

# Anna and Joe



40 years to buy a home and save for retirement...less than a year to lose it all.

**The importance of Adult Protective Services  
in the fight against elder financial abuse.**

## Anna and Joe

Anna and Joe were high school sweethearts. Married right after graduation, Joe went to work in his family's orchard. Anna worked in the business too, until she became pregnant with their first child. Joe worked long hours and weekends, saving for a home, their children's education, and retirement. After 40 years in the business, Joe was ready to retire and enjoy the "golden years" with Anna.

One day, Anna and Joe saw an ad in the paper for an estate planning seminar at a local hotel. They wanted to protect their assets for their heirs, so they decide to go. After an hour presentation Joe was sold! Anna and Joe filled out a "preliminary application" to provide some background information about their assets and financial planning needs, and were told that an estate manager would contact them for a follow up appointment. Several weeks went by and no one called to follow up on the appointment. Anna and Joe wondered what had happened, but could not reach anyone on the phone. They decided to look into this more when they returned from a two week vacation to visit their grandchildren on the east coast.

When Anna and Joe returned from their trip, they were shocked to see a pile of notices from creditors, vendors, and even a letter from the county recorder saying a lien had been placed on their home. Frantically, they started making calls trying to find out what was going on. Eventually, it was discovered that the cunning "estate planner" had used the information that Anna and Joe provided to steal their identities and run up huge debts. Anna and Joe were ruined! They didn't know what to do, so a friend suggested they call Adult Protective Services for help.

## Financial Abuse

According to the California Attorney General, **financial abuse** occurs when a person or entity takes or keeps an elder's property for wrongful use or with the intent to defraud or both. Financial abuse is the fastest growing form of elder abuse.

Because they often need help managing their finances due to fragile health and diminished mental acuity, **seniors are particularly vulnerable** to con artists, self-interested family members, and unscrupulous caregivers. According to a study in the Journal of the American Medical Association, seniors who are victims of abuse have a mortality rate three times higher than those who are not victims.



### The Numbers Are Sobering

- Only 1 in 100 incidents of **elder financial abuse** is actually reported.
- **Every 10 seconds** a senior in California is a victim of financial abuse.
- California has more residents over 65 than any other state in the nation, and the state's **elder population will nearly double** within the next 20 years—from 3.7 million to more than 6.4 million, according to U.S. Census Bureau projections.
- **\$4.8 billion** in assets are at stake every year in California.

# How It Happens

Financial predators target elders and dependent adults for a variety of reasons. Many seniors live alone and are isolated, making it less likely that friends and family will detect the abuse and intervene before it is too late. In some cases, there may be cognitive impairment, and the victim does not realize that their assets are being transferred or depleted. Physical limitations make it much more likely that dependent adults and frail seniors will entrust their financial affairs to others for management.

Con-artists and others who exploit seniors are aware of these vulnerabilities, and have found clever ways to use their isolation, as well as physical and mental impairments, to gain the person's trust, and eventually to gain control of their property.

Financial abuse takes many forms, and can include identity theft, confidence crimes, sweetheart swindles, fortune telling schemes, Canadian lottery, Nigerian scam, predatory lending, and annuity scams. Some scams have been around for decades, such as the handsome broker selling worthless annuities, while others, such as identity theft and computer "phishing" are relatively new,

making it less likely that seniors are aware of their particular dangers. Although persons of all ages and demographics are victimized by these types of scams, seniors and dependent adults are particularly at-risk, for all of the reasons mentioned above. Isolation, as well as physical and mental impairment can lead to loneliness and increased reliance on others, making these populations easy targets for abuse.

