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ELDER JUSTICE

HHS Could Do More to Encourage State Reporting on the Costs of Financial Exploitation

Accessible Version

GAO Highlights

Highlights of [GAO-21-90](#), a report to the Special Committee on Aging, United States Senate

Why GAO Did This Study

Elder financial exploitation—the fraudulent or illegal use of an older adult’s funds or property—has far-reaching effects on victims and society. Understanding the scope of the problem has thus far been hindered by a lack of nationwide data. In 2013, HHS worked with states to create NAMRS, a voluntary system for collecting APS data on elder abuse, including financial exploitation. GAO was asked to study the extent to which NAMRS provides information on elder financial exploitation.

This report examines (1) the status of HHS’s efforts to compile nationwide data through NAMRS on the extent of financial exploitation and the challenges involved, and (2) what is known about the costs of financial exploitation to victims and others. GAO analyzed NAMRS data from fiscal year 2016 through 2019 (the most recent available); reviewed relevant federal laws; and interviewed officials from HHS, other federal agencies, elder abuse prevention organizations, and researchers. GAO also reviewed APS documents and spoke with officials in eight states, selected based on their efforts to study, collect, and report cost data; and reviewed studies on financial exploitation.

What GAO Recommends

GAO recommends that HHS (1) work with state APS agencies to collect and submit cost data to NAMRS, and (2) develop a timeframe to share states’ tools to help collect cost data. HHS did not agree with the first recommendation, but GAO maintains that it is warranted, as discussed in the report. HHS agreed with the second recommendation.

View [GAO-21-90](#). For more information, contact Kathryn A. Larin at (202) 512-7215 or larink@gao.gov.

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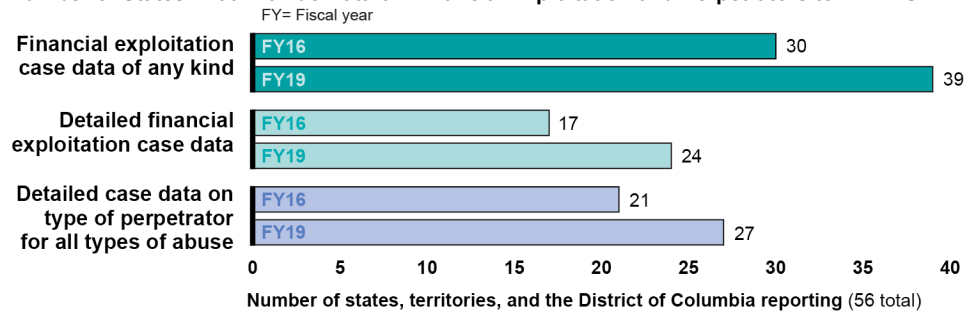
ELDER JUSTICE

HHS Could Do More to Encourage State Reporting on the Costs of Financial Exploitation

What GAO Found

Most state Adult Protective Services (APS) agencies have been providing data on reports of abuse to the Department of Health and Human Services (HHS), including data on financial exploitation, although some faced challenges collecting and submitting these data. Since states began providing data to HHS’s National Adult Maltreatment Reporting System (NAMRS) in 2017, they have been voluntarily submitting more detailed data on financial exploitation and perpetrators each year (see figure). However, some APS officials GAO interviewed in selected states said collecting data is difficult, in part, because victims are reluctant to implicate others, especially family members or other caregivers. APS officials also said submitting data to NAMRS was challenging initially because their data systems often did not align with NAMRS, and caseworkers may not have entered data in the system correctly. HHS has provided technical assistance and grant funding to help states address some of these challenges and help provide a better picture of the prevalence of the various types of financial exploitation and its perpetrators nationwide.

Number of States That Provide Data on Financial Exploitation and Perpetrators to NAMRS



Source: GAO analysis of National Adult Maltreatment Reporting System (NAMRS). | GAO-21-90

Data table for Number of States That Provide Data on Financial Exploitation and Perpetrators to NAMRS

	Fiscal year 2016	Fiscal year 2019
Financial exploitation case data of any kind	30	39
Detailed financial exploitation case data	17	24
Detailed case data on type of perpetrator for all types of abuse	21	27

Studies estimate some of the costs of financial exploitation to be in the billions, but comprehensive data on total costs do not exist and NAMRS does not currently collect cost data from APS agencies. The Consumer Financial Protection Bureau found actual losses and attempts at elder financial exploitation reported by financial institutions nationwide were \$1.7 billion in 2017. Also, studies published from 2016 to 2020 from three states—New York, Pennsylvania, and Virginia—estimated the costs of financial exploitation could be more than \$1 billion in each state alone. HHS does not currently ask states to submit cost data from APS casefiles to NAMRS, though officials said they have

begun to reevaluate NAMRS with state APS agencies and other interested parties, including researchers, and may consider asking states to submit cost data moving forward. Adding cost data to NAMRS could make a valuable contribution to the national picture of the cost of financial exploitation. Recognizing the importance of these data, some APS officials GAO interviewed said their states have developed new data fields or other tools to help caseworkers collect and track cost data more systematically. HHS officials said they plan to share this information with other states to make them aware of practices that could help them collect cost data, but they have not established a timeframe for doing so.

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Abbreviations

ACL	Administration for Community Living
APS	Adult Protective Services
CFPB	Consumer Financial Protection Bureau
COVID-19	Coronavirus Disease 2019
DOJ	Department of Justice
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
FTC	Federal Trade Commission
HHS	Department of Health and Human Services
NAMRS	National Adult Maltreatment Reporting System
NIBRS	National Incident-Based Reporting System
SAR	Suspicious Activity Report
Sentinel	Consumer Sentinel Network
Treasury	Department of the Treasury

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December 18, 2020

The Honorable Susan M. Collins
Chairman
Special Committee on Aging
United States Senate

The Honorable Robert P. Casey, Jr.
Ranking Member
Special Committee on Aging
United States Senate

Elder financial exploitation—the fraudulent or illegal use of the resources of an elder for monetary or personal benefit—is a growing problem, especially as the U.S. population ages.¹ The U.S. Census Bureau projects that by 2030, more than 20 percent of U.S. residents will be 65 and older, compared with 13 percent in 2010 and 9.8 percent in 1970.² As the population of older Americans increases, the prevalence of elder abuse, including elder financial exploitation, may also increase, with negative impacts on the victims, their families, and society. When older adults are financially exploited by trusted others (such as family, friends, or guardians) or by strangers, the money is rarely recovered. Those losses can undermine the ability of older adults to support and care for themselves, which can negatively affect their health, and shift the burden of caring for them to family members or society in general.

With a goal of building the information base necessary to improve prevention, interventions, and services for exploited, abused, and neglected older adults, the Department of Health and Human Services (HHS) began to develop the National Adult Maltreatment Reporting

¹The Elder Justice Act of 2009 (Elder Justice Act) defines exploitation 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, or gain, or that results in depriving an elder of rightful access to, or use of, benefits, resources, belongings, or assets.” See Pub. L. No. 111-488, tit. VI, subtit. H., sec. 6703, § 2011(8), 124 Stat. 119, 782-83 (2010) (codified at 42 U.S.C. § 1397j(8)). For purposes of this report, we use this definition of “elder financial exploitation,” unless otherwise noted. Federal and state laws vary in their definitions of financial exploitation. The examples described in this report may not meet the Elder Justice Act’s definition.

²See U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, *An Aging Nation: The Older Population in the United States, Current Population Reports* (Washington, D.C.: May 2014) and U.S. Census Bureau 2017 National Population Projections Tables.

System (NAMRS) in 2013 to collect data—including data on financial exploitation—from states' Adult Protective Services (APS) agencies. You asked us to study the extent to which NAMRS provides information on elder financial exploitation. This report examines (1) the status of HHS's efforts to compile nationwide data through NAMRS on the extent of elder financial exploitation and the challenges state APS agencies face providing this information, and (2) what is known about the costs of elder financial exploitation to victims and others.

To determine the status of HHS's efforts to compile nationwide data through NAMRS on the extent of elder financial exploitation and the perpetrators of this abuse, we analyzed NAMRS data from fiscal years 2016 through 2019, which included all the data collected and available at the time of our review.³ We reviewed documents from HHS's Administration for Community Living (ACL) and ACL's APS Technical Assistance Resource Center to understand trends in and the quality of the NAMRS data, and ACL's plans for the database moving forward. In addition, we interviewed officials from the APS Technical Assistance Resource Center, which is responsible for maintaining the NAMRS database and providing NAMRS-related technical assistance to state APS agencies. Based on our review of documents and information provided by officials during these interviews, we determined that the NAMRS data on financial exploitation and perpetrator characteristics were sufficiently reliable for the purposes of describing the status and quality of the data at the time of our review. Additionally, we reviewed studies on financial exploitation and the perpetrators of this type of abuse.

