seniors, like many other consumers, rely heavily on others to provide them with accurate and truthful information about their financial and investment options.

One of the cases recently brought by my office involved a Maryland business owner, Rodney Hinkle, and his companies Money Systems, LLC and Energy Resources, Inc. Mr. Hinkle was well-known for hosting lavish all-expense paid dinner financial seminars at local hotels and restaurants. Holding himself out as a legitimate investment adviser, he used those events to pitch investments in his own companies.

Unfortunately, rather than running a legitimate business, Mr. Hinkle pooled the investment monies and paid off earlier investors with subsequent investors' monies—a classic Ponzi scheme. Among Mr. Hinkle's many victims was one of his "clients," a widow who entrusted him to make her financial decisions after her husband died. Mr. Hinkle fleeced the woman of over \$300,000—the proceeds of her husband's life insurance policy. My office brought an action to shut down Mr. Hinkle's activities and bar him from the securities and investment advisory business.

Earlier this year, my office settled a case involving another investment adviser named Steven Yarn. Mr. Yarn had befriended an 84-year-old woman who did not have any immediate family. As the woman's health began to fail, Mr. Yarn took over her financial and legal affairs. He found a lawyer to revise her will and had himself named as co-executor of her estate. Upon her death, she directed her assets to be transferred into a foundation that would donate to various charities. Over the years, Mr. Yarn transferred for his own use nearly \$200,000 of the woman's money, half of which came from the foundation after the woman's death. Our settlement requires Mr. Yarn to pay the funds back to the foundation and keeps him out of the investment advisory business until he has completed those payments.

Two other recent cases brought by my office involve two Baltimore businesses, Answer Care, Inc. and Beneficial Assistance, Inc. The companies sold viatical settlement contracts—investments in the proceeds of another person's life insurance policy—to hundreds of investors. Salespeople pitched these investments as "guaranteed" and "safe" investments—an impossible promise when one is betting on when the insured person will die in order for the investment to "mature" and pay off. Millions of dollars were lost including the \$12,000 life savings of a retired school teacher who invested with Answer Care. A few weeks after making the investment, she began to worry and called our office. Unfortunately she didn't call us before she made the investment. Our action froze Answer Care's assets and set up a receivership to distribute those assets to defrauded investors, who hope to receive a maximum of 25 cents on their investment dollars.

We recently settled a case against another investment advisory firm that had borrowed \$350,000 from one of their clients, an 89-year-old widow and retired schoolteacher. We were able to negotiate the return of the borrowed funds, and the firm agreed never to borrow funds again from their clients. Despite that experience and our warnings, we fear that this woman might be a victim of another fraudulent investment scam.

In another disturbing case, a stockbroker with a reputable firm churned the account of a retired elderly couple who were taking care of their mentally disabled adult child. They wanted to protect and preserve their savings to use for their

child's future care. The stockbroker's malfeasance caused nearly \$500,000 in losses including more than \$300,000 in commissions paid to him. Our office was able to negotiate a settlement that returned the funds to the victims and barred the stockbroker from doing business in Maryland.

In a similar vein, my office settled a case with another large brokerage firm for the unlawful activities of one of its stockbrokers, Monica Coleman. Ms. Coleman devised an investment scheme that defrauded her brokerage clients when she sold them securities in her own company. Since convicted of securities fraud in our criminal action, Ms. Coleman promised one of her victims—a 70-year-old retiree—to quadruple her monthly income. Instead of keeping her promise, Ms. Coleman misappropriated \$103,000, the woman's lump sum retirement payment. My office was able to negotiate a settlement in which the brokerage firm paid the victims nearly 50 percent of their losses and agreed to remedial supervisory procedures.

Our actions aren't limited to local defendants. In a recent case involving a New York telemarketing boiler room operation, my office was able to negotiate the return of some of a Maryland retiree's lost life savings and bar the offending brokers and their firm. The glib telemarketers promised handsome, tax-free profits and convinced the investor to liquidate his retirement accounts—money that had been conservatively invested in well-performing funds. The telemarketed investments, including a promissory note paying above market interest and stock in highly speculative or non-existent companies, were fraudulent.

My office, in conjunction with Attorneys General from around the country, has been involved in a number of investigations of sweepstakes companies, which often prey on seniors by convincing them to purchase unwanted magazine subscriptions and other products based on a false impression that the purchases will increase their odds of winning. One settlement, which involved Publishers Clearing House, resulted in refunds of more than \$700,000 to more than 3,200 Maryland consumers. In another settlement, United States Purchasing Exchange paid \$608,000 in refunds to 886 Maryland consumers.

Another initiative that we have undertaken along with State securities administrators from around the country is a Senior Outreach program that is designed to educate seniors to protect themselves from investment fraud. Included in this outreach program is a new website launched last month—the Senior Investor Resource Center (www.nasaa.org/nasaa/sirc/sirc.asp)—that is designed specifically for senior audiences. The website includes: a checklist of questions seniors should ask before making an investment decision; common sense solutions to protect assets from investment fraud; and information about the current top frauds targeting seniors.

These are dangerous times for seniors. The volatile stock markets, record low interest rates, rising health care costs, and increasing life expectancy all have combined to create the perfect storm for investment fraud against senior investors. The fear that they will be unable to meet their financial needs and will outlive their money makes seniors even more vulnerable to con artists who specifically target seniors and prey on those fears. The States, through their securities regulators—the local cops on the securities beat—have a long history of protecting all investors through financial education and rigorous enforcement of investor protection laws.

To continue to protect our investors, it is critical that the States' ability to pursue fraudulent activity not be compromised by provisions such as those contained in H.R. 2179, The Securities Fraud Deterrence and Investor Restitution Act of 2003, which is being considered by the House Financial Services Committee. As currently written, that bill would restrict my office and other State securities regulators from taking the day-to-day actions that protect all of our investors by preventing us from imposing requirements as part of enforcement, licensing or other regulatory proceedings that go beyond Federal requirements. Given the rampant financial abuse of seniors, this is not the time to handcuff the local securities cops.

This subcommittee's examination of such abuse should be applauded. My office and other State Attorneys General will continue to play an active role in protecting seniors. I thank the Chairman and each member of this subcommittee for allowing me the opportunity to appear today and give my testimony.

PREPARED STATEMENT OF CAROL SCOTT

Thank you for inviting me to speak on the very important topic of financial abuse. I want to congratulate you for focusing on Elder Abuse and for being among the leaders of the effort to get people off their rockers and do something to help older Americans who are being abused, neglected and exploited. Each year many elderly and disabled American's are taken advantage of, and their health, security and sometimes their lives are cut short because of the actions or inactions of others.

As a long-term care Ombudsman, I am one of 10,000 people from across the country who is trained to advocate on behalf of residents of long-term care facilities. These 10,000 people are staff and volunteers who visit nursing homes and board and care facilities and listen to the issues, complaints and questions of residents, their friends and families.

In addition to individual advocacy, it is also the job of each of the 52 state LTC Ombudsmen to ensure that policy makers are aware of places in the "system" where improvements are needed.

Well, here I am, representing not only the Missouri LTCOP, but also the National Association of State Long-Term Care Ombudsman Programs (NASOP). NASOP is a founding member of the Elder Justice Coalition, which is committed to ending elder abuse.

Financial abuse is devastating. Whether the elderly victim is aware of the exploitation or not, it is frustrating that sometimes the perpetrator can get away with taking money and other assets from vulnerable individuals.

Perpetrators can be family members, friends, healthcare professionals or con men (and women). We need to act now. Legislation before this Congress (S.333 and H.R. 2490) will put into place needed training, data collection, legal assistance, investigative assistance, and "beefing" up of the Adult Protective Services programs across the country, as well as assisting law enforcement, prosecutors and judges.

I want to tell you about two Missouri cases that exemplify the growing crisis. "Mary" is a 91 year-old resident of a nursing home. She is mentally competent and is living in the facility because her Durable Power of Attorney (DPOA) took her to the facility to visit, and just left her there. Mary was afraid to object to this action.

Mary owns several farms and two homes. The local ombudsman was informed that one of Mary's farms and many of her household items had been sold and that Mary was not aware of this. The Ombudsman visited Mary and asked if she knew that one of the farms had been sold. "How could he do that?" Mary was very upset and requested the Ombudsman's help. The person selling the property had Mary's Durable Power of Attorney, which she signed when she was in the hospital and very ill. She does not remember signing the document, and said she certainly had no intention of ever allowing someone to sell her property without her knowledge and permission.

The Ombudsman assisted Mary in getting an attorney, and in repealing the DPOA document. In the meantime, 250 acres of land has been sold and many household items are gone forever. The announcement of the auction of the household items did not list Mary as the owner of the property, because the DPOA "didn't want her to be upset."

The second case: In-home aide stole money from three clients. The aide took \$900 from one client. The case was referred for prosecution and she plead guilty to charges of Class C felony, forgery and Class C felony, stealing. She also has been placed on the Employee Disqualification List for 5 years, which prevents the aide from working in the in-home agency or nursing facility industry.

These two cases demonstrate that the elderly can be exploited by anyone that has access to them. Whether by intimidation or out right stealing, something must be done to make it easier for people to report crimes, something that will assist with the coordination of the investigations between Adult Protective Services, the LTC Ombudsmen, Nursing Home Licensing staff, law enforcement and district attorneys, and something that will ensure equity and making sure there is justice for all, no matter how small the amount of money taken.

There are many groups and organizations in the "aging network," from the National Association of State Units on Aging (NASUA) to AARP, to local senior centers and long-term care Ombudsmen. Stopping abuse will take more than this network. It will take regular citizens asking questions; courts that are prepared to hear cases, and a better understanding of who can become a victim. The Elder Justice Act will provide federal resources to support State and community efforts on the front lines, to those dedicated to fighting elder abuse with scarce resources and fragmented systems. And maybe more importantly, this Act will bring national attention to the issue of abuse, neglect and financial exploitation.