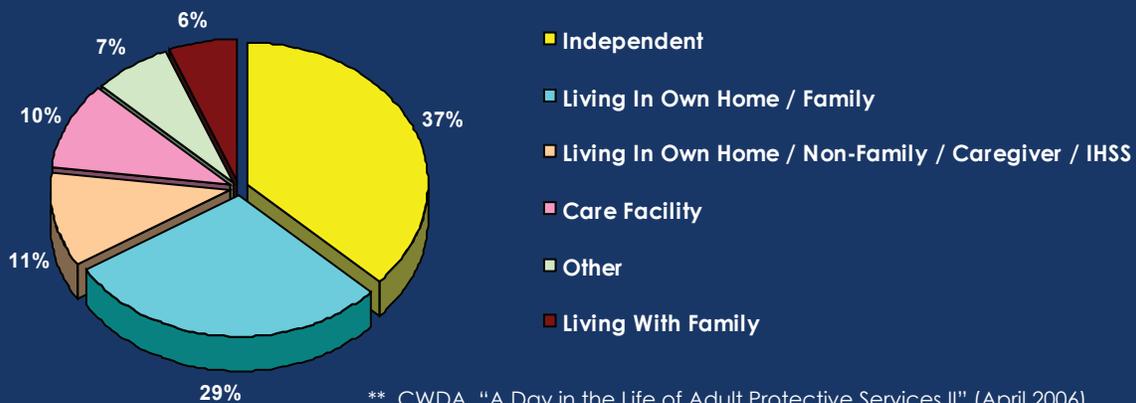
Although there are cases of financial abuse that are committed by strangers, door-to-door salesmen, con artists, and the like, the vast majority of cases involve a caregiver, including family members. Using deception, threats, intimidation, guilt, and other forms of manipulation, these individuals take property and other assets for their own use. This close familial connection is one reason why financial abuse is often not reported. Victims may be embarrassed, or afraid to report the crime, fearing the family member will retaliate and place them in a nursing home, or worse yet, abandon them without the resources or ability to care for themselves. Depression, grief, guilt, and shame also contribute to the under-reporting of this type of abuse.

## Demographics of Financially Abused Seniors\*

- Majority of senior victims are 75 to 84 years old.
- English is the most common language spoken among the victims.
- Females are 24% more likely to be a victim of financial abuse than men.
- 30% of victims have mental health issues.
- Denial is the common theme among the victims.
- Victims' income ranges widely; 35% receive Social Security as their only income source.

\* Based on reports received.

## Victim's Living Situation\*\*



\*\* CWDA, "A Day in the Life of Adult Protective Services II" (April 2006)

# How Adult Protective Services Helps

County Adult Protective Services (APS) staff are the front line of defense for preventing elder financial abuse. APS social workers respond to calls from concerned family, friends, neighbors, doctors, and employees in financial institutions, who may have noticed signs that a senior is being abused. Staff follow up with the senior, provide information on resources in the county that can be of assistance and, if necessary, enlist the cooperation of law enforcement to intervene and help recover the person's assets. In some counties, APS staff are part of multi-agency efforts to address elder abuse, such as Financial Abuse Specialist Teams (FAST) and Rapid Response Teams (RRT), which have decreased elder financial abuse while providing special support and immediate intervention to preserve assets and prevent further loss for seniors.

**Unfortunately, APS receives only half the funding needed to protect seniors in California.** Increasing funds for APS is cost-effective because the program recovers assets and reduces costs for law enforcement, health care, institutionalization, and other social services. Because of the funding crisis, staff who screen calls from the public must triage referrals and only send out investigators for cases with the most urgent, immediate needs. Any delays give perpetrators of financial abuse additional time and opportunity to divert assets undetected.

## APS Intervention for Anna and Joe...

Anna and Joe were not the estate planner's first victims. APS along with law enforcement traced the perpetrator's purchases and recovered at least some of their assets and prevented further financial abuse. APS could help Anna and Joe clear their lien on the house, and stop the harassing debt collection calls. Law enforcement would have worked with APS to recover the remaining \$300,000 in stolen assets, and enlisted help from the district attorney in prosecuting the fraudulent estate planner.



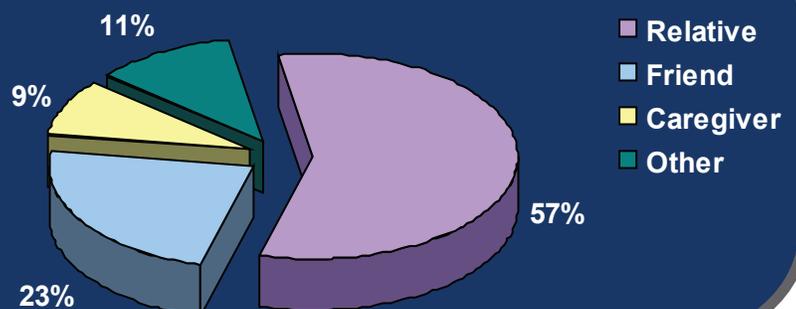
## Perpetrators\*

- Usually between 40 and 59 years old.
- Females are just as likely as males to be perpetrators of financial abuse.
- The vast majority have a close relationship to the victim, such as a caregiver, family member, or friend.
- Approximately 2/3 are family.
- Will likely target an isolated or lonely elder, regardless of wealth or income.

\* Based on reports received.