To examine what is known about the costs associated with elder financial exploitation, we analyzed the methodology and findings of 15 studies that contained cost estimates. We identified these studies through discussions with representatives from elder abuse prevention organizations and federal agency officials, and through a literature search. We limited our literature search to studies published in the United States in the past 10 years (from January 2010 through January 2020) in academic peer-reviewed journals, trade or industry publications, and government

³HHS's Administration for Community Living (ACL) has publicly released NAMRS summary data reports for fiscal years 2016 through 2019.

reports.⁴ Once we identified these 15 studies, two GAO economists reviewed the studies in detail, including their data sources, methods, limitations, and key findings. We found the cost estimates in nine of the 15 studies to be sufficiently reliable for our purposes of describing what is known about the costs of elder financial exploitation to victims and others. The remaining six studies were not included in our review.⁵

To address both of these research objectives, we interviewed ACL, Consumer Financial Protection Bureau (CFPB) and Department of Justice (DOJ) officials, as well as researchers and representatives with national elder abuse prevention organizations about any challenges in collecting information on and estimating the costs of elder financial exploitation.⁶ We reviewed relevant federal laws, regulations, agency guidance, and also gathered documents from and interviewed APS agency officials in eight selected states: California, Florida, Maine, Nevada, New York, Oregon, Pennsylvania, and Virginia. We selected these states based on various factors, including states that had conducted a study of the costs of financial exploitation in their state; reported varying levels of financial exploitation data to NAMRS in fiscal year 2018; have elder abuse multidisciplinary teams; and were

⁴Our literature search identified about 300 publications using search terms that would capture information on costs of elder financial exploitation to victims and others, such as family members and taxpayers. Two analysts reviewed the summary information of these publications to identify studies that contained original cost estimates. While we limited our literature search to publications from January 2010 through January 2020, we included in our analysis several studies identified through discussions with organizations and agency officials that were published more recently.

⁵Two of the six studies that did not meet our inclusion criteria, but are commonly cited studies of the costs of elder financial exploitation, include a 2011 study from MetLife and a 2015 study from True Link. The MetLife study relied on newspaper articles as its main data source. (See MetLife Mature Market Institute, *The MetLife Study of Elder Financial Abuse: Crimes of Occasion, Desperation, and Predation Against America's Elders* (June 2011).) The True Link study's authors extrapolated total losses based on an assumption that all older adults had the same annual financial loss as those of their survey respondents. (See True Link Financial, *The True Link Report on Elder Financial Abuse 2015* (January 2015).)

⁶We interviewed the following national elder abuse prevention organizations and national organizations with specific elder abuse prevention efforts: AARP Public Policy Institute, American Bar Association Commission on Law and Aging, National Adult Protective Services Association, National Association of Attorneys General, and National Center on Elder Abuse. We also interviewed researchers from the following institutions: New York State Office of Children & Family Services, Stanford Center on Longevity, University of Minnesota, University of Southern Maine, and Virginia Polytechnic Institute and State University.

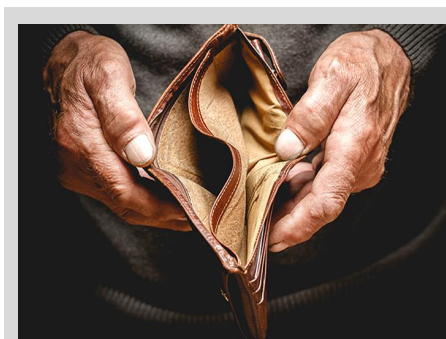
recommended by national elder abuse prevention organizations and researchers because they collect cost data on financial exploitation. We also compared ACL efforts to collect data on elder financial exploitation, including cost data, to its information sharing mission and to HHS's goals for NAMRS.

In each of the eight selected states, we requested information to determine what data APS agencies collected on financial exploitation, the perpetrators of that abuse, and the tools or training they provided to caseworkers related to financial exploitation. We also interviewed state APS administrators and data managers about their agency's role in collecting data on the costs of financial exploitation and what challenges, if any, they face reporting these data to NAMRS.⁷ In several of these states, we also spoke with representatives of elder abuse multidisciplinary teams (e.g., collaborative groups that bring together stakeholders from different sectors, including APS, law enforcement, legal services, guardians and conservators, financial services, etc., to build relationships and share knowledge to improve their community's response to elder abuse) and APS caseworkers who specialize in financial exploitation cases. Our interviews with officials in these states are not generalizable to all state APS agencies, but they provide illustrative examples about selected state APS agencies' experiences collecting financial exploitation data, the challenges state agencies may face reporting these data to NAMRS, and actions state APS agencies may be taking to collect and report data on financial exploitation. (See app. I for more information about the role of APS agencies in each of these selected states.)

We conducted this performance audit from October 2019 to December 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷We were unable to conduct interviews with officials from New York's APS agency because of impacts on government operations related to the Coronavirus Disease 2019 (COVID-19). Instead, New York APS officials provided written responses to our interview questions. All interviews with the seven remaining states were conducted via telephone.

Background



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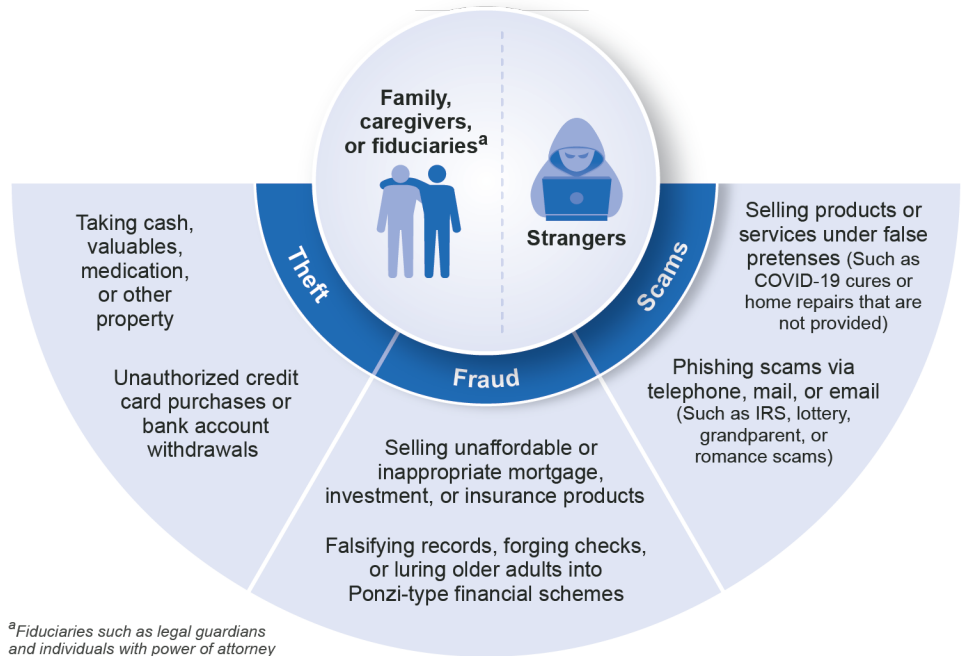
Older adults are particularly vulnerable to financial exploitation for several reasons. For example, older adults are often targeted because they have acquired more wealth over a longer period of time compared to younger people. Also, research has shown that the likelihood of making poor financial decisions increases with age, including diminished capacity to manage money and financial assets in ways that meet one's needs.⁸ Research has also found that the incidence of Alzheimer's disease and other dementias in older adults can undermine their judgment, and may result in financial exploitation going unnoticed by family or other caregivers until it is too late to recover financial losses.⁹

In addition, elder financial exploitation may take a variety of forms, ranging from a caregiver or family member stealing money or medications off a victim's dresser or charging items for their personal use to a victim's credit card, to a legal guardian withdrawing funds from the victim's bank account, to a scam that entices a victim to share bank information or wire money (see fig. 1). Each of these types of elder financial exploitation may require a different strategy to try to reduce the prevalence, as well as different skills and expertise to investigate and respond to a report of possible financial exploitation.

⁸Sumit Agarwal et al., "The Age of Reason: Financial Decisions over the Life-Cycle with Implications for Regulation," *Brookings Papers on Economic Activity*, vol. 2 (2009), 51-117.

⁹Liesi E. Hebert et al., "Alzheimer Disease in the US Population," *Archives of Neurology*, vol. 60 (August 2003), 1119-1122.

Figure 1: Examples of Perpetrators and Types of Elder Financial Exploitation



^aFiduciaries such as legal guardians and individuals with power of attorney

Source: GAO review of documents from federal agencies and elder abuse prevention organizations. | GAO-21-90

Text of Figure 1: Examples of Perpetrators and Types of Elder Financial Exploitation

- Family, caregivers, or fiduciaries (Fiduciaries such as legal guardians and individuals with power of attorney); OR
- Strangers
 - **Theft**
 - Taking cash, valuables, medication, or other property
 - Unauthorized credit card purchases or bank account withdrawals
 - Invalid changes to wills or other estate documents
 - **Fraud**
 - Selling unaffordable or inappropriate mortgage, investment, or insurance products
 - Falsifying records, forging checks, or luring older adults into Ponzi-type financial schemes
 - **Scams**
 - Selling products or services under false pretenses (Such as COVID-19 cures or home repairs that are not provided)
 - Phishing scams via telephone, mail, or email (Such as IRS, lottery, grandparent, or romance scams)

Source: GAO review of documents from federal agencies and elder abuse prevention organizations. | GAO-21-90

Note: Federal and state law may differ in how they define what constitutes financial exploitation. There can be overlap between these categories, depending on the definition.

Role of Federal and State Agencies

Various federal, state, and local agencies are involved with identifying, investigating, and prosecuting incidents of elder abuse. Within HHS, the Administration for Community Living (ACL) works to protect older adults and those with disabilities from abuse by providing grants to state APS agencies to help them carry out their responsibilities and to various resource centers.¹⁰ ACL also plays a role in generating and sharing knowledge relevant to protecting older adults, including by planning for the coordination and development of elder justice research, programs, studies, training, and other efforts nationwide.¹¹ For example, ACL funds the National Center on Elder Abuse, which disseminates information on elder abuse, neglect, and exploitation to professionals and the public. ACL also funds the APS Technical Assistance Resource Center, which provides a variety of educational opportunities for APS professionals, and technical assistance to state and local APS programs on policy, practice, and administrative issues, including supporting state APS agencies as they prepare their annual NAMRS data submissions.