The time for the Elder Justice Act is NOW. Senator Bond, you just completed a tour of Missouri where you said that Congress had its first hearing on this topic almost 30 years ago. I join you in declaring that the time is now. I believe that it is now time for Congress, elder Americans and elder advocates to "get off our rockers" and get the job done. Senator Bond, Senator Mikulski, the Elder Justice Act is a fine piece of legislation. Please don't allow another year to pass without its passage. Thank you again for this opportunity for me to get off my rocker and make a difference.

Additional cases from Missouri Department of Health and Senior Services

CASE 1. A terminally ill, elderly adult was in the nursing home. In 1992 she had given her niece a Power of Attorney (POA) and put her name on her bank account—the niece had never used the account until the reported adult went to nursing home. The nursing home bill became over \$30,000.00 and pharmacy was owed over \$2,000.00 in co-payments alone. The pharmacy refused to send more medications. The niece did send some nominal amounts of money towards the bills. The reported adult's monthly income was almost \$1,200.00. Law enforcement obtained an investigative subpoena which showed the niece had taken over \$60,000.00. She was cashing out the account at the beginning of every month and had purchased new house and furniture, jewelry, clothes, etc. Meanwhile, the reported adult had no personal funds, and received no new items for over a year. The nursing home staff took up a collection so she could have a perm and the administrator paid, out of her own pocket, for her medications one month. All of this was presented to the prosecutor who ultimately decided that because the niece had POA he could not prosecute.

CASE 2. An In-home Services aide allegedly stole \$700. Upon Department of Health and Senior Services (DHSS) investigation the provider paid the client back \$200 (as the aid admitted to stealing this amount). However, when the case went to court, the court ordered the aide to pay the full amount back. The client died before the court order. However, the court still ordered that the money go to the family. The family obtained a total of \$900.

CASE 3. Our client is a 38 y/o white female with Spinal Bifida who is wheelchair bound. She is also diagnosed with borderline Mental Retardation. While living in a nursing home, she was befriended by an aide who was working there. The aide introduced her 82-year-old grandfather to our client. Our client was 30 years old when they married shortly thereafter. When the elderly man died, the aide/step-granddaughter moved our client into her home with her and her husband. The aide/step-granddaughter became our client's payee for her \$724/mo SSI income. During the approximately 8 months that our client lived with this couple, they got our client to put their telephone in her name and did not pay the bill. They "let" our client buy a \$1,800 computer as a gift for the step-granddaughter's spouse. The only purchases the payee made for our client that she can provide evidence for are 2 skirts and 3-4 tops. When our client's sister became convinced that the couple was not looking out for our client's best interests, she took our client out of the payee's home. Our client did not have any money from her checks, which had been saved in her name. The only possessions that our client had were a television set that was sold by the caregiver family, and an electric wheelchair that had been delivered to their home while our client lived there. The wheelchair could not be found but our client still owes on the bill for it. There is also evidence of physical neglect, along with adult abuse. This case has been reviewed by Legal Services who stated that we have enough to take before a judge. We are going to pursue a case of Adult Abuse against the payee/caregiver.

CASE 4. The grandchildren allegedly charged \$327.79 to a mail order catalog under the client's name. Upon DHSS investigation grandchildren agreed to pay what they had charged, and the catalog agreed to clear the client's credit with them. Law enforcement was notified. However, the client elected not to prosecute as the grandchildren repaid the amount and promised not to this again. To this date, we have not been notified that the grandchildren have tried anything like this.

CASE 5. In February 2003 DHSS received a report of theft and financial exploitation on a client. The Client lived with her sister and both received around the clock care from privately paid caregivers, Mrs. S and her daughter, Ms. J. The daughter had been working for the two sisters approximately 6 months when she obtained Power of Attorney. She wasted no time in depleting the shared accounts of the client, the sister and the niece.

An employee at the local bank noticed rapidly depleting funds, including cashing of CD's and checks written for large sums of money, since Ms. J became POA. The bank employee reported her concerns to the niece. An investigation from the county Sheriff's Office ensued. The financial exploitation totaled approximately \$400,000.

Ms. J received a suspended imposition of sentence, 5 yrs unsupervised probation, and she was ordered to pay restitution. Two savings accounts established by Ms. J were frozen. The money was returned to the client, her sister and niece.

Property purchased by Ms. J was seized, including two homes in a neighboring county and two vehicles. Our staff recently contacted the niece to see if she had been satisfied with the legal outcome. She said she was satisfied and that most of the assets had been recovered. The niece's stepdaughter is now involved in over seeing her and her mother's financial affairs. The client passed away in November 2002.

CASE 6. DHSS received a hotline report in October alleging a client's son was not giving the client her medicine correctly and had financially exploited her. An

investigation was completed and a report made to the police. Evidence was found that the son had put his name on all the client's money, and had used Power Of Attorney papers to withdraw large amounts of money from the client's accounts. The client had assets of approximately a half million dollars. The son was charged and convicted of stealing. He did plead guilty and was placed on probation. He also received one-week "shock time" in jail and must pay restitution of \$1,000.

CASE 7. DHSS received hotline on 74-year-old client who was being exploited by her daughter and namesake. The daughter was using her mother's name to cash in on her mother's stocks, deplete her mother's bank accounts and then forged both her mother and brother's names on stock certificates. She has stolen to date, \$14,512 in cash of the client's life savings, depleted \$32,637 in the bank accounts and attempted to cash in on 400 shares of stock from her brother and mother. The stock company became suspicious of the signatures on the stock certificate. They stopped her cashing the stock that would have been close to \$50,000 in value. Currently, a plea is on the table. Charges being brought against her are Financial Exploitation of the Elderly and Forgery. These are both felony crimes.

The prosecutor's terms are:

A guilty plea to both felony Financial Exploitation and Forgery charges
 Serve 5 yrs supervised probation under a Suspended Imposition of Sentence (SIS)
 Pay full restitution to the victim (\$14,512) and,
 No further employment or dealings with the elderly & disabled.

The prosecutor has advised that he will accept nothing less. The Defendant has until Monday September 15, 2003 to make her decision. If she refuses, then we will re-indict and go to trial.

CASE 8. DHSS worked in collaboration with the FBI. This case involved a suspect who was a financial planner, insurance salesman and con artist. He convinced three individuals to "loan" him money. One victim, 93 years old, "loaned" him \$306,000. The loan note that the perpetrator prepared indicated "0% interest, payable in full upon the death" of the client. The perpetrator had also done what is called "churning" which is where he convinces clients to move from one Annuity Company to another, each time costing the client a penalty for early withdrawal and he would make a commission. He then "borrowed" \$37,000 from another victim. Both of these clients are elderly. He completed the same scam with one of the client's sons, unbeknownst to the client, for an amount of \$20,000.

DHSS received this case from the local Prosecuting Attorney's office and discovered that it was better to bring in a federal agency. The DHSS report is four volumes thick and includes over 3,000 exhibits. After taking the case to the FBI, the US Attorney's office, based on everything we had, agreed to indict the perpetrator on numerous mail fraud and banking fraud charges.

The perpetrator's attorneys felt that the potential case was so great against their client that they have agreed to plead guilty on the information and forego a formal indictment. He has agreed to the following conditions:

1. Plead guilty to the felony charges of Bank Fraud and Mail Fraud
2. Pay directly to the victims the following amounts: NOTE: Checks are already being written to victims
 - a) client 1—\$338,326.00 (includes penalties for early withdrawals)
 - b) client 2—\$37,000.00
 - c) son of client 2—\$20,000.00

This is a total recovery for the victims in the amount of \$395,326.00

3. Forfeit any and all licenses to sell annuities, securities and/or insurance.

4. Placed on Probation for a period to be determined by the judge.

This is a great victory for us. It shows what can happen when DHSS works collaboratively with other state and federal agencies. In this case, we were actually able to recover all of the losses to the victims. The perpetrator won't spend time in jail, but he is out of the business. Also, our case does not preclude the IRS from initiating their own case, since he hasn't paid taxes in over 12 years! Bottom line, the Feds are willing to work with us and we can be successful.

PREPARED STATEMENT OF ROBERT B. BLANCATO

Chairman Bond, Senator Mikulski and other members of the Subcommittee: 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, Lar-

cey 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 under-funded. 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 counsel-

ing 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). NCPEA 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.

PREPARED STATEMENT OF W. LEE HAMMOND

Financial exploitation has many disguises, causes, and forms of expression. But the common thread of its many modalities is an effort by unscrupulous persons to extract money and resources through a variety of devious means from unsuspecting and often vulnerable individuals. How best to determine the frequency of exploitation and its many effects on older citizens continues to be the subject of much debate. The incidence and impact of exploitation are difficult to estimate because: there is no national reporting mechanism, cases are often not reported, definitions vary, and the crimes difficult to detect.

According to the 1998 National Elder Abuse Incidence Study, financial abuse accounted for about 12% of all elder abuse reported nationally in 1993 and 1994, and 30.2% of substantiated elder abuse reports submitted to Adult Protective Services (APS) in 1996 after excluding reports of self neglect. Further, the National Research Council's review of state figures indicates that financial exploitation is the most frequent form of reported elder abuse in Illinois and Oregon, while constituting half of all New York state reports, and 63% of reported cases in New York City.

In the 2000 survey of the National Association of Adult Protective Services Administrators for the National Center on Elder Abuse, financial abuse/exploitation comprised 13% of the allegations of mistreatment investigated. However much exploitation is detected, reported, investigated, substantiated, or prosecuted, everyone agrees that more happens than is brought to light and that any exploitation is too much.

While numerous types of activities constitute elder financial abuse, all have the same characteristic of the improper use of an older person's assets. But these activities go far beyond what most of us would consider merely "improper." The forms of exploitation challenge our imagination, but not those of the perpetrators who employ, deceit, lies, forgery, false pretenses, coercion, or undue influence for personal gain.