## Relationship of Perpetrator to Victim\*\*



## I. What is currently being done to stop financial abuse of seniors?

In California, county **Adult Protective Services programs investigate** reports of financial abuse, often working with representatives from private and public agencies, attorneys, law enforcement, financial institutions, and their local Public Guardians to investigate cases and protect victims. APS programs **educate the public** and other practitioners about financial abuse of elders and dependent adults and **provide training** on financial vehicles that may be misused to defraud seniors, such as annuities, reverse mortgages, trust mills, etc.

## II. What support do APS programs need?

These programs **need more funding** in order to fully respond to the overwhelming number of reports they receive. Investigating a report of elder financial abuse can often uncover an elder or dependent adult living in a substandard, unsafe, or dangerous situation. The person may require assistance accessing medical care, transportation to appointments, a full-time caregiver, a money manager, a lawyer, and/or a conservator. Resources for these programs have been stagnant for several years, creating a situation where services cannot be provided to every person who needs them.

## III. What kind of training do financial institutions receive?

Through the California Bankers Association, financial institutions are trained on multiple aspects of elder financial abuse, including identification of the symptoms, causes and warning signs, the importance of reporting the abuse, how to make a report to APS, and learning about California laws regarding elder financial abuse. Financial institutions may also request training from their local county APS program.

## IV. What can you do about this abuse?

**Support full funding for APS**, so these programs can fully respond to reports of elder financial abuse. Call or write to your legislative representatives to let them know how APS has made a difference in your life.

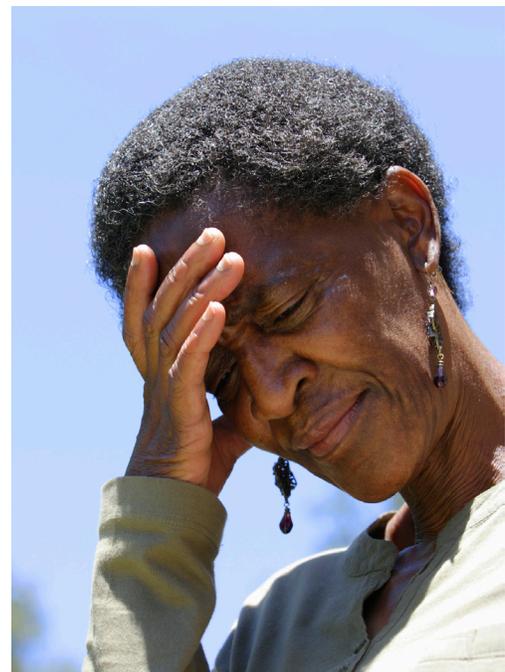
If you, or someone you know, may be a victim of financial abuse, **report suspicious actions or concerns** to local or statewide Adult Protective Services (APS) hotlines. APS workers conduct assessments, provide services, and coordinate the efforts of community resources, family,

friends and neighbors to reduce or eliminate the risk to the elderly or dependent person.

**Volunteer or contribute** to a local organization that works to prevent or resolve the abuse of elderly and dependent adults. Tell your county Board of Supervisors how vital these programs are.

Warning signs that abuse may have occurred include: unpaid bills; bank withdrawals that the older person cannot explain; new “best friends” particularly those who attempt to isolate the senior; and missing belongings or property. Reports are handled in a confidential manner, so you should not let fear or embarrassment keep you from taking this important step to **protect yourself, or someone you love.**

***We all have an important role to play in ending financial abuse of seniors!***



## Resources

**California Attorney General's Office**  
**Elderly and Dependent Adult Abuse Reporting Hotline**  
1-888-436-3600

**California Department of Aging ([www.aging.ca.gov](http://www.aging.ca.gov))**  
1-800-510-2020 (referrals to local Area Agencies on Aging and Health Insurance Counseling and Advocacy Program)

**CWDA ([www.cwda.org](http://www.cwda.org))**  
1-916-443-1749

**The County Welfare Directors Association of California (CWDA)** is a non-profit association representing the human service directors from each of California's 58 counties. The Association's mission is to promote a human services system that encourages self-sufficiency of families and communities, and protects vulnerable children and adults from abuse and neglect.

To accomplish this mission, the Association...

...**Advocates** for policies that will further the mission of the organization.

...**Educates** state and federal policy-makers and the public regarding the impact of human services policies on individuals communities, and county social services operations.

...**Collaborates** with the governmental and community-based organizations to ensure efficient and effective service delivery.

...**Facilitates** effective communication between and among county social service agencies, and state and federal administrative agencies, including the exchange of knowledge and best and promising practices.

*THIS BROCHURE IS A PRODUCT OF*



**CWDA**

[www.cwda.org](http://www.cwda.org)

925 L Street, Suite 1405, Sacramento, CA 95814  
Phone (916) 443-1749 Fax (916) 443-3202

February 2007