The Department of Justice (DOJ) helps to monitor and address elder abuse through its Elder Justice Initiative and through collaboration with HHS and other federal, state, and local partners.¹² In October 2020, DOJ announced that it had awarded \$9.4 million in grant funding for direct victim services and research projects that enhance the field's response to

¹⁰HHS established ACL in 2012, merging the Administration on Aging, the Administration on Intellectual and Developmental Disabilities, and the Office on Disability. The Administration on Aging, a component of ACL, principally administers the Older Americans Act of 1965, as amended, which provides grants to states that they can allocate to state APS agencies.

¹¹See Pub. L. No. 111-488, tit. VI, subtit. H., sec. 6703, 124 Stat. 119, 782-804 (2010) (codified at 42 U.S.C. §§ 1320b-25, 1395i-3a, and 1397j to 1397m-5). Specifically, the Elder Justice Act of 2009 provides for formula grants to enhance the provision of adult protective services and demonstration grants to conduct programs to detect and prevent elder abuse. See sec. 6703, § 2042(b)-(c) (codified at 42 U.S.C. § 1397m-1(b)-(c)).

¹²In 2019, we reported on the status of the Department of Justice's (DOJ) elder justice activities. See GAO, *Elder Justice: Goals and Outcome Measures Would Provide DOJ With Clear Direction and a Means to Assess Its Efforts*, [GAO-19-365](#) (Washington, D.C.: June 7, 2019).

elder abuse and financial exploitation.¹³ In addition, DOJ investigates and prosecutes financial crimes against older adults that violate federal laws, such as health care fraud and large-scale mail fraud. For the past 3 years, DOJ has conducted an “Elder Fraud Sweep” to bring enforcement actions in criminal and civil cases throughout the country. In March 2020, DOJ announced that its annual sweep had resulted in charges involving more than 400 defendants in elder fraud schemes with alleged losses totaling over \$1 billion.¹⁴

In addition, ACL collects and disseminates data regarding elder abuse, neglect, and exploitation, in coordination with DOJ.¹⁵ Under provisions of the Elder Justice Act of 2009, HHS, as the designated chair of the Elder Justice Coordinating Council, has delegated leadership to ACL for coordinating activities related to elder abuse, neglect, and exploitation across the federal government.¹⁶ As of December 2020, 15 other federal agencies were members of the Council including DOJ (as a permanent member), CFPB, the Department of the Treasury (Treasury), and the Federal Trade Commission (FTC).¹⁷ Through their participation in the Elder Justice Coordinating Council, these federal agencies are committed to identifying and proposing solutions to the problems surrounding elder abuse, neglect, and financial exploitation. In addition, agencies in the social services, criminal justice, and consumer protection systems in each state lead the state and local efforts to prevent, detect, and respond to elder financial exploitation.

¹³U.S. Department of Justice, *Justice Department Awards over \$9 Million to Combat Elder Fraud and Abuse* (Oct. 1, 2020).

¹⁴U.S. Department of Justice, *Attorney General William P. Barr Announces the Results of the Department of Justice’s 2020 Elder Fraud Sweep and New Nursing Home Initiative* (Mar. 3, 2020).

¹⁵See sec. 6703, § 2042(a)(1)(B)-(C) (codified at 42 U.S.C. § 1397m-1(a)(1)(B)-(C)).

¹⁶See sec. 6703, § 2021 (codified at 42 U.S.C. § 1397k).

¹⁷The other Elder Justice Coordinating Council member agencies include the Corporation for National and Community Service, the Departments of Agriculture, the Federal Communications Commission, Homeland Security, Housing and Urban Development, Interior, Labor, Veterans Affairs, the Postal Inspection Service, the Securities and Exchange Commission, and the Social Security Administration.



Source: Du Visu/stock.adobe.com. | GAO-21-90

State APS agencies provide social services that are administered at the state and local level, and APS caseworkers investigate and substantiate reports of suspected abuse, including reports of financial exploitation. ACL prepared a report about the characteristics of state APS programs and policies in 2018.¹⁸ According to ACL's report, some state APS agencies are administered by the state's aging agency, but in most states, APS is under the state's department of human services and, similar to the federal level, serves a broader population, including adults with disabilities who are age 18 or older.¹⁹ APS investigates reports of abuse that occur in non-institutional community settings, such as in an individual's home, and in many states, APS also investigates reports of abuse in residential facilities, such as nursing homes or long-term care facilities, where many older adults live.²⁰ Following a report of abuse, APS can arrange for services to secure the person's safety and meet their basic needs. If a report of financial exploitation is substantiated, and the caseworker determines there is evidence of criminal activity, APS generally refers the case to law enforcement for further investigation. Whether a financial exploitation case comes to the attention of law enforcement authorities through referral from APS or some other means, law enforcement agencies and district attorneys have broad discretion in deciding whether to pursue a case.

Federal Data Sources on Financial Exploitation

HHS and other federal agencies maintain different data sources that collect and report various financial exploitation data (see table 1). For example, DOJ, in consultation with HHS, is required to collect statistical data related to elder abuse cases from federal law enforcement and other

¹⁸See WRMA, Inc., *Adult Protective Services Policy Final Report*, a report prepared at the request of the Department of Health and Human Services, Administration for Community Living (September 21, 2018).

¹⁹According to ACL's report, this is the case in 49 states. Depending on the state's social service structure, APS programs are either operated at the state level or by counties. See WRMA, Inc., *Review of Adult Protective Services Policy Final Report* (2018).

²⁰According to ACL's report, in 14 states, APS does not investigate reports of abuse in residential facilities. In these states, there may also be a regulatory agency such as a Medicaid Fraud Control Unit or Long-Term Care Ombudsmen that is responsible for responding to reports of abuse or neglect in these settings. See WRMA, Inc., *Adult Protective Services Policy Final Report* (2018).

federal agencies as appropriate, and to publish the data on its website.²¹ DOJ and the FTC are also each required to submit an annual report to Congress detailing the enforcement actions it has taken for cases involving financial schemes or scams that targeted or largely affected elders.²²

²¹This is required by the Elder Abuse Prevention and Prosecution Act. See Pub. L. No. 115-70, § 202(a), 131 Stat. 1208, 1211 (2017).

²²See U.S. Department of Justice, *Attorney General's Annual Report to Congress on Department of Justice Activities to Combat Elder Fraud and Abuse* (Washington, D.C.: Oct. 18, 2020); and Federal Trade Commission, *Protecting Older Consumers 2019-2020 A Report of the Federal Trade Commission* (Washington, D.C.: Oct. 18, 2020) for the most recent annual reports to Congress from these agencies.

Table 1: Key Sources of Financial Exploitation Data Maintained by Federal Agencies

Administering federal agency	Name of data source	Description of information collected
Department of Health and Human Services (HHS)	National Adult Maltreatment Reporting System (NAMRS)	Data on adult maltreatment from state Adult Protective Services (APS) programs.
Department of the Treasury (Treasury)	Financial Crimes Enforcement Network's (FinCEN) Bank Secrecy Act E-Filing System	Data on suspected elder financial exploitation submitted by financial institutions (referred to as Suspicious Activity Reports).
Federal Bureau of Investigation (FBI)	National Incident-Based Reporting System (NIBRS)	Data on crimes collected from state, local, and federal law enforcement agencies that participate in the system.
Federal Trade Commission (FTC)	Consumer Sentinel Network (Sentinel)	Information on consumer complaints from multiple sources such as state and local law enforcement.

Source: GAO analysis of HHS, FBI, FTC, and Treasury information. | GAO-21-90

The Older Americans Act of 1965, as amended, does not require HHS to report data on elder abuse or exploitation, but does require HHS to establish federal guidelines and disseminate best practices for uniform data collection and reporting by states.²³ In our 2011 report on elder justice, we found that HHS had taken limited steps to implement this requirement.²⁴ Agency officials at the time expressed concern about the practicability of collecting the data given that there is no common state-level definition of elder abuse, and that the amount of funding being provided would not justify the burden on states if they were asked to report uniform data.

Nevertheless, partially in response to a recommendation we made in that 2011 report,²⁵ as well as calls from program officials, policymakers, and subject matter experts for more nationally aggregated data from state APS agencies, HHS began to work with state APS agencies in 2013 to develop a voluntary nationwide system to collect data on adult maltreatment from all 50 states, the District of Columbia, and five territories. This system became the National Adult Maltreatment Reporting System (NAMRS). According to HHS, an important goal of

²³See 42 U.S.C. § 3011(e)(2)(A)(iii) and (iv).

²⁴GAO, *Elder Justice: Stronger Federal Leadership Could Enhance National Response to Elder Abuse*, [GAO-11-208](#) (Washington, D.C.: Mar. 2, 2011).

²⁵The conference report accompanying the legislation cited findings and recommendations from our 2012 and 2011 reports. See S. Rep. No. 115-9 (2017) (Conf. Rep.). See also GAO, *Elder Justice: National Strategy Needed to Effectively Combat Elder Financial Exploitation*, [GAO-13-110](#) (Washington, D.C.: Nov. 15, 2012); and [GAO-11-208](#).

NAMRS is to collect consistent and accurate national data on investigations and services by APS programs in response to reports of abuse (referred to by NAMRS as adult maltreatment), including physical, sexual, and psychological abuse, financial exploitation, and neglect.