The other common characteristic of financial exploitation is abuse of trust. The perpetrators are not strangers snatching a purse, or robbers wielding a gun. They are sons, granddaughters, caregivers, neighbors, new-found friends, confidants, financial and spiritual advisors, and professionals who have—or develop—an aura of trustworthiness. To accomplish their deception they build on an appearance of reliability or professed expertise. They want the victim to see them as the savior, the hero, a true friend, or a concerned family member. Instead of a gun, their weapon of choice may be a purloined check, a power of attorney, a promise of financial security, or a smile and a bouquet of flowers.

Recognizing that financial exploitation is a pervasive and increasing problem that specifically threatens our members' financial security, AARP is addressing this problem through programs that educate members, families, professionals and potential victims.

DAILY MONEY MANAGEMENT

Older persons who are losing their ability to handle their financial affairs due to physical or cognitive impairments are vulnerable targets for financial exploitation. For more than twenty-two years, the AARP Foundation's Money Management Program has been successful in using volunteers to assist vulnerable low income older people with their daily money management needs.

The program either provides a bill payer for those individuals who can still sign checks or a representative payee for those people who receive federal government income, such as Social Security, but need someone to help them manage their money.

Presently, the Foundation's Money Management Program is in 20 states and the District of Columbia, working with 130 agency programs and growing. The program served 4,845 individuals last year with about 3200 volunteers who donated at least 4 hours each month to helping these vulnerable older people.

FINANCIAL EDUCATION

AARP has conducted extensive educational projects to meet the needs of surviving spouses who may suddenly find themselves responsible for taking over the management of complex financial affairs when their spouse dies. Because these surviving spouses may not have had experience in managing money, they are vulnerable to the conniving “hero” who offers to help out. In reality, such con artists only intend to help fill their own pockets. AARP’s financial literacy programs are designed to expand financial awareness and enable participants to evaluate the trustworthiness of supposed advisors and experts.

COLORADO ELDER WATCH

The Attorney General of Colorado dedicated approximately \$1.5 million over a 3-year period to protect older adults from financial exploitation after learning about the many telemarketing and other identity theft scams taking place in that state. AARP Colorado is a lead partner in this project, currently in its third year.

The three purposes of AARP ElderWatch are: (1) INFORMATION IN: to provide a hotline for older persons in order to refer them to appropriate services, as well as to document the types of crime committed against older individuals in the state of Colorado and to track down and bring criminals more quickly to justice; (2) INFORMATION OUT: to provide educational information to the senior, legal, law enforcement and larger community to detect and prevent crime before it occurs; and (3) CLEARINGHOUSE: to serve as a clearinghouse by providing information on financial exploitation and consumer fraud to older Coloradans. Approximately 5,500 calls have been received and recorded to date and more than 270 presentations have been made across the state.

CAMPAIGN AGAINST PREDATORY LENDING

AARP recognizes that for the vast majority of older persons, their home is their most valuable asset. In many instances, it is their only asset. To empower older homeowners to maintain their financial security and preserve the equity in their homes, AARP has launched an integrated campaign against predatory home lending practices. Predatory lenders extend high repayment loans that strip the home equity—leading to a growing number of foreclosures. In addition to legislative reform and precedent-setting litigation, AARP reaches out to older homeowners to educate them regarding what to watch for in borrowing against the equity in their homes. Trained AARP volunteers in two dozen states repeatedly go out into their communities and churches with talks, videos, warning signs and checklists—in both Spanish and English—to spread the word.

This fall, AARP volunteers in four states—including Maryland—will be calling homeowners in neighborhoods known to be targeted by predatory lenders to alert them to the signs of predatory practices and encouraging them to get copies of their credit reports and scores before taking out any kind of loan.

CONSUMER UNIVERSITIES

Another popular and very successful tool that AARP uses to alert older consumers to financial exploitation schemes is what we call “Consumer Universities.” We are holding one such university at the Wicomico Youth and Civic Center in Salisbury, Maryland, on October 4th. At this university we will offer presentations by leading local experts on how to avoid being exploited in the financial marketplace, in one’s home, or by false advisors.

LEGAL CLINICS AND ATTORNEY TRAINING

In a number of states—including Maryland and the District of Columbia—we have held legal clinics for homeowners who are about to take out loans. At these clinics, expert lawyers or housing counselors examine loan applications to see if owners are about to be exploited by the loan terms.

We have also trained over 200 lawyers in seven states on the legal remedies available to help victims of predatory lending, financial exploitation and elder abuse.

USE OF THE AARP MEDIA

AARP recognizes that we can educate many persons about financial exploitation through our array of publications. Each issue of our monthly newspaper, “The Bulletin,” has a “Consumer Alert” column. A recent video news release we disseminated tackled the problem of unscrupulous moving companies that hold customers’ goods hostage, demanding payment far in excess of the estimate. Other Bulletin articles

inform our readers of other potential ways in which they might be exploited. For example, the next issue will alert seniors to protect themselves from being targets of complex investment scams that promise huge returns.

An upcoming article in "AARP—The Magazine," with a readership of 35 million, will focus on guardianship, with an example of how guardianship was used to remedy devastating financial exploitation. AARP's website has many articles aimed at helping consumers improve financial literacy and protect themselves against exploitation. For example, because powers of attorney can potentially cause financial devastation when in the hands of the wrong agent, we have articles both for the consumer on how to select an agent, and for the agent on how to properly exercise their authority.

RESEARCH

The AARP Public Policy Institute (PPI) undertakes research on consumer financial and fraud issues to better understand their causes, and to promote the development of preventions and protections against possible financial exploitation. Such issues include preneed funeral and burial agreements, identity theft, and the regulation of home improvement contractors and subprime mortgage lending.

Funeral and burial purchases are often made when buyers are emotionally vulnerable and lack the time and information to negotiate prices effectively. As more people pay for their funeral and burial in advance, it is increasingly important that laws and regulations be in place to effectively regulate this unique consumer purchase. PPI recently researched changes in industry practices and analyzed state laws governing preneed agreements. The objective was to determine the extent to which state laws incorporated significant consumer protections. Information gathered has been shared with state officials and the Federal Trade Commission as that agency reviewed its rules requiring disclosure of price information in the sale of funeral products and services.

Identity theft, another form of financial abuse, is considered one of the nation's fastest growing crimes and creates tremendous problems for consumers in obtaining credit and clearing credit records of fraudulent account activity and incorrect information. PPI recently analyzed the Federal Trade Commission's 2001 complaint data from its Identity Theft Data Clearinghouse to identify the types of identity theft problems experienced by consumers age 50 and older. The analysis found that older complainants were more likely to report a greater variety of identity theft crimes, including "attempted" identity theft, than other complainants. AARP included this information in recent testimony before the Senate Banking Committee in support of improvements in the Fair Credit Reporting Act.

Abusive home loans and home repair practices are a final major area of research that we will mention. As noted earlier, a home is usually the largest financial asset held by older households. Home improvement is essential for preserving both the safety and value of the homeowner's property. According to the Bureau of Labor Statistics' 2002 Consumer Expenditure Survey, Americans spent more than \$173 billion on contracted home improvement projects and do-it-yourself home repairs.

Older homeowners have a greater need for hiring home improvement contractors than younger homeowners because they have higher rates of homeownership and tend to own older homes that are more likely to need repair. Further, as homeowners age they are less likely to undertake home repairs on their own.

Research indicates that older homeowners are often more vulnerable than younger homeowners to fraudulent home improvement practices because they: are more likely to be home during the day when fraud perpetrators operate; have relatively large amounts of readily accessible cash (on hand or in a checking account); and are less likely to take action against fraudulent contractors.

To improve enforcement against fraudulent contractors, AARP, in cooperation with the National Consumer Law Center, developed a model state law to (1) improve the licensing, bonding, and insurance coverage of contractors, and (2) prohibit misrepresentations and deceptive acts. PPI has also initiated a significant research project regarding lending practices in the subprime mortgage market where predatory lending practices disproportionately occur.

Recently, PPI undertook an analysis of a national survey of mortgage borrowers age 65 and older who acquired prime or subprime refinance loans to determine if there were any differences between loans originated by "lenders" as compared to "brokers." Because home equity is a key component of wealth in older households, it is critical to assure that older mortgage refinance borrowers can obtain fairly priced loans that protect their current and future financial security, regardless of who originates the loan. The study found that older refinance borrowers with broker-originated loans were more likely to report having received loans with less

favorable terms, such as prepayment penalties, than those with lender-originated refinance loans. Also, broker-originated refinance loans were nearly twice as likely as lender-originated loans to be subprime loans.

Finally, older refinance loan borrowers with broker-originated loans were much more likely to report that they did not initiate contact regarding a loan; they also relied more on the broker in making important mortgage-related decisions than older borrowers with lender-originated loans. PPI is currently undertaking an analysis of state laws regulating mortgage brokers to determine if changes are needed to protect older consumers against unfair and deceptive practices.

AARP regards its multifaceted effort against the financial exploitation of older persons as a valuable way to equip consumers, families, professionals and vulnerable elders to detect, prevent, or intervene before financial crises arise. We make information about all of our programs, services and research available online, in print media or both.

AARP appreciates this opportunity to share our financial abuse education and prevention activities with the Committee and looks forward to working with you to pass legislation, like the Elder Justice Act (S. 333), to provide a comprehensive national approach to elder abuse prevention. Thank you.

PREPARED STATEMENT OF RICHMOND D. CHAMBERS

I am pleased to be here today to describe a scam against elderly Visa credit card holders. I live in a condominium apartment at 8101 Connecticut Avenue in Chevy Chase, Maryland.