States Have Increased Their Financial Exploitation Reporting to NAMRS Each Year and HHS Is Helping States Address Challenges

HHS released its first report of NAMRS data in 2018, which summarized state APS agency data from fiscal year 2016.²⁶ Since then, HHS has released three more NAMRS reports summarizing state APS agency data from fiscal years 2017 through 2019.²⁷ Each year, more states have been providing NAMRS with more data on financial exploitation and on the perpetrators of abuse based on APS casefiles. While APS data are an important source of information on the extent of financial exploitation nationwide and perpetrators of this abuse, gaps remain in states' reporting of these data. HHS, through its Administration for Community Living (ACL), has provided technical assistance and grant funding to help states address challenges submitting data to NAMRS. Other studies have produced nationwide estimates of certain types of fraud or theft based on data from financial institutions and surveys of older adults.

State APS Programs Are Providing More Data Each Year to NAMRS, but Gaps Remain

ACL asks APS agencies in all 50 states, the District of Columbia, and five territories to voluntarily provide information to NAMRS about their

²⁶See Administration for Community Living, *NAMRS FFY 2016 Background Report* (Washington, D.C.: May 5, 2018) and related materials which summarize fiscal year 2016 NAMRS data received from state APS agencies on the ACL website accessed on July 28, 2020 at <https://namrs.acl.gov/Learning-Resources/Adult-Maltreatment-Reports.aspx>.

²⁷See Administration for Community Living, *Adult Maltreatment Report 2019* (Washington, D.C.: 2020) and *Adult Maltreatment Report 2018* (Washington, D.C.: 2019) summarizes fiscal year 2019 and 2018 NAMRS data, respectively. Fiscal year 2017 NAMRS data can be found in several reports on the ACL website at <https://namrs.acl.gov/Learning-Resources/Adult-Maltreatment-Reports.aspx>.

policies, practices, and data on reports of abuse.²⁸ APS agencies may submit one of two levels of data on reports of abuse: either summary data (referred to by NAMRS as “key indicator component” data) or, if possible, more detailed case-level data (referred to by NAMRS as “case component” data), which includes data on client characteristics, services provided, and perpetrator characteristics for specific reports of abuse (see table 2).²⁹ Beyond the summary reports issued to date, according to HHS officials, NAMRS is expected to begin releasing more detailed case-level data publicly in fall 2021.

Table 2: Information ACL Requests for NAMRS on the Prevalence of Financial Exploitation and Perpetrators of Abuse at the Summary and Detailed Case-Level

<p>Summary (“Key Indicator Component”) data: Aggregated data on key statistics of investigations and victims, provided by agencies that are unable to provide detailed case-level data. These summary data include statistics on 20 data elements describing all reports of abuse received and investigated in a fiscal year, in aggregate.</p>
<p>Prevalence: ACL asks states to provide NAMRS with summary data on their investigations of reports of abuse by type of abuse, including financial exploitation.</p>
<p>Perpetrators: ACL asks states to provide NAMRS with summary data on perpetrator characteristics when their investigations of reports of abuse are substantiated. For example, ACL asks for summary data such as whether perpetrators had a kinship relationship or caregiving association with the victim. (Note: These summary data cannot be analyzed by type of abuse.)</p>
<p>Detailed case-level (“Case Component”) data: Data on client characteristics, services, and perpetrator characteristics, provided by state agencies that are able to track and report these data for specific reports of abuse. These detailed case-level data include information on 54 data elements describing all reports of abuse received and investigated in a fiscal year, for each case individually.</p>
<p>Prevalence: ACL asks states to provide NAMRS with detailed case-level data on their investigations of reports of abuse by type of abuse, including financial exploitation, and whether the report was substantiated.</p>
<p>Perpetrators: ACL asks states to provide NAMRS with detailed case-level data on the victim-perpetrator relationship when reports of abuse are substantiated, including reports of financial exploitation. For example, ACL asks for information such as whether there is cohabitation, what the kinship relationship is, what the caregiving relationship is, and whether there is a substitute decision-maker relationship, such as with a health care or financial proxy, a guardian or conservator, or representative payee. (Note: These case-level data can be analyzed by type of abuse.)</p>

Source: GAO analysis of information that the Administration for Community Living (ACL) requests for the National Adult Maltreatment Reporting System (NAMRS). | GAO-21-90

²⁸According to ACL’s report, in 49 states, APS agencies are responsible for serving adults with disabilities between the ages of 18-59 or 18-64, in addition to older adults. See WRMA, Inc., *Adult Protective Services Policy Final Report* (2018). Therefore, NAMRS data include reports of abuse affecting individuals eligible for APS services—both older adults and younger adults with disabilities. As a result, throughout this report, when discussing NAMRS data and other services provided by APS, we generally refer to financial exploitation rather than elder financial exploitation. Also, hereinafter in this report, we refer to the 56 APS reporting entities, including states, the District of Columbia, and the U.S. territories as “states.”

²⁹State APS agencies may choose one or the other reporting level each year, but do not submit both. The annual reporting period for NAMRS data is the federal fiscal year (October 1 through September 30).

Some states only submit data when reports of abuse have been confirmed or “substantiated”; other states also submit at least some data on unsubstantiated cases. In the first year’s submission of data to NAMRS, for fiscal year 2016, NAMRS reports show that 46 states provided either summary or detailed case-level data on their reports of abuse.³⁰ For fiscal year 2019, the most recent year of data available at the time of our review, NAMRS reports show that 51 states provided either summary or detailed case-level data on reports of abuse.

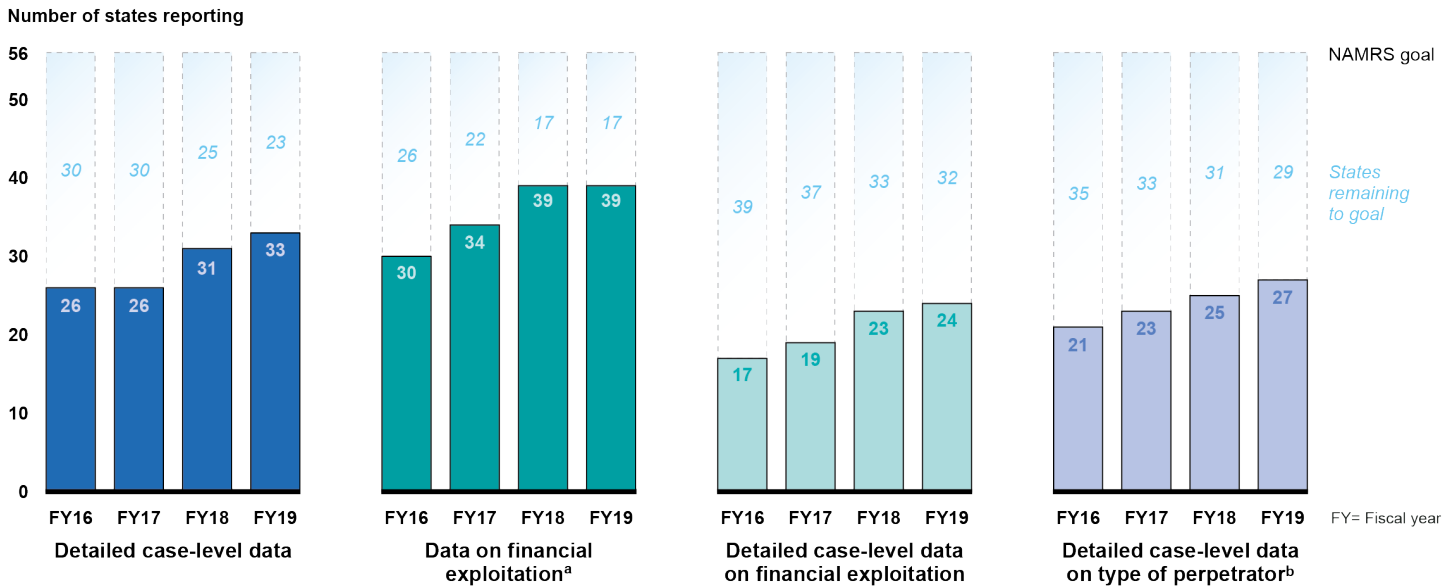
In their fiscal year 2019 submissions, most states were providing financial exploitation data to NAMRS at least at the summary level, and the number of states submitting data on perpetrator types at the case-level had also increased. As more states contribute data to NAMRS, ACL officials said there will be enough detailed case-level data from states to be able to sort and regroup the data in various ways. For example, researchers would be able to tabulate the types of abuse by the types of perpetrators, and provide estimates of the percent of financial exploitation cases that involve adults over age 65 and that are perpetrated by family members, legal guardians, or strangers.

States have been providing more data to NAMRS, but in their fiscal year 2019 submissions, over one-half of the states were still not providing detailed case-level data elements on financial exploitation, or detailed case-level data on the relationship between victims and the perpetrators (see fig. 2). According to an ACL gap analysis of NAMRS data, among the states that submitted detailed case-level data on financial exploitation cases in fiscal year 2018, most provided less than one-half of the 29 requested data elements examined by the gap analysis, and eight of 31 states provided no financial exploitation data.³¹ With respect to perpetrator data, ACL officials acknowledged that, even at the summary data level, these data are the least complete type of data and a known gap.

³⁰In addition, all 56 states provided information on their policies and practices (referred to by NAMRS as “agency component” data) since their first submission of fiscal year 2016 data.

³¹ACL officials said that the APS Technical Assistance Resource Center conducted this overall NAMRS gap analysis to understand what additional data elements are needed from states to improve data reliability, and to assess the overall status of states’ reporting to inform what further technical assistance will be needed. According to that gap analysis, for fiscal year 2018, most of the 29 requested data elements were provided by less than one-half of the 56 states. The challenges states face in collecting and reporting these data are discussed later in the report.

Figure 2: Number of States That Provide Data on Reports of Abuse to the National Adult Maltreatment Reporting System (NAMRS)



Source: GAO analysis of National Adult Maltreatment Reporting System (NAMRS). | GAO-21-90

Data table for Figure 2: Number of States That Provide Data on Reports of Abuse to the National Adult Maltreatment Reporting System (NAMRS)

	FY16	FY17	FY18	FY19
Detailed case-level data	26	26	31	33
Data on financial exploitation ^a	30	34	39	39
Detailed case-level data on financial exploitation	17	19	23	24
Detailed case-level data on type of perpetrator ^b	21	23	25	27

Notes: In this report, we refer to the 56 APS reporting entities, including states, the District of Columbia, and the U.S. Territories as "states."

^aThis includes both summary data (referred to by NAMRS as "key indicator component" data) and detailed case-level data (referred to by NAMRS as "case component" data).

^bThe number of states submitting perpetrator data includes all reports of abuse, not specific to financial exploitation.

ACL officials also said that many states were initially unsure if they would be able to provide certain data on perpetrators because the data may not be captured in the state-level data systems, and some states may have policy or legal concerns about recording perpetrator information before affording the perpetrator due process. Also, state APS programs place their primary focus on the victims, not the perpetrators. Nevertheless, ACL officials said that the agency has provided technical assistance to states that have requested it to increase the amount of perpetrator data

they provide, and they believe that perpetrator data will likely become more complete over time, to the extent that more states continue to provide more data to NAMRS each year. (See text box for more information on common types of perpetrators and various intervention strategies.)

Types of Financial Exploitation Perpetrators and Intervention Strategies

Trusted others. Perpetrators can include an array of people known to or trusted by the older adult, such as family members and paid home care workers, as well as those with fiduciary responsibilities, such as financial advisors.^a When the perpetrator is a family member, researchers have suggested that the intervention approach needs to include the family member, not just the victim, so that the family can stay intact, if possible.^b

Strangers. Perpetrators can also include strangers who use various methods, such as mail, telephone calls, or email to deceive a victim by misrepresenting facts about promised goods, services, or other benefits. This type of activity is usually referred to as a scam or fraud.^c In these cases, it has been suggested by researchers that one of the best interventions is to keep older adults from becoming socially isolated. For example, they noted that older adults who are lonely and desire companionship can be more susceptible to strangers perpetrating various scams and frauds.^d

Legal guardians and other proxies. Perpetrators can also include substitute decision-makers, such as legal guardians, conservators, and representative payees, as well as health and financial proxies. According to a report from the American Bar Association (ABA), states bear responsibility for judicial appointment, administrative cost, and guardianship monitoring, yet lack the resources to do so adequately. The ABA adopted a resolution in August 2020 recommending that Congress create an adult Guardianship Court Improvement Program to help support efforts to improve state guardianship systems for adults.^e

Source: GAO review of studies and information from the National Adult Protective Services Association, and the American Bar Association. | GAO-21-90

^aNational Adult Protective Services Association, *Exploitation Resources*, accessed November 3, 2020, <https://www.napsa-now.org/get-informed/exploitation-resources/>.

^bShelly L. Jackson and Thomas L. Hafemeister, *Financial Abuse of Elderly People vs. Other Forms of Elder Abuse: Assessing Their Dynamics, Risk Factors, and Society's Response*, (August 2010). This unpublished paper is available on the Department of Justice website, accessed on Sept. 1, 2020, at <https://www.ncjrs.gov/pdffiles1/nij/grants/233613.pdf>.

^cExploitation is commonly used to refer to theft that occurs over a longer period of time, often by someone known to the victim. See Michaela Beals, Marguerite DeLiema, and Martha Deevy, *Framework for a Taxonomy of Fraud*, (July 2015).

^dJackson and Hafemeister, *Financial Abuse of Elderly People vs. Other Forms of Elder Abuse* (August 2010) and Marguerite DeLiema, "Elder Fraud and Financial Exploitation: Application of Routine Activity Theory," *Gerontologist*, vol. 58, no. 4, (2018), 706-718.

^eAmerican Bar Association, *Report to the House of Delegates: Resolution*. Approved August 2020. Accessed on Sept. 1, 2020, at https://www.americanbar.org/news/reporter_resources/annual-meeting-2020/house-of-delegates-resolutions/105/.

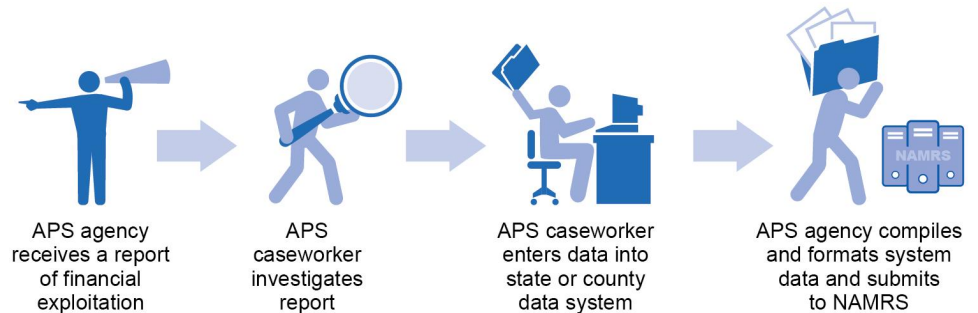
ACL officials told us that one of their goals is to have all states report detailed case-level data to NAMRS, and that the APS Technical Assistance Resource Center continues to work with states towards this goal. According to ACL's 2019 NAMRS annual report, having more data is important for avoiding inaccurate conclusions that could be drawn from less complete data, and will result in more consistent and useful NAMRS

data for observing trends over time.³² But officials said that even without all of the states providing detailed case-level data, NAMRS will still be a useful source of national data to inform and prevent elder abuse by enabling analysis of abuse investigations nationwide. Therefore, ACL officials said that they plan to publicly release NAMRS data after collecting 5 years of data—currently scheduled for fall 2021.

Some State APS Agencies Faced Initial Challenges Submitting Data to NAMRS

APS agency officials we spoke with in some selected states noted that they initially faced several challenges adjusting their data collection and reporting processes to make this submission of data to NAMRS possible (see fig. 3). ACL provided technical assistance and funding through grants to help address the various difficulties states faced.

Figure 3: Typical Process for State APS Agencies Submitting Financial Exploitation Data to NAMRS



Source: GAO analysis of National Adult Maltreatment Reporting System (NAMRS) documentation and interviews with Adult Protective Service (APS) agency officials. | GAO-21-90

Text of Figure 3: Typical Process for State APS Agencies Submitting Financial Exploitation Data to NAMRS

1. APS agency receives a report of financial exploitation
2. APS caseworker investigates report
3. APS caseworker enters data into state or county data system
4. APS agency compiles and formats system data and submits to NAMRS

Source: GAO analysis of National Adult Maltreatment Reporting System (NAMRS) documentation and interviews with Adult Protective Service (APS) agency officials. | GAO-21-90

³²See Administration for Community Living, *Adult Maltreatment Report 2019* (2020).

Difficulties Aligning State Data Elements

While acknowledging the benefits of participating in NAMRS, officials in four of the selected states said that the initial process of aligning the existing APS data elements to the NAMRS data elements (referred to as “mapping”) was time consuming. Further, officials in Nevada and Pennsylvania said that it was expensive to modify their state data systems to add additional data elements requested by NAMRS. Pennsylvania officials said that adding additional data elements means additional work for caseworkers, who may already have heavy caseloads. However, officials we interviewed in these and other states that had completed this mapping process said that after the initial mapping effort, there were fewer challenges in subsequent years. Maine APS officials added that there would likely only be new challenges if NAMRS changed a data element to be collected. ACL officials also noted that mapping was a one-time event supported by thousands of hours of ACL technical assistance, and that the mapping will remain valid unless they adopt changes to the data elements.

The absence of a single statewide data system in some states can also make it more difficult for APS agencies to align data elements statewide to provide detailed case-level data to NAMRS. For example, state APS officials in California said that having 58 counties, each with a separate data system, created challenges in providing statewide data, especially with respect to providing detailed case-level data. In contrast, Oregon officials said that they had recently moved to a new statewide data system and that this had enabled them to provide detailed case-level data. In Virginia, officials said they also had recently moved to a new statewide data system and expected that this will facilitate collecting and reporting detailed case-level data to NAMRS.

Difficulties Converting State Data into a Specific Format

Even after the state data elements are aligned with NAMRS, the detailed case-level data must be converted into the XML file format before it can be submitted to NAMRS. According to ACL officials, the agency requests NAMRS data in this format because it is a data format that allows a significant amount of information about the data to be included, allows for data validation, and was the most cost-efficient at the time NAMRS was developed. State officials in some states said that reformatting the data to XML required technical expertise or added expenses to buy special software or hire a contractor. Officials in Oregon said they were able to complete the coding of this data conversion themselves but that it was

difficult and time consuming to do so. Nevada officials said they had to contract with a vendor to convert their state data into the XML format. In Florida, APS officials said that they had not yet converted their data to this format because they do not have access to the funding that would be required to go through a vendor or purchase conversion software. As a result, they said that while they collect the requested data elements, they are unable to provide these data to NAMRS.

Difficulties with Caseworkers' Data Entry

APS agency officials we spoke with in several states said they also face data entry challenges that may affect the collection of financial exploitation-related case data. State APS officials in several states said that data gaps are caused by errors when APS caseworkers initially enter data into the system. These initial errors can include entering data into narrative fields instead of data fields, or not entering data at all. Officials in three states noted that this may be due, in part, to caseworkers often being required to perform multiple jobs and work quickly. To help address these issues, state APS officials said that they provide training to caseworkers about good data collection practices.