I received a telephone call on April 2, 2003 from a man purporting to be a representative of the Visa organization. He said Visa had sustained a computer problem in which information on 5,000 accounts had been lost and that certain information had to be retrieved if my account was to remain active. I had received a similar call some months before from a source that hung up when I refused to answer his questions. I was again suspicious. I asked this caller a number of questions, which he answered very convincingly. He finally gave me a toll-free phone number, which he said would verify his identity. I called back and was answered by a female who said "Visa" and connected me with the original caller. I believed he had established his identity, and I gave him the three numbers on the back of my Visa card, my mother's maiden name and my social security number. He, in some way, had already secured my address, Visa card number and obviously my phone number.

The next day on leaving my apartment, I found a flyer at my door entitled "Resident Alert". The document was issued by my apartment manager and described exactly the Visa fraud in which I had been victimized the previous day. I immediately called the fraud unit at Visa and related the incident. After verifying several charges to my account, I was asked if I had charged \$2,750 to Western Union. I had not. I later discovered that Visa had authorized the claim, but had not issued payment against the charge. My account was closed and reestablished with a new number.

I was fortunate that I had sustained no financial loss in the matter. I reported the entire affair to the Montgomery County Maryland Police, who arranged two television appearances for me to publicize the scam. The Montgomery County Maryland Police and the State Attorney for Montgomery have updated me on this case. The police determined that the scam operators were based in Miami, Florida. Officers were dispatched to Miami to investigate. With the cooperation of the local police, eleven suspects were arrested and extradited to Montgomery County Maryland to face trial. I was recently informed that approximately forty residents in the general Chevy Chase area were victimized by this scam. A number of the victims actually had money paid from their Visa account to Western Union for pick up.

At least five additional residents of my condominium were victimized in this scheme along with residents across the street in an assisted care residence. I have no information regarding whether those arrested had information on the ages of their victims. I was favorably impressed with the reaction of the valid Visa representative, the Montgomery County Police, the local television stations, and our alert building manager, Katie Wyrsh, all of whom had a part in bringing these alleged criminals to justice.

PREPARED STATEMENT OF FRANKLYN S. GREENE

Thank you for giving us the opportunity to testify before your committee on this very important issue.

The following is, a true account of, what happens to our seniors when there is no legal protection for them.

My wife's uncle, Karl, and his wife were both professional people and well educated. Karl was also a veteran of WW II, in the Maryland 29th Division. They had

no children, so our family were their only relatives, in the Maryland area, who could watch over and help them as they grew older. Karl's wife died, in 1991, leaving Karl alone and very lonely.

As they aged, and because of health reasons, we helped them set up revocable trusts to protect their assets. These trusts, set up about 1988, are the only thing that saved Karl from complete disaster. He named me as Trustee of both of their Trusts.

We tried to get him involved in a senior center, and get him out to meet people of his own age, so he would have company. He did not want to meet or socialize with others, even with our help.

During the Winter of 1996-97 (when Karl was 86 years old) our nightmare began. Karl was approached by a young woman (age 45) at the "IHOP" restaurant where he frequently ate lunch. This woman told him, she had been put out of her apartment and had no place to live. She agreed to live in Karl's house and clean, do the laundry, cut the grass, and take care of him.

Being the nice, caring person he always was, he felt he would be helping her. He agreed to this arrangement, and she moved into his house.

This woman did not look like, or act like, the type of person you would "take home to mother". Karl had no information on this woman, who she was, or where she came from. We decided to hire a private detective to determine who she was. Their report came back showing an extensive criminal background and continuous run-ins with the Baltimore County Police. We then obtained her criminal records, showing she had been arrested over 20 times, convicted many times, and had served time in jail. The County Court system had even taken her son away from her for child neglect.

We went to visit Karl, again, to try and get him to end this relationship, but he still thought he was helping her. He liked her "since she was young and thin", and kissed and hugged him.

In early 1998, Karl called us and told us his phone bill was wrong and he didn't know what to do. We again, went over to his house and checked the phone bill which was over \$200. We found this woman had phoned a psychic reader, and run up the large phone bill. She, of course, denied making the calls. I phoned the number, and they had her recorded voice agreeing to pay the bill. Karl, finally, agreed with us and let me put her out.

During this time, Karl was very hard of hearing and we sometimes had a difficult time conversing with him. We also noticed a continued failing of his mental capacities. Also at this time, he was being treated by his family doctor for a heart condition and diabetes.

Shortly after, Karl took her back into his house. In August 1998, she obtained a cell phone without his permission and ran up a \$400 bill in 2 months.

In September of 1998, she charged \$1400 worth of items at Sears, again without Karl's permission. This bill was discussed with Karl and Sears, and also was not paid. I canceled his charge cards, so she could not use them again.

In December of 1998, she and her boyfriend forged several checks. Karl did not want to prosecute her for this. These checks were used to pay a bail bondsman.

With Karl's permission, we again put her out of his house. When we would go over for a visit, we were appalled at the condition of his house. There were dirty dishes with food in her room, trash and mouse feces everywhere, and laundry all over the floors. The basement was so full of junk that you could not walk around without stepping on things.

During the end of 1998 and 1999, we had a man, (about age 50), stay with and care for Karl and keep him company. He took good care of Karl, kept an accurate accounting of any money spent, and was a good friend.

While cleaning Karl's house, we took 23 large plastic trash bags of junk to the dump. While cleaning her room, we were appalled to find all of Karl's personal papers which should have been in his desk upstairs. These included his birth certificate, car title, army discharge, Janet's personal papers and other important information.

At this time, I filed a criminal report with Baltimore County and had her arrested. At this trial, Katie O'Malley (the wife of Mayor O'Malley) was the States Attorney. We discussed this trial with her and she said she could not put Karl on to testify, as he could not make his mind up, as to what happened.

Again in 1999, the Baltimore County Police arrested her outside a local pool hall. With her, in the car were Karl's wallet and both of his coin collections.

During this time, Karl bought her a set of diamond earrings at a local jewelry store. She returned them and received a full refund, verified by the owner of the store. She then charged me with stealing them.

In mid 1999 she hired an attorney to rewrite Karl's will. However, Karl did not change it, again leaving everything to Fran and her brother.

In September 1999, Karl again took her back into his house, along with her boy friend. They, then, put out the man we had staying with Karl for over a year.

Somehow, she talked Karl into marrying her on October 6, 1999. After this "marriage" his "wife" would continuously call the Trust officer at the bank requesting money. She wanted \$10,000 for a wedding trip, \$5,000 for wedding rings, plus other money for odd items. We did not forward any of this requested money to her as an ample budget had been set up previously for him through the Trust.

Shortly after, she employed another attorney to rewrite Karl's trust and will. I spoke with him and suggested he check to be sure Karl was competent to sign important papers before he went ahead.

This attorney and Karl's "new wife" then had him examined by two doctors who both said he was incompetent. We then had him examined by his own physician, who also said he was incompetent.

She then hired another attorney to rewrite all of Karl's papers. He sent me, and the bank, a letter requesting all kinds of personal information so he could change Karl's Will and Trust.

I informed him, we would not provide any information and would not be responsible to pay his fee.

We then hired an attorney, to file for Guardianship, to protect Karl. We could not file prior to this, as Karl would not get the needed medical examinations.

The trial or hearing on his competence was set for March 27, 2000. Karl, mysteriously, died on March 6, 2000. His doctor would not sign his death certificate without a full autopsy.

Karl and Janet had made me Trustee of their Trusts in 1988, and never changed that. I was involved in all the legal work, thefts, and cleaning up the messes created. We worked for well over 2 years to finally straighten out and close this disaster. During this time, we became involved in several lengthy and expensive law suits, filed by his "wife". After Karl's death, it took us over 1 year to remove her from his house. After she left, all that remained in the house of Karl's possessions was one light bulb, a lot of trash, and unpaid utility bills.

During Karl's lifetime we tried everyone, we could think of, to help Karl and us, from the Baltimore County Department of Aging, Social Services, two State Senators, a local attorney, and Karl's physician.

There needs to be legislation passed to protect the elderly from themselves and predators. It takes months to work through the legal system, and much harm can occur during that period. Hopefully, this letter will help you pass legislation to help others in the future.

PREPARED STATEMENT OF PAMELA B. TEASTER, PH.D.¹ AND LISA NERENBERG,
M.S.W., M.P.H.²

REPORT FOR THE NATIONAL COMMITTEE FOR THE PREVENTION OF ELDER ABUSE
PARTNER NATIONAL CENTER ON ELDER ABUSE

The authors wish to thank the representatives of the multidisciplinary teams for their dedication to addressing the problem of elder abuse and their assistance with this project.

ABSTRACT

Elder abuse multidisciplinary teams (MDTs) include professionals from diverse disciplines who work together to review cases of elder abuse and address systemic problems. MDTs reflect the understanding that clinical and systemic issues often exceed the boundaries of any single discipline or agency. Using an e-mail survey format, the authors received information from 31 MDT coordinators across the country representing fatality review teams, financial abuse specialist teams, medically oriented teams, and "traditional" teams. The coordinators provided information on the functions their teams perform, the importance of specific functions, cases reviewed, composition of teams, policies and procedures, administration, funding, and challenges to effective functioning. The most frequently performed functions are providing consultation aimed at assisting workers to resolve difficult abuse cases; identify-

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ing service gaps and systems problems; and updating members about new services, programs and legislation. When asked about the importance of these functions, responders ranked providing consultation aimed at assisting workers to resolve difficult abuse cases significantly higher than other functions. Teams expressed only mild concern for breaches in confidentiality. MDTs stressed the importance of input by professionals from the legal community for successful team functioning.

Key Words: multidisciplinary team, elder abuse, interdisciplinary team, financial abuse, fatality review, coordination.

A NATIONAL LOOK AT ELDER ABUSE MULTIDISCIPLINARY TEAMS

Multidisciplinary teams (MDTs), groups of professionals from diverse disciplines who come together to review abuse cases and address systemic problems, are now a hallmark of elder abuse prevention programs. Teams first emerged in the early 1980s in recognition of the fact that clinical and systemic issues that abuse cases frequently pose exceed the boundaries of any single discipline or agency.