ACL Efforts to Help Address These Challenges

ACL officials and the APS Technical Assistance Resource Center staff are working with states to improve their NAMRS data submissions by providing technical assistance and funding through APS enhancement grants.

Technical assistance. ACL contracts with the APS Technical Assistance Resource Center to provide a variety of technical assistance that may include helping states align their data elements with the NAMRS system data elements, providing training for state staff on reporting data to NAMRS, and answering questions. APS agency officials we interviewed in most of the selected states said this technical assistance helped them report data to NAMRS.

APS enhancement grants. ACL provided enhancement grant funding to state APS agencies during fiscal years 2015, 2016, 2018, and 2019 that could be used by states to improve their data systems and align their data with NAMRS, among other things.³³ State APS agency officials we spoke with told us that they have used funding from these grants in various ways. For example:

- Virginia officials said they used a grant to move to a single statewide data system, and they plan to use another grant to transition to reporting detailed case-level data to NAMRS rather than summary data.
- Nevada officials used a grant to modify their existing data system so that they could incorporate NAMRS data elements and provide detailed case-level data. These officials said the funding also supported training caseworkers for who will be using the new system.
- Pennsylvania officials said they used a grant to help purchase XML conversion software that enabled them to convert their state data to the NAMRS required data format.

³³ACL's grant announcement in fiscal year 2019 specifically invited applicants seeking to achieve improvements in the state's ability to document and report APS case, client, and perpetrator characteristics and services in a manner that is consistent with NAMRS.

APS Data Provide Important Information on Financial Exploitation but Are Not Comprehensive

APS casefiles are an important source of data on financial exploitation, but do not provide a comprehensive picture of all the financial exploitation that may be occurring. APS casefiles contain specific information about the nature of the abuse and the perpetrator, information that may not exist anywhere else, according to national elder abuse prevention organization officials. At the same time, not all incidents of financial exploitation are reported to APS, for reasons described below.

Some incidents of financial exploitation are reported directly to law enforcement or other entities. For example, in some states, allegations of exploitation that occur in residential facilities are reported to other state-level entities, such as Medicaid Fraud Control Units, or Long-Term Care Ombudsmen,³⁴ and some state APS programs do not respond or investigate reports of abuse in these settings.³⁵ Similarly, elder financial exploitation identified by financial institutions is often reported to Treasury's Financial Crimes Enforcement Network (FinCEN) through Suspicious Activity Reports (SAR) filed by financial institutions.³⁶ According to a recent Consumer Financial Protection Bureau (CFPB) study, suspicious activity is rarely reported to APS, law enforcement, or other authorities.³⁷ Also, given that state definitions of financial exploitation vary, incidents reported to APS in some states may not be

³⁴Medicaid Fraud Control Units can investigate and prosecute Medicaid provider fraud, as well as patient abuse or neglect in health care and nursing home facilities. As of September 2020, there were 53 of these units, the majority of which were located in the state attorney general's office. HHS certifies these units annually. Similarly, Long-Term Care Ombudsmen programs can address complaints about abuse of nursing home residents. These programs operate in every state and are typically located in a state's unit on aging.

³⁵Most state APS programs investigate allegations of abuse in these settings under some circumstances, but in 14 states, APS does not investigate any allegations of abuse, neglect, or exploitation in facilities. See WRMA, Inc., *Adult Protective Services Policy Final Report* (2018).

³⁶Financial institutions include a wide range of filers that include banks, credit unions, casinos, money transmitters, and insurance companies, among others.

³⁷See Consumer Financial Protection Bureau, Office of Financial Protection for Older Americans, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends* (Washington, D.C.: February 2019).

reported in others.³⁸ For example, some states—such as Nevada—have a definition of exploitation that includes acts taken by trusted others, guardians, or those holding a power of attorney, while other states—such as New York and Virginia—have definitions that would also include acts taken by strangers.³⁹ Also, as noted earlier, some states limit APS investigations to cases involving adults age 60 or 65 and older, while other states serve adults with disabilities who are 18 or older in addition to older adults. According to ACL officials, these and other variations among state APS policy and programs can have implications for the consistency of data submitted to NAMRS.

³⁸The way states define financial exploitation could also affect the way they report data to NAMRS. For example, one Nevada APS official we interviewed said their state includes financial exploitation under their definition of exploitation, which is treated as a separate data category in NAMRS. See Nev. Rev. Stat. § 200.5092(3) (2020). This official said that their state APS agency provides its financial exploitation data to NAMRS under the more general “exploitation” category. Other states, such as Maine, have a definition for both exploitation and financial exploitation. See Me. Stat. tit. 22, § 3472(9) & (9-A) (2019). For additional information about variation in state APS programs and reporting requirements, see WRMA, Inc., *Adult Protective Services Policy Final Report* (2018) and National Center on Elder Abuse and National Adult Protective Services Association, *Mandated Reporting of Abuse of Older Adults and Adults with Disabilities*, a report prepared at the request of the Department of Health and Human Services, Administration for Community Living, October 2020.

³⁹ Compare Nev. Rev. Stat. § 200.5092(3) (2020) (defining exploitation to refer to “any act taken by a person who has the trust and confidence of an older person or a vulnerable person or any use of the power of attorney or guardianship of an older person or a vulnerable person . . .”), with N.Y. Soc. Serv. Law § 473(6)(g) (McKinney 2020) (defining financial exploitation to mean the “improper use of an adult’s funds, property, or resource by another individual . . .”) and Va. Stat. § 63.2-1606(C) (West 2020) (defining financial exploitation to mean, among other things, the illegal or fraudulent use of the assets of an older adult “for another’s profit, benefit, or advantage, including a caregiver or person serving in a fiduciary capacity . . .”).

Underreporting of Financial Exploitation



One New York study estimated that one in 44 incidents is reported—that is, for every incident of elder financial abuse reported, as many as 43 more incidents of this type of abuse in New York are not reported.

Source: GAO analysis of Lifespan of Greater Rochester, Inc., Weill Cornell Medical Center of Cornell University, and New York City Department for the Aging, *Under the Radar: New York State Elder Abuse Prevalence Study* (2011). | GAO-21-90

Also, research has shown that incidents of financial exploitation that could or should be reported to APS agencies are not always reported. In 2010, researchers estimated that elder abuse could directly affect at least 10 percent (roughly 5 million) of older Americans each year.⁴⁰ But APS officials in some of the eight states we contacted said that many older Americans, in particular, are reluctant to report abuse or exploitation for various reasons, such as feelings of embarrassment, or an unwillingness to implicate a family member or a trusted caretaker. One study estimated that for elder financial exploitation in New York specifically, just one in 44 incidents of this type of abuse is reported to APS.⁴¹

⁴⁰Elder Justice Coordinating Council, U.S. Dept. of Health and Human Services, *Report of the Secretary Detailing the Activities of the Elder Justice Coordinating Council for 2012–2014*, (June 2015).

⁴¹See Lifespan of Greater Rochester, Inc., Weill Cornell Medical Center of Cornell University, and New York City Department for the Aging, *Under the Radar: New York State Elder Abuse Prevalence Study* (2011). This study found that in New York only one in 44 incidents of elder financial abuse was reported, and only one in 24 incidents of elder abuse in general was reported. Some of the financial exploitation cost estimate studies we reviewed used underreporting factors for elder abuse more generally (such as one in 10 or one in 25), rather than a factor specific to financial exploitation.

**Coronavirus Disease 2019 (COVID-19)
Related Scams Targeting the Elderly**

Examples identified by APS officials in selected states:

- Offering to buy groceries for seniors and then vanishing with the money.
- Asking potential recipients of CARES Act stimulus payments to provide personal information in order to receive their checks.
- Obtaining credit card information for personal protective equipment and not delivering it and/or stealing the credit card information.
- Charging for COVID-19 tests, protective equipment, or purported cures that were not delivered.

Source: GAO interviews with state Adult Protective Service (APS) officials in selected states. | GAO-21-90

In addition, even when incidents of financial exploitation are reported to APS, the claims can be difficult to investigate and confirm, which can result in fewer of these incidents being substantiated and reported to NAMRS. State APS agency officials we interviewed said that lack of expertise or access to financial records can pose difficulties for caseworkers trying to investigate these cases,⁴² and that victims of suspected elder financial exploitation often are not cooperative with these investigations, for various reasons (see text box).⁴³ Another challenge for some states, which can also affect the data that they collect and provide to NAMRS, is their states' standards of evidence for confirming abuse cases, according to officials with the National Association of Adult Protective Services Agencies. According to association officials, a survey they conducted in 2017 found that 34 states require a "preponderance of the evidence," but some states had higher standards, such as "clear and convincing" evidence. As a result, according to association officials, some states may report higher numbers of incidents to APS. Also, new types of scams are emerging constantly. For example, several new COVID-19-related scams were identified by APS workers during the first few months of the pandemic.

⁴²In our 2012 report, we also found that state agencies involved in combating elder financial exploitation experienced challenges collaborating and had difficulty accessing data and information, which hindered the response to elder financial exploitation. See [GAO-13-110](#).

⁴³The eight states we selected for our review are: California, Florida, Maine, Nevada, New York, Oregon, Pennsylvania, and Virginia.