Teams are believed to offer many benefits to professionals, clients, and communities. In addition to helping individual service providers resolve difficult cases, the team review process has been credited with enhancing service coordination by clarifying agencies' policies, procedures, and roles and by identifying service gaps and breakdowns in coordination or communication. Teams may also enhance members' professional skills and knowledge by providing a forum for learning more about the strategies, resources, and approaches used by multiple disciplines.

The rapid proliferation of MDTs across the U.S. and Canada in the last 2 decades has been accompanied by a growing demand for highly specialized expertise in such areas as financial abuse, fatality review, and medical issues. Federal, State, and local governments have increasingly acknowledged the importance and benefits of MDTs and have responded by providing resources, technical assistance, and statutory authority.

Currently, there is a paucity of research examining elder abuse MDTs. The research that does exist is localized, focuses on team development, and highlights the benefits of MDTs (Manitoba-Seniors-Directorate, 1994; Wasylkewycz, 1993; Wolf, 1988). Research does not address the functions and composition of MDTs and is not national in scope. Although anecdotal evidence suggests that teams offer tangible benefits to their members and communities, in-depth studies to identify how they function and demonstrate their impact on the problem of elder mistreatment have not been conducted. To begin to shed light on the functioning of teams, the National Committee for the Prevention of Elder Abuse (NCPEA), as partner in the National Center on Elder Abuse (NCEA), carried out a national survey. Team representatives were asked to identify key features of teams, explain variations, describe specialized teams, and identify common obstacles and how they are being addressed. The information presented below provides a picture of the various types of teams that responded to the survey. Further, it provides a framework for decision-making for groups that are considering starting teams or enhancing existing teams, and sets the stage for future research on teams' impact and effectiveness.

METHODS

Because no national list of MDTs was available, the authors requested the help of NCPEA's Board of Directors and subscribers to NCEA's list serve (operated by the American Bar Association's Commission on Law and Aging) to identify and suggest elder abuse teams. The request yielded approximately 40 recommendations. The authors did not provide a specific definition of teams in order to capture a wide variety. However, they attempted to include teams that represented a diverse mix in terms of size of membership, focus, geographic location, and length of time in existence. The sample included "traditional" MDTs as well as specialized teams including financial abuse specialist teams (FASTS), teams with a medical orientation, and fatality review teams.

After approval by the University of Kentucky's Institutional Review Board, the authors sent e-mail letters to representatives or spokespersons of 40 teams. The e-mail communication explained the project, invited representatives of MDTs to participate, and advised potential participants of project timelines and processes. Thirty-two team coordinators indicated their willingness to participate, and the project group sent out 32 surveys to them. Coordinators were given 2 weeks to complete the surveys and return them via e-mail, fax, or conventional mail. At the end of that period, members of the project group made follow-up calls to ensure the highest possible response rate. Of the original 40 team coordinators contacted, 31 returned surveys, for a response rate of 77.5 percent.

Data Collection Instrument

The survey instrument (Appendix A) was developed in consultation with members of NCPEA's Board of Directors to elicit information on defining features of teams such as sponsorship, funding sources, formalized policies and agreements, and membership. Respondents were also asked to identify challenges MDTs encountered as well as successful resolutions. They were further asked to describe products and accomplishments. Prior to sending the survey to the entire group, it was pilot tested with two team coordinators, whose suggestions were then incorporated into the final survey that was sent to respondents.

Raw data were entered by a doctoral level graduate student in the Ph.D. Program in Gerontology at the University of Kentucky and cross-checked for accuracy with the assistance of another doctoral level gerontology student. The doctoral level assistant contacted respondents for clarification when questions arose regarding the information provided on the survey. Data were analyzed by faculty and graduate students at the University of Kentucky using descriptive statistics.

RESULTS

Functions of Teams

To identify the most frequently performed functions of MDTs, respondents were given a checklist and asked to indicate those they perform. They were also invited to add additional functions.

The two most frequently cited functions of teams (Table 1) were providing expert consultation to service providers and identifying service gaps and systems problems (93.5 percent each). Nearly all teams also update new members about services, programs, and legislation (90.3 percent). Well over three-fourths of teams perform the following additional functions: advocating for change; planning and carrying out training events; and planning and carrying out coordinated investigations or care planning.

Table 1
Functions of the Team

Functions	n	%
Providing expert consultation to service providers	29	93.5
Identifying service gaps and systems problems	29	93.5
Updating members about new services, programs, legislation	28	90.3
Advocating for change	26	83.9
Planning and carrying out training events	26	83.9
Planning and carrying out coordinated investigations or care planning	25	80.6

Respondents were given the opportunity to list additional functions and added the following: providing training to team members on techniques, developing a coordinated community response to older victims of domestic violence and elder abuse victims, encouraging the investigation and prosecution of elder abuse crimes, resolving difficult health and social problems, cutting through delays that are built into "the system," and providing an opportunity for colleagues to offer support and advice on such issues as setting boundaries with clients and counter-transference.

Importance of Team Functions

In addition to identifying frequently performed functions, respondents were asked to rate the importance of each function on a one to five scale (with one being of no importance and five being essential). The highest ranking function was "providing expert consultation to service providers," which was rated as "Very Important" or "Essential" by 71 percent of respondents (Table 2).

Table 2
Teams' Ranking of Functions as Very Important/Essential

Functions	n	%
Providing expert consultation to service providers	22	71.0
Updating members about new services, programs, legislation	18	58.1
Identifying service gaps and system problems	17	54.9
Planning and carrying out coordinated investigations or care planning	16	51.6
Planning and carrying out training events	14	45.2
Advocating for change	11	35.5

Approximately half the teams ranked as “Very Important” or “Essential” the following functions: updating members about new services, programs, and legislation; identifying service gaps or systems problems; planning and carrying out coordinated investigations or care planning; and carrying out training events. As was the case with the earlier question, respondents were invited to list additional functions and to indicate their importance. Ranked as “Essential” were providing training to team members on techniques, developing a coordinated community response to older victims of domestic violence and elder abuse victims, and encouraging investigation and prosecution of elder abuse crimes.

Types of Cases Reviewed

Most MDTs conduct case reviews, but they may handle the review process quite differently. For example, some teams review all types of elder abuse cases, while others focus on certain types. Nearly three-fourths (71.0 percent) review cases involving all types of abuse and neglect. Seven teams (22.6 percent) focus on financial abuse cases. Of these, five described themselves as Financial Abuse Specialist Teams (FASTS), a model developed in Los Angeles in the early 1990s and since replicated in other communities. Despite the common name, there are wide variations among the FASTS. For example, one FAST meets every 2 weeks, only includes representatives from public agencies, and places an emphasis on its rapid response to deter abuse and preserve assets. Another FAST has over 50 members, includes representatives from many private, non-profit agencies, and meets quarterly.

One team in the sample identified itself as a “fatality review team,” a model that was originally developed in the fields of child abuse and domestic violence to review suspicious deaths or “near-deaths.” Five additional teams indicated that they review fatalities but did not specifically call themselves fatality review teams. Two teams focused on medical issues in cases involving clients with multiple medical problems or cognitive decline.

Several teams indicated that they focus on particularly problematic cases, such as self-neglect cases, cases involving persons with mental illness and mental retardation, high-risk situations, and cases in which guardianship is being considered. Although many of the teams address systemic problems and issues, two teams indicated that they focus exclusively on systemic issues (as opposed to clinical issues related to client care).

Team Attendance

Respondents were asked to indicate how many people regularly attend team meetings. The question was posed in this way (as opposed to asking for number of members) because teams that operate informally may welcome all interested professionals to attend and do not require them to sign membership agreements. Nearly half (45.2 percent) of the teams have an average attendance of between 5 and 10 people. Just over one-quarter (25.8 percent) routinely have between 10 and 20 participants, nearly a tenth (9.7 percent) have between 20 and 30 people attend regularly, and nearly a tenth (9.7 percent) routinely draw more than 30 participants. One team typically has fewer than four in attendance (3.2 percent). Two teams did not respond to the question (6.5 percent).

Attendance Requirements. A fourth of MDTs (25.8 percent) require members to attend a certain number of meetings yearly (e.g., 5 to 10). Three teams indicated that missing a certain number of meetings (e.g., three consecutive meetings) is grounds for dismissal. Typically, team members are encouraged to provide alternative attendees in their absence if they are unable to attend.

Frequency of Meetings. Nearly three-fourths of MDTs (74.2 percent) meet monthly (9.7 percent meet every 2 weeks, 9.7 percent meet every other month and 3.2 percent meet quarterly). One Team (3.2 percent) meets as needed in addition to its regularly scheduled meetings. To streamline meetings, some teams have structured agendas, which include such items as introductions, reviews of confidentiality, guest speakers or educational presentations, and updates on services or developments in the field.

Categories of Membership

MDTs were asked specific questions about their members. Teams reported that they recruit individual members, invite agencies to join and to designate representatives, or both. Individual members participate for their own benefit and represent their own viewpoints or perspectives, while agency members may serve as liaisons between their organizations and the team, convey agency policy and perspectives, and commit resources. Well over half of the teams (64.5 percent) allow individuals to join regardless of agency affiliation.

Organization members include private non-profit agencies, public agencies, and for-profit agencies (including professionals in private practice). Some teams only permit non-profit agencies and individuals who work for non-profit agencies (61.3 percent) to join. Slightly over one-third (35.5 percent) permit for-profit businesses to participate. Two teams only include representatives from public agencies.

Certain teams have created special categories of membership. For example, some have "core member" (e.g., APS, or law enforcement), categories that must be filled at all times, and other categories that are considered desirable but not required. Teams may extend certain benefits to some members and not others, including the right to present cases (Table 3). Over half (58.1 percent) permit any team member to present cases, while others (29.0 percent) only allow certain members to do so (one team only permits APS workers to present cases, and another permits APS, Ombudsmen, law enforcement, and private attorneys to present). Still others (25.8 percent) allow any service provider in the community to present cases, regardless of whether or not they are members.