Examples of Challenges Cited by Caseworkers Investigating Financial Exploitation Cases

APS officials and caseworkers we interviewed across the eight selected states described the following challenges when trying to investigate financial exploitation cases:

Lack of expertise. Caseworkers often face challenges obtaining and interpreting financial documents, and may not have access to forensic accountants, who might be able to determine how money has been lost and how it can be recovered. Some financial exploitation cases can be extremely complicated because of multiple accounts, asset transfers, complex annuities, and more. Officials said that forensic accountants can be particularly useful in complex cases for clients with a large number of investments and assets, but these experts are often not available.

Lack of access. Caseworkers said they often have difficulty acquiring financial records from banks that could help verify the costs of financial exploitation. For example, officials in Nevada said that it can be particularly challenging for caseworkers to get financial records from out-of-state banks, as well as from the Social Security Administration, and that it can be difficult for victims to make record requests themselves if they have cognitive impairments.

Lack of cooperation. Following a report of suspected elder financial exploitation, older adults often are reluctant to work with APS caseworkers during the investigation for various reasons. For example, they may not know they are being exploited, they may be embarrassed about an incident, or they may not want to implicate a family member or caregiver who may be the perpetrator. The older adult's lack of mental capacity also can make it difficult to determine what kinds of financial transactions have occurred and whether permission was granted for those transactions, and for caseworkers to gain access to needed financial records.

Source: GAO interviews with Adult Protective Services (APS) officials and caseworkers in selected states. | GAO-21-90

To help address challenges related to investigating and confirming reports of financial exploitation, some states have established Multidisciplinary Teams made up of various stakeholders, such as APS staff, law enforcement, and representatives of financial institutions, or court liaisons. These teams come together to discuss complex cases, including those involving financial exploitation, to improve investigations and outcomes. According to representatives of the Multidisciplinary Teams that we interviewed, successful collaboration can increase the number of incidents that APS is able to substantiate and report to NAMRS, ultimately improving the completeness of the NAMRS data. For example:

- Representatives from two teams that specialize in financial abuse told us that cases involving financial exploitation are especially complex, hard to investigate, and often require additional resources and consultation, but that involving a multidisciplinary team can help address these challenges.
- Representatives from one team reported an instance of elder financial exploitation where a family member opened a joint credit account and stole a substantial amount of the victim's money. The team had to involve the Federal Bureau of Investigation (FBI)

since the perpetrator lived in a different state which limited the actions local law enforcement could take.

- Another multidisciplinary team we interviewed said that they are collaborating to develop a smartphone application designed to collect information that will improve referrals from APS to law enforcement, and strengthen the support for increased criminal prosecutions in cases involving the abuse, neglect and exploitation of vulnerable adults.⁴⁴

Other Research Provides Information on the Prevalence of Certain Types of Financial Exploitation

Research we identified that examined financial exploitation based on data sources other than APS casefiles can shed light on the prevalence of certain types of financial exploitation nationwide. For example, one research study analyzed the FBI's National Incident-Based Reporting System (NIBRS) data on police reports and described the types of incidents being reported to police involving financial exploitation, but did not seek to provide estimates of prevalence or type of perpetrator.⁴⁵ Other research, described in more detail below, has provided some nationwide

⁴⁴The smartphone app is under development through a grant from the Department of Justice, Office for Victims of Crime.

⁴⁵This study, published in 2011, analyzed 2007 National Incident-Based Reporting System (NIBRS) data on criminal incidents reported to the police about financial offenses. The study reported that only a small percentage of all individual crime victims experienced financial exploitation, which took the form of false pretenses, credit card/ATM fraud, impersonation, or counterfeiting/forgery. However, the study did not provide a nationwide estimate because the sample was not representative. See J. Stamatel, J. Mastrocinque, "Using National Incident-Based Reporting System (NIBRS) Data to Understand Financial Exploitation of the Elderly: A Research Note", *Victims and Offenders*, vol. 6, no. 2, (2011), 117-136. More recently, the Department of Justice analyzed 2018 NIBRS data and found that there were more than 137,000 incidents of financial exploitation reported to NIBRS for victims 51 and older during the time period they reviewed. See Department of Justice, Office of the Attorney General, *Attorney General's Annual Report to Congress on Department of Justice Activities to Combat Elder Fraud and Abuse* (Washington, D.C.: Oct. 18, 2020). This report did not include a nationwide estimate of the prevalence of this type of abuse. According to DOJ officials, the Bureau of Justice Statistics and the Federal Bureau of Investigation recently partnered to expand NIBRS coverage, and upon completion, NIBRS will capture crime data, including information on fraud and violent victimization of the elderly, from law enforcement agencies that serve an estimated two-thirds of American citizens.

estimates for certain types of financial exploitation based on certain data sources.



Source: alexyndr/stock.adobe.com. | GAO-21-90

Analysis of data from financial institutions. In 2019, the CFPB reported that in 2017, financial institutions filed 63,500 elder financial exploitation Suspicious Activity Reports (SAR).⁴⁶ SARs include data on suspected elder financial exploitation submitted by financial institutions to Treasury's Financial Crimes Enforcement Network (FinCEN). Further, CFPB observed that the number of older adults involved in these suspicious activities likely represented less than 2 percent of an estimated 3.5 million victims in 2017. The report also indicated that strangers were the most common suspected perpetrators of elder financial exploitation reported in the SARs, but that the amount lost was greater when the older adult knew the suspect personally.⁴⁷ This study examined suspected exploitation of older adults occurring at certain types of financial institutions. For example, financial institution personnel may observe perpetrators financially exploiting an older adult by monitoring suspicious transfers within their accounts such as unusual amounts of activity and large transfers.

Nationally representative survey of older adults about scams and fraud. In 2018, the Teachers, Insurance, and Annuity Association reported nationally representative data on the prevalence of financial exploitation from a one-time module added to the 2016 Health and

⁴⁶See Consumer Financial Protection Bureau, Office of Financial Protection for Older Americans, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends* (Washington, D.C.: February 2019). This report analyzed the number of unique incidents reported. Each SAR corresponds to a single incident of suspected elder financial exploitation, and therefore this does not necessarily reflect 63,500 potential victims of elder financial exploitation, as multiple SARs may be filed associated with a single individual.

⁴⁷Further, there were differences reported based on the type of reporting financial institution. Money service businesses reported that common types of scams were committed by strangers and included romance, relative in need, and lottery/sweepstake scams. Depository institutions reported that common types of financial exploitation were committed by those known to the older adult and included theft, abuse of power of attorney, and other fraudulent activity.

Retirement Study, administered to adults over age 50.⁴⁸ The study found that 8 percent of respondents reported at least one form of fraud. One-third of respondents indicated that others had used or attempted to use one of their accounts without permission. This study specifically focused on one type of financial exploitation—scams—and asked incident-based questions about subtypes of scams, such as investment fraud, account misuse, and advance fee scams.

Nationally representative survey of older adults living in residential communities. A 2008 study surveyed 3,005 participants who were 57 to 85 years of age and were living in residential communities to ask whether they had experienced mistreatment in the past year.⁴⁹ With respect to financial exploitation, the study found that financial abuse by a family member had a prevalence rate of 3.5 percent. This was based on a single financial exploitation question about whether a family member had taken or withheld their money or belongings in the last year.

Nationally representative survey of older adults. A 2008 study surveyed adults 60 or older in a randomly selected national sample to determine the prevalence rates and risk factors for different types of abuse.⁵⁰ To identify whether financial exploitation had occurred, the survey asked participants a series of questions about people who may have made financial decisions for them and about various kinds of theft. The study reported that financial exploitation by family members in some form was present in 5.2 percent of respondents in the previous year, and

⁴⁸See DeLiema, M., Deevy, M., Lusardi, A., Mitchell, O., *Exploring the Prevalence, Risk Factors, and Financial Consequences of Fraud: Evidence from the Health and Retirement Study* (2018) TIAA Institute Research Dialog, Issue No. 143. Data was acquired for this study through use of a one-time survey module added to the University of Michigan's Health and Retirement Study in 2016. In 2017, DOJ's Bureau of Justice Statistics included this module as a permanent supplement to the National Crime Victimization Survey. According to DOJ officials, data from the first 2017 fraud module added to the National Crime Victimization Survey are scheduled to be publicly released in March 2021. These data will provide new, nationally representative data on the prevalence of various types of personal financial fraud victimization that can be sorted by age of the victim (the survey is administered to persons age 18 or older). DOJ officials said the Bureau of Justice Statistics is evaluating factors to determine how often this fraud module will be conducted and when the next survey will take place.

⁴⁹See E.O. Laumann, S.A. Leitsch, L.J. Waite, "Elder Mistreatment in the United States: Prevalence Estimates From a Nationally Representative Study," *Journals of Gerontology Series B*, vol. 63, no. 4 (2008), 1-7.

⁵⁰See R. Acierno, M. Hernandez-Tejada, W. Muzzy, K. Steve, *The National Elder Mistreatment Study*, Criminal Justice Reference Service (2008).

that lifetime financial exploitation by strangers was present in 6.5 percent of respondents, usually in the form of fraud.

Studies Estimate Certain Losses to Be in the Billions and Some States Are Taking Steps to Improve Cost Data

Although comprehensive cost data do not exist across all types of elder financial exploitation for all those affected, we identified several studies that each provided a cost estimate of more than \$1 billion for a certain type of loss. In addition, although ACL's NAMRS does not currently ask state APS agencies to submit available information from casefiles on costs to victims and others, some states have taken steps to develop tools to collect cost data to help address this critical knowledge gap for those working to inform policy and prevent elder abuse.

Studies Have Estimated Certain Costs to Be in the Billions

Several studies identified in our review used various data sources to provide cost estimates of elder financial exploitation.⁵¹ Two studies were based on federal data sources and provided nationwide estimates, and seven studies were based on APS casefile data and provided state level estimates.