Table 3
Members Allowed to Present Cases

Case Presenters	n	%
Any team member can present a case	18	58.1
Certain members can present cases	9	29.0
Any service provider, regardless of membership can present	8	25.8

Note: Multiple responses were given for this question.

Respondents indicated that the responsibilities of members also vary. For example, some teams require certain members to provide additional consultation or training between meetings and another uses "technical advisors" who do not routinely attend meetings but who are called upon for assistance as needed.

Disciplines Represented

Respondents were asked to indicate what professional disciplines are represented on their teams (Table 4). The most commonly cited were police and sheriffs, which was listed by 93.5 percent of respondents. APS workers participate on 83.9 percent of teams. Disciplines included on more than half of the teams are: providers of geriatric mental health services, prosecutors, aging service providers, public guardians, and domestic violence advocates. Other disciplines represented on fewer than 50 percent of teams include nurses, physicians, non-geriatric mental health professionals, and victim-witness advocates. Approximately a third (32.3 percent) include

representatives from financial institutions, and another third (32.3 percent) include clergy. Just over one-quarter (25.8 percent) include retired professionals.

Table 4
Professionals Represented on Teams

Disciplines	n	%
Police/Sheriff	29	93.5
Adult Protection Services	26	83.9
Geriatric Mental Health Services	25	80.6
Prosecutors	22	71.0
Aging Service Providers/Public Guardians	20	64.5
Domestic Violence Advocates	16	51.6
Nurses	15	48.4
Physicians	13	41.9
Non-Geriatric Mental Health Professionals	13	41.9
Victim-Witness Advocates	13	41.9
Representatives from Financial Institutions	10	32.3
Clergy	10	32.3
Retired Professionals	8	25.8

Respondents were invited to list other disciplines and service categories included on their teams, and over half (51.6 percent) did so. These included ethicists, animal care and control officers, public administrators, probation and parole personnel, code enforcement personnel, resource specialists, fire fighters, a retired judge, housing managers, housing advocates, personnel from assisted living facilities, members of public utility boards, in-home service providers, realtors, representatives from State long-term care licensing and regulatory agencies, hospital social workers, emergency medical personnel, providers of services for persons with developmental disabilities, media representatives, homeless shelter staff, health department personnel, health statistics specialists, health advocates, and certified public accountants.

Level of Team Formality

Respondents were asked several questions about formalized policies and procedures they employ and written materials they use to document or support policies and procedures, including meeting summaries, memoranda of understanding, "job descriptions" for members, orientation materials, policy and procedures manuals, and membership categories. These are described below (Table 5).

Proceedings of Meetings. Over half (54.8 percent) of MDTs produce written records of meetings, which may be in the form of "minutes," summaries of the proceedings or case reviews, and recommendations. One team uses genograms to graphically depict the content of the team review (charts that graphically describe the social and familial relationships between individuals, a technique primarily used by mental health professionals to help identify positive and negative influences affecting an individual).

Teams that produce written records of meetings vary in how they use and disseminate them. Over half (51.6 percent) disseminate information on case reviews to team members and others. One MDT disseminates minutes to members but excludes information on case reviews, while another sends minutes to non-members in addition to members (including all police departments in the county, the district attorney, the Sheriff's Department, State adult protection, the public administrator,

and a legal center for handicapped and older adults) as a way to educate these groups about the issue. A medical team includes case review summaries in clients' medical charts. One team that produces minutes keeps them in a special team book maintained by the program coordinator, who provides summaries upon request.

Contracts and Memoranda of Understanding. Just over half (51.6 percent) of MDTs require members to sign contracts or memoranda of understanding, which typically include provisions for confidentiality and terms of membership. Over a fourth of teams (29.0 percent) require agency supervisors or administrators to sign contracts or memoranda of understanding, affirming the agencies' commitment to assign representatives and to replace representatives who are unable to meet their commitments.

Table 5

Level of Team Formality

Method	n	%
Summarized Proceedings	17	54.8
Contracts/Memoranda of Understanding	16	51.6
Case Review Guidelines	16	51.6
Policy and Procedures Manuals	10	32.3
Job Descriptions	9	29.0
Orientation Manuals	9	29.0
Term Limits	7	22.6

Guidelines for Review of Cases. Just over half (51.6 percent) of teams use case review guidelines to provide direction or suggestions to presenters on what information to include in case presentations and the order in which to present it. Typically included are the client's living arrangement, support network, functional status, a description of the abuse and/or other presenting problems, and a history of attempted interventions or services.

Policies and Procedures Manuals. Approximately a third (32.3 percent) of teams indicated that they have formal policies and procedures manuals. Only one team keeps the manual on disk rather than having it in hard copy due to the sensitive nature of its contents.

Job Descriptions. Over a fourth (29.0 percent) use job descriptions for members, which may be contained in membership agreements, member handbooks, or elsewhere. The State of Wisconsin has developed a manual for its counties that includes job descriptions for representatives from the fields of law enforcement, medicine, law, domestic violence, financial management and mental health, as well as clergy. In addition to outlining the specific duties and responsibilities of each representative, Wisconsin's job descriptions also contain detailed requirements with respect to education, experience, training, knowledge, skills, and abilities. For example, it is recommended that law enforcement representatives have associates' degrees in criminal justice or another social science.

Orientation Materials. Approximately a fourth of teams (29.0 percent) use orientation materials, which usually include handbooks that contain general information on elder abuse, pertinent laws, research articles, policies, mission statements, confidentiality agreements, by-laws, etc. One team has produced a video that all new members must view.

Term Limits. Nearly a fourth (22.6 percent) of the teams have term limits for members, the most common of which is 1 year. The majority of teams (77.4 percent) allow members to serve more than one term. An annual renewal process may serve as an opportunity to review members' participation during the year and determine whether they have met their obligations to the MDT.

Other Information. Other written materials used by teams include a handbook for coordinators and written protocols. Some teams solicit input from members through routine or occasional surveys that ask how useful meetings are to members or by

requesting suggestions for educational presentations. They may further ask members to provide information about case outcomes (e.g., were prosecutions successful as a result of team interventions; were assets or property recovered and, if so, what was the amount). Team members may be asked to indicate how many hours they have contributed during and between meetings and to estimate their associated pro bono contributions. Some teams ask members to fill out feedback forms at the end of every meeting.

Administration

MDTs were asked to provide information about administration. Four teams (12.9 percent) were coordinated by an Area Agency on Aging, and APS administered 10 (52.6 percent) teams. Other arrangements included administration by a district attorney's office or in collaboration with agencies/organizations such as a university, a local non-profit, or sheriff's office. Some operate informally without designated administrators. Activities associated with team administration that were cited included producing and sending out agendas, meeting announcements and minutes; arranging for meeting space; recruiting members and negotiating contracts and memoranda of understanding; preparing materials such as handbooks and job descriptions; producing and disseminating minutes; selecting cases; serving as a focal point for questions; and, in the case of some teams, following up on members' recommendations.

Leadership

Adult Protective Services (APS), the agencies mandated to respond to reports of abuse, neglect, and exploitation of older adults in most States, play a prominent role in MDTs. Nearly one-third of teams (32.3 percent) are administered by APS programs alone or in collaboration with other agencies (e.g., one team involves collaboration between APS and a hospital-based geriatric program). Following APS, Area Agencies on Aging (AAAs) (12.9 percent) are the next most likely entity to administer teams. Just over half (51.6 percent) of the teams surveyed are administered by other agencies. These include a county attorney's office, a private non-profit agency, a State Attorney General's office, a university, and an "elder abuse provider" agency.

Funding and In-kind Support

MDTs were asked to describe their sources of funding and in-kind support. The most common source of support to teams is APS programs, which provide support to 38.7 percent of the teams surveyed. Most APS support is in-kind (92.0 percent), which includes staff time (this may be for case workers, supervisors, support and clerical staff), meeting space, and the printing and mailing of materials. A fourth of APS programs (25.0 percent) provide funding, with amounts ranging from \$70 to \$250.

Area Agencies on Aging (AAA) are the second most common source, providing support to 32.3 percent of the teams (again, most support is in-kind). Monetary support from AAAs includes elder abuse funds authorized under the Older Americans Act. Dollar amounts ranged from \$3,000 to \$85,122 annually.

Nearly a half of MDTs (48.4 percent) receive support from other sources. Monetary support is provided by a State department of public safety, a State justice assistance council, the American Association of Retired Persons (AARP) and foundations. Funding amounts from these sources ranged from \$500 to \$10,000 yearly. Sources of additional in-kind support included an attorney general's office, a college of medicine, a county hospital district, a State attorney, providers of mental health and medical services, law enforcement, and a medical examiner's office.

Calculating the costs of operating a team was complicated by the fact that few teams have dedicated staffing. Staffing tasks are often shared by several individuals, are likely to fluctuate over time, and may be carried out intermittently and in concert with other tasks. Comparing costs was further complicated by the fact that teams engage in such diverse activities as community outreach, professional training, and research, all of which require very different levels of support. In addition, those that rely on in-kind support typically do not track costs. Consequently, teams' responses to questions about their costs varied widely, with some stating that there were no costs associated with the team, with one team indicating that it operates on an annual budget of over \$85,000. Other MDTs were unable to respond to the question.

Sources of Technical Assistance

Teams receive guidance and technical assistance from a variety of sources, the most common of which is State agencies. State units on aging, State APS programs, and offices of attorneys general provide assistance to approximately one-third (32.3

percent) of the teams surveyed. These agencies provide manuals, sample materials, and training. Examples include the Illinois Department of Aging, which creates resource materials, brochures, posters, and videos. Other sources of technical assistance include national organizations (9.7 percent), such as NCPEA, which operates a program of local affiliates, and a statewide coalition of teams.

Challenges

MDTs have encountered numerous challenges. Respondents were asked to provide information about these challenges and to describe the initiatives they have taken to address them (Table 6).

Table 6

Challenges That Teams Face

Challenges	n	%
Lack of Participation by Certain Disciplines	15	48.4
Maintaining an Adequate Number of Cases	7	22.6
Failure of Certain Groups to Present Cases	5	16.1
Confidentiality	4	12.9
Animosity Among Members	3	9.7
Failure to Agree Upon Follow-Through	3	9.7
Members' Feeling Times Is Not Well Spent	2	6.7

Lack of Participation By Certain Disciplines. Half (48.4 percent) of the teams indicated that they experienced difficulty gaining or maintaining participation by certain disciplines. Foremost among these was law enforcement (42.9 percent). Other underrepresented disciplines include medical professionals, clergy, prosecutors, attorneys, representatives from financial institutions, providers of services to young disabled adults, pharmacists, State long-term care licensing and regulatory agencies, county attorney's offices, and mental health workers.

Maintaining an Adequate Number of Cases. Nearly a fourth of teams (22.6 percent) indicated that they have trouble finding enough cases to present. One reason cited was that APS staff members are too busy to prepare case summaries. In addition, many communities now have more than one team, which creates "competition" for cases. Teams have attempted to increase the number and diversity of cases by sending out e-mail reminders about meetings and, in communities with more than one team, clarifying the types of cases reviewed by each.

Confidentiality. Although the researchers had anticipated that breaches in confidentiality would be a major concern of teams, only four respondents (12.9 percent) indicated that this was a challenge for them. Respondents were also asked to indicate if they had, in fact, experienced breaches. Only one team reported experiencing a "close call." This relatively moderate level of concern may reflect teams' satisfaction with measures they have taken to preserve confidentiality.

Measures that MDTs have taken to ensure confidentiality included confidentiality agreements, which are employed by well over half (64.5 percent) of the teams and the use of pseudonyms or initials when discussing cases (48.4 percent). Over a third of teams (35.5 percent) operate in States that have special laws that permit the sharing of information and/or immunity laws, which protect information disclosed at meetings from being used as evidence in civil actions or disciplinary proceedings. Other methods for ensuring confidentiality included written reminders about confidentiality (with applicable State code sections) on monthly meeting agendas, outlining confidentiality provisions in a memorandum of understanding members sign when they join the team, and not disseminating case summaries. One respondent observed that as teams gain experience and members get to know each other, concerns about confidentiality have decreased.

Other Challenges. Other challenges cited included the failure of certain groups to present cases (16.1 percent), animosity among members (9.7 percent), failure of

members to follow through on actions to which they have agreed (9.7 percent), and members not feeling their time is well spent (6.7 percent). Additional challenges cited by single respondents included: agency representatives delegated to attend meetings do not have the authority needed to make systems changes, and those with the authority do not attend, lack of funding and support, and failure to achieve “buy-in” from members whose participation is not voluntary (e.g., they are mandated to participate).

Tangible Products

In addition to case reviews, teams engage in many other activities, the most common being those related to training (58.1 percent). Training materials produced by teams include booklets, packets, manuals, PowerPoint presentations, and a curriculum and workbook. Groups targeted for training include bank employees, clergy, gatekeepers, the public, law enforcement, medical students and practitioners, and mandated reporters. Training events include conferences, workshops and “train-the-trainer programs.” Topics covered in training sessions include fraud prevention, medical issues, APS and its role in receiving reports (including services offered, who must report, and what to expect once a case has been assigned to APS for investigation and follow-up), how to recognize and investigate fiduciary abuse, real estate fraud, and how to gather evidence of incapacity for guardianships and lawsuits.

Approximately one-third of MDTs (32.3 percent) produce other materials (not related to training) including brochures, laminated law enforcement cards that list elder abuse statutes, resource cards for law enforcement, a video on victim impact, a video on FAST, websites, annual reports, newsletters, resource guides, public service announcements, and handbooks. Replication materials produced by teams include videos and how-to manuals.

Other activities and accomplishments cited by respondents included the development of interagency agreements (25.8 percent), legislation (19.4 percent), a protocol for law enforcement, and referral guidelines for APS workers. One team was developing a volunteer program to recruit retired bank personnel to assist in investigating financial abuse cases. The program is patterned after a successful model developed in Oregon.

CONCLUSIONS

This study was a first effort to shed light on the role, processes, varieties and accomplishments of MDTs on a national level. Although limited in sample size (it did not study the hundreds of teams that have emerged nationwide in the last 2 decades), it underscores the benefits and costs of teams, highlights trends, and provides insight into the challenges teams face. Further, it reveals some of the difficulties program planners and policy makers address in anticipating the direct and indirect costs of operating teams.

Several findings are noteworthy. Assisting workers resolve difficult abuse cases is frequently cited as the primary goal of teams and is why some teams were initiated. Although this function was rated as the most important performed by teams, the overwhelming majority of teams also identify service gaps and update members about new services, resources, and legislation. This finding suggests that, although case reviews are important in themselves, as previously believed, they frequently reveal systemic problems and point to the need for new services, resources, legislation, and information about new resources and developments.

Also noteworthy is the importance of legal expertise and input on teams. Police and sheriffs, prosecutors and public guardians are among the six most commonly included disciplines represented on teams, surpassing such groups as medical professionals and domestic violence advocates.

The relatively mild concern for breaches in confidentiality was also surprising in light of anecdotal evidence to suggest otherwise (i.e., a fatality review team in California refrained from reviewing cases until the State passed legislation that permitted the sharing of information).

Reported costs of operating teams varied widely, with some teams clearly not knowing their true operational costs, although it was obvious that costs were incurred. It may be that teams should examine, through systematic outcome evaluation, their true costs and benefits at regular intervals to determine whether they meet their operational goals or whether such goals can be reasonably achieved.

In conclusion, MDTs play a key role in communities’ response to elder abuse and are highly valued by those who participate. Among the benefits they cited were strengthening community relationships, eliminating or ameliorating turf wars, promoting team work and cooperation, providing assistance on cases referred for guardianship, helping clients secure improved medical care, and enhancing members’ understanding of services. Clearly, the strength of MDTs is their ability to mobilize

professionals from a wide range of disciplines to confront the complex and growing problem of elder mistreatment.

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THE ELDER JUSTICE COALITION

A NATIONAL ADVOCACY VOICE SUPPORTING ELDER JUSTICE IN AMERICA

The Elder Justice Coalition: 192 members**Organizational Members: 147**

National Committee for the Prevention of Elder Abuse
 National Academy of Elder Law Attorneys
 National Association of State Units on Aging
 National Association of APS Administrators
 National Association of State Long-Term Care Ombudsman Programs
 AARP
 Adult Guardianship Services, OH
 Alliance for Quality Nursing Home Care
 American Art Therapy Association
 Alzheimer's Association
 American Association of Homes and Services for the Aging
 American Association for Single People
 American Geriatrics Society
 American Health Care Association
 American Psychological Association
 Americans for Better Care of the Dying
 American Society on Aging
 Area Agency on Aging, Region One, Phoenix, AZ
 Arizona Elder Abuse Coalition
 Arlington AAA, Arlington, VA
 Arlington Steering Committee for Services to Older Persons
 Assisted Living Federation of America
 Association for Protection of the Elderly
 Association for Protection of the Elderly—PA Chapter
 Association for Protection of the Elderly—West Coast Chapter
 Benjamin Rose Institute, Cleveland, OH
 Billings Chapter of NCPEA, Montana
 California Medical Training Center, UC Davis
 Catholic Charities of the Archdiocese of St. Paul & Minneapolis
 Center for Advocacy for the Rights and Interests of the Elderly
 Center for Medicare Advocacy, Inc.
 Citizens for Better Care
 Coalition of Wisconsin Aging Groups & the Elder Law Center
 Cochise County, Arizona, Elder Abuse Task Force
 College of Professional Mediation, Puerto Rico
 Collier County S.A.L.T. (Seniors And Law enforcement Together) Council, FL
 Consumer Consortium for Assisted Living
 Council on Aging—Orange County
 District of Columbia Long-Term Care Ombudsman Office
 Disability, Abuse and Personal Rights Project
 Elder Abuse Institute of Maine
 Eldercare America
 Elder Law of Michigan
 Family Research Council
 Foundation for Senior Living
 Georgia Office of the State Long-Term Care Ombudsman
 Gerontological Society of America
 Gray Panthers

Greater Cleveland Elder Abuse/Domestic Violence Roundtable
 Heart and Hand, Inc.
 Home Instead Senior Care, Inc.
 Hospice Patients Alliance
 Institute for Caregiver Education, Chambersburg PA
 Institute of Gerontology at the University of Louisiana at Monroe
 International Association of Forensic Nurses
 International Cemetery and Funeral Association
 International Longevity Center
 Joint Public Affairs Committee for Older Adults
 Kansas Advocates for Better Care
 Kalamazoo County Advocates for Senior Issues
 Kentucky Cabinet for Families and Children
 Kentucky Office of the State Long-Term Care Ombudsman
 Lawyers for Elder Abuse Prevention, of NY
 Lifecycles, Great Falls, MT
 LIFESPAN, Rochester, NY
 Louisiana Association of Councils on Aging
 Louisiana Geriatrics Society
 Lucas County (Ohio) Prosecutor's Office
 Maine Long-Term Care Ombudsman Program
 Maricopa Elder Abuse Prevention Alliance
 Meals on Wheels Association
 MedAmerica Insurance Company
 Member of the Family
 Metropolitan Crime Commission of Jackson, MS
 Michigan Campaign for Quality Care
 Michigan Office of the State Long Term Care Ombudsman
 National Adult Day Services Association
 National Association of Area Agencies on Aging
 National Association of Counties
 National Association of Directors of Nursing Home Administration in Long Term
 Care
 National Association of Legal Services Developers
 National Association of Local Long Term Care Ombudsmen
 National Association of Nutrition and Aging Service Programs
 National Association of Orthopedic Nurses
 National Association of Social Workers
 National Clearinghouse on Abuse in Later Life
 National Caucus and Center on Black Aged, Inc.
 National Citizens' Coalition for Nursing Home Reform
 National Committee to Preserve Social Security and Medicare
 National Council on Aging
 National Council on Child Abuse & Family Violence
 National Education Association—Retired
 National Hispanic Council on Aging
 National Indian Council on Aging
 National Senior Citizens Law Center
 National Silver Haired Congress
 Nevada County (California) Department of Adult & Family Services
 New Hampshire Long-Term Care Ombudsman Program
 New Mexico State Agency on Aging
 New York Citizens' Committee on Aging
 New York Foundation for Senior Citizens Guardian Services
 New York State Society on Aging
 Northeastern Illinois Area Agency on Aging
 Northern Area Agency of Aging, WI
 Northern Virginia Long-Term Care Ombudsman Programs
 Nursing Home Monitors
 Office of Ombudsman for Older Minnesotans
 Ohio Association of Probate Judges
 Ohio Association of Regional Long-Term Care Ombudsman
 Ohio Coalition for Adult Protective Services
 Older and Disabled Adult Services/Solano County Health and Social Services
 Orange County Vulnerable Adult Specialist Team, Orange County, CA
 Pinal County Attorney's Office, AZ
 Pinal County Public Fiduciary, AZ
 Pinal-Gila Elder Abuse Specialist Team, AZ

Rhode Island Office of the State Long-Term Care Ombudsman
 Riverside County Office on Aging
 San Diego Elder Abuse Task Force
 San Francisco Department of Aging and Adult Services
 San Francisco Department of Human Services
 Senior & Adult Services of Cuyahoga County, OH
 Senior Citizens, Inc., TN
 Senior Protective Ministry
 SOLACE
 Stanislaus Elder Abuse Prevention Alliance
 Stop Family Violence
 Suburban Area Agency on Aging
 Texas Elder Abuse and Mistreatment Institute
 Texas Office of the State Long Term Care Ombudsman
 The Burden Center for the Aging, NY
 The Center for Social Gerontology, Inc.
 The Long Term Ombudsman Council of Broward County, FL
 TRIAD
 United Jewish Appeal Federation of New York
 United Jewish Communities
 Virginia Elder Rights Coalition
 Virginia Office of the State Long-Term Care Ombudsman
 Walk the Walk, NY
 Washington County, Oregon Elder Abuse MDT
 Wellspring Personal Care
 Western Montana Chapter for the Prevention of Elder Abuse
 Western Reserve Area Agency on Aging, OH
 Wisconsin Association of Area Agencies on Aging
 Wisconsin Board on Aging and Long Term Care
 WordBridges
 Wyoming Dept of Health/Aging Division

Individual Members: 45

Georgia Anetzberger
 Ben Antinori
 Susan Aziz
 Nora J. Baladerian, Ph.D.
 Bennett Blum, MD
 Patricia Bomba, MD
 Dr. Patricia Brownell
 Bobbi Butler
 Curtis B. Clark, MD
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 Sandra Sullivan
 Erika Taylor
 Natalie Thomas
 Randolph W. Thomas
 Marie Tomlin
 André Waguespack
 Linda L. Watts

Appendix A
Questionnaire on Multidisciplinary Teams
National Committee for the Prevention of Elder Abuse

Thank you for agreeing to participate in a study of Multidisciplinary Teams (MDTs) being conducted by the National Center for the Prevention of Elder Abuse (NCPEA).

Please complete this questionnaire to the best of your knowledge (you are welcome to add rows to the tables or provide additional information at the end of the survey) and return it by October 4, 2002 to Pamela Teaster by e-mail: pteaster@uky.edu or fax: 859.323.2866.

Should you need clarification regarding the questions asked, please contact:

Pamela B. Teaster: Ph: 859.257.1412 x484, e-mail: pteaster@uky.edu
 Fax: 859.323.2866

CONTACT INFORMATION:

Name of Team: _____
 Completed by: _____
 Title and Affiliation: _____
 Telephone Number: _____
 E-mail Address: _____

1. **Functions of the Team.** Please rate the importance of the following functions of your team by checking the appropriate box. Use the following scale, and please make comments or indicate that the function is not applicable.

(1) – No Importance, (2) = Somewhat Important, (3) = Important, (4) = Very Important, (5) = Essential

Function(s)	(1)	(2)	(3)	(4)	(5)	Comments or Not Applicable (NA)
Provide expert consultation to service providers						
Plan and carry out coordinated investigations or care planning						
Identify service gaps/systems problems						
Advocate for needed change (e.g., funding for services)						
Plan and carry out training events						
Keep members up to date about new services and programs, legislation,						

services, etc.						
Other (specify)						

2. **Types of Cases Reviewed.** Some teams have a special focus. They may address certain types of abuse only, certain types of clients, or certain aspects of cases. What type of abuse cases does your team discuss? (Check all that apply, and please make comments).

(√)	Type(s) of Cases Reviewed	Comments
	All types of abuse and clients	
	Exclusively financial abuse cases	
	Fatalities	
	High risk cases	
	Team focus is on medical aspects of cases	
	Other (specify)	

3. **Case Presenter(s).** Who can present a case? (Check all that apply, and please make comments).

(√)	Case Presenter(s)	Comments
	Anyone in community	
	Team members	
	Only certain members (specify)	

4. **Level of Formality.** Some teams have special procedures or resources. (Check all that apply, and please make comments).

(√)	Level of Formality	Comments
	Contracts or memoranda of understanding with members	
	Contracts or memoranda of understanding with members' agencies	
	Job descriptions detailing the roles of consultants	
	Guidelines for case reviews	
	Term limits (if yes, please specify)	
	Orientation materials (if yes, please specify)	
	Policy and procedures manual	
	Proceedings of meetings are summarized in writing	
	Proceedings of meetings are summarized and disseminated to members	
	Membership categories (c.g. only certain people can present cases)	
	Other (specify)	

5. **Administration.** Who coordinates your MDT? (Check all that apply, and please make comments).

(√)	Administration	Comments
	Area agency on aging	
	APS	
	City or County funds	
	More than one agency operates the team (specify)	
	Other agencies (specify)	

6. **Funding and In-kind Support.** Please indicate the sources of funding and in-kind support for your team. Types of support may include funding, staffing, meeting space, etc.

(√)	Source of Support	Monetary (indicate amount)	In-kind (specify)
	Area agency on aging		
	APS		
	Other Community Agency (please specify)		

7. **Sources of Technical Assistance.** Does your team receive on-going support or technical assistance from any of the following? (Check all that apply and please specify where possible).

(√)	Source of Technical Assistance	Agency and Type of Assistance
	National organizations (specify)	
	State agency (specify)	
	State coalition (specify)	
	Other (specify)	

8. **Confidentiality.** How does your team ensure confidentiality? (Check all that apply, and please make comments).

(√)	Confidentiality	Comments
	We don't use the names of clients being discussed	
	Team members sign a confidentiality statement	
	State law allows for the sharing of information	
	Other (please specify)	

9. **Members.** Who can join the team? (Check all that apply, and please make comments).

(√)	Members	Comments
	Individuals	
	Non-profit agencies	
	For-profit agencies	

10. **Member Affiliation.** (Check all that apply, and please make comments).

(√)	Member Affiliation	Comments
	APS	
	Aging service providers	
	Public guardians	
	Police and/or Sheriffs	
	Prosecutors	
	Domestic violence advocates	
	Mental health professionals for the elderly	
	Mental health professionals for the non-elderly	
	Personnel from financial institutions including banks, brokerage houses, savings and loans	
	Clergy	
	Physicians (specify type)	
	Nurses	
	Victim Witness assistance advocates	
	Retired professionals	
	Other (specify)	

11. **Attendance.** Estimate, to the best of your ability the average number of people who attend meetings. (Check all that apply, and please make comments).

(√)	Attendance	Comments
	Fewer than 4	
	Between 5-10	
	Between 10- 20	
	Between 20 – 30	
	More than 30	

12. **Frequency of Meeting.** How often does the team meet? (Check all that apply, and please make comments).

(√)	Frequency	Comments
	Weekly	
	Every two weeks	
	Monthly	
	Every other month	
	Quarterly	
	As needed	
	Other (specify)	

13. **Challenge(s).** What challenges has your team encountered? (Check all that apply, and explain the significance of the challenge).

(√)	Challenge(s)	Comments
	Lack of participation by certain groups (specify)	
	Client confidentiality was breached	
	Members have concerns that confidentiality will be breached	
	Private practitioners have used meetings to market their services	
	Members do not participate regularly	
	Animosity between members	
	Lack of follow-through by members	
	Lack of cases	
	Certain groups fail to present cases	
	Members don't feel time is well spent	
	Other (specify)	

14. **Contract Provisions.** Does your team have a contract for members? (If yes, check all that apply, and please make comments. If no, continue to Question 15).

(√)	Contract Provisions	Comments
	Requirements to attend a certain number of meetings	
	Membership terms (length of time)	
	Confidentiality	
	Commitment to provide consultation outside of meetings	
	Prohibitions against using meetings to market services	
	Other (specify)	

15. **Tangible Products.** What tangible products has your team produced? (Check all that apply, and please make comments).

(√)	Tangible Products	Comments
	Sponsored or worked with legislators to sponsor legislation (specify)	
	Organized a training event (specify)	
	Developed materials, brochures, etc. (specify)	
	Conducted a needs assessment	
	Developed interagency agreements or protocols	
	Other (specify)	

16. **Evaluation.** Has your team ever been evaluated? If yes, please specify.

17. **Materials Created.** Please list resource materials that you have created for team members or other community groups.

18. **Other.** Please use the space below (and feel free to add pages) to make any other comments that you would like to make about your Multidisciplinary Team.

Thank you for completing our survey!

[Whereupon, at 11:41 a.m., the subcommittee was adjourned.]