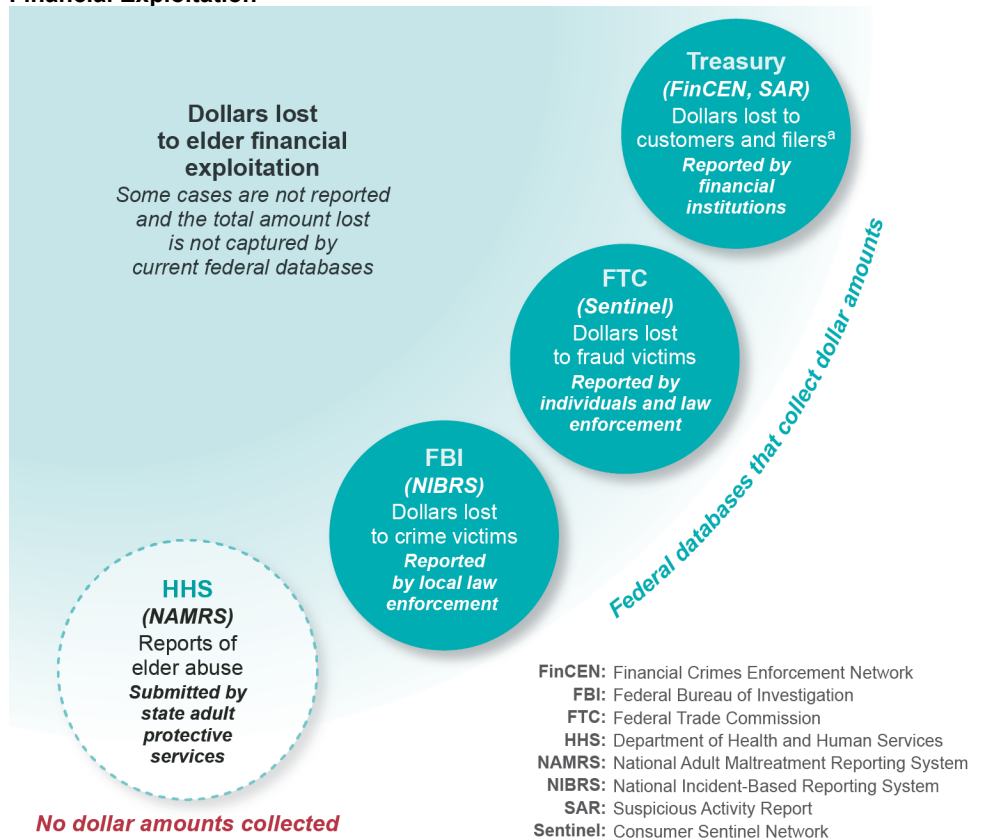
Nationwide Studies Using Federal Data

Three federal datasets currently collect information on certain costs resulting from elder financial exploitation (see fig. 4). Two recent studies published using federal data collected by Treasury's FinCEN and by FTC have provided reliable nationwide estimates of the cost of certain types of elder financial exploitation. FinCEN collects data from banks on financial losses and the FTC collects data from consumer complaints about fraud. Estimates contained in these two studies reflect data on certain parts of

⁵¹To identify information on costs, we interviewed ACL, CFPB, and DOJ officials and representatives of national elder abuse prevention organizations and conducted a literature search. We identified 15 studies that met our criteria of including original cost estimates related to elder financial exploitation. Those 15 studies were reviewed for reliability by two economists, who determined that nine studies (two national studies and seven state studies) provided reliable estimates of certain types of costs.

the costs resulting from elder financial exploitation. Given they are only capturing some aspects of cost, they may be viewed as a lower bound to the total nationwide cost of elder financial exploitation in a given year.

Figure 4: Types of Information Collected by Federal Data Sources on Costs of Financial Exploitation



Source: GAO analysis of documents from federal agencies and information from federal agency websites. | GAO-21-90

Text of Figure 4: Types of Information Collected by Federal Data Sources on Costs of Financial Exploitation

An unknown number of dollars lost to elder financial exploitation (Some cases go unreported, and the total amount lost is not captured by current federal databases)

- **Federal databases that collect dollar amounts**
 - **Treasury:** Financial Crimes Enforcement Network (FinCEN) Suspicious Activity Report (SAR)
 - Dollars lost to customers and filers^a
 - Reported by financial institutions

- **Federal Trade Commission (FTC):** Consumer Sentinel Network
 - Dollars lost to fraud victims
 - Reported by individuals and law enforcement
- **Federal Bureau of Investigation (FBI):** National Incident-Based Reporting System (NIBRS)
 - Dollars lost to crime victims
 - Reported by local law enforcement
- **No dollar amounts collected**
 - **Department of Health and Human Services (HHS):** National Adult Maltreatment Reporting System (NAMRS)
 - Reports of elder abuse
 - Submitted by state adult protective services

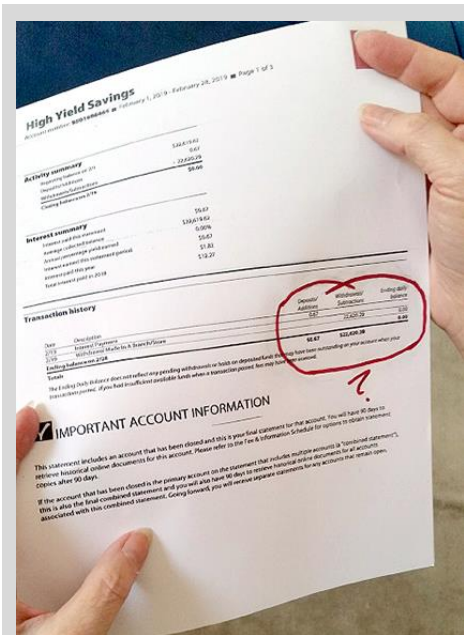
Source: GAO analysis of documents from federal agencies and information from federal agency websites. | GAO-21-90

⁹Reported losses can include actual and attempted theft to victims and financial institutions that file suspicious activity reports.

CFPB study. As previously noted, in 2019, the CFPB published a study based on analysis of data from Suspicious Activity Reports (SAR) filed with Treasury's FinCEN.⁵² In this study, CFPB analyzed 2017 SARs data and found actual losses and attempts at elder financial exploitation that had been observed and reported by financial institutions were a combined \$1.7 billion.⁵³ SARs are filed by financial institutions, such as banks and money services businesses, and submitted to FinCEN. These reports capture the actual losses to older adults or to financial institutions, as well as attempts to steal older adults' funds, or both.

⁵²See CFPB, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends* (2019).

⁵³CFPB's analysis excludes the top 1 percent of SARs by dollar amount involved per year to address outliers and data quality issues. Given that the national and state cost studies use different timeframes, including partial years, or different calendar and fiscal years, we did not adjust the estimates in the various studies for inflation. Importantly, estimates across these studies, both at the national and state levels, should not be compared or added together.



Source: GAO file photo. | GAO-21-90

FTC study. In 2020, the FTC issued a report based on an analysis of Consumer Sentinel Network data on losses to victims of fraud.⁵⁴ Consumer Sentinel Network data are obtained through consumer complaints reported to the FTC by consumers or law enforcement.⁵⁵ Complaints were included in the study if they provided a dollar amount and their age. This analysis found that during 2019, more than 300,000 fraud reports associated with consumers who were age 60 or older were filed by consumers or law enforcement, totaling more than \$440 million in losses. The total loss may be higher given that about one-half of the consumer complaints lacked age information and were therefore not included in the portion of the analysis that was based on the complainants' age. Also, the complaint data are self-reported and, therefore, respondents may not have accurately recalled the actual dollar amount lost.

In addition to data from FinCEN and FTC, the Federal Bureau of Investigation's National Incident-Based Reporting System (NIBRS) collects data on dollars lost to crime victims reported by local law enforcement. Our literature search did not identify any studies that estimate elder financial exploitation costs using the NIBRS data. Also, DOJ's forthcoming 2017 National Crime Victimization Survey fraud supplement survey will provide another federal data source containing nationally representative (self-reported) information about some of the costs of fraud to victims.⁵⁶

State Studies Using APS Data

APS casefiles offer another valuable source of data on the costs of elder financial exploitation. We found that some states had analyzed data from APS casefiles as well as other data sources to estimate the costs of

⁵⁴See Federal Trade Commission, *Protecting Older Consumers, 2019-2020* (2020).

⁵⁵Consumer Sentinel Network data include consumer complaint information from only those who elect to report it to the FTC, and therefore are not representative of the all consumers who experience fraud.

⁵⁶According to DOJ officials, these data will be publicly released in March 2021 and will make an important contribution to knowledge in this area. In addition, in August 2020, CFPB awarded a contract to researchers for a study of financial loss and recovery for older victims of elder financial exploitation. As part of their work, researchers plan to interview victims, their family members, and professionals about the amount of money and property lost and recovered, as well as the methods of theft, among other topics. According to CFPB officials, this study is expected to be complete in August 2021.

financial exploitation in their states. Specifically, we identified seven state studies published in the last 10 years that include original and reliable cost estimates of financial exploitation reported to APS in their respective states.⁵⁷ Three of the state studies—in New York, Pennsylvania, and Virginia—projected that costs could be over \$1 billion in each of these states alone. Six of the seven state studies compiled costs to victims, and three state studies calculated costs to taxpayers. For example, the 2020 Maine study estimated health care costs to taxpayers by matching APS data to Medicare and Medicaid cost data.

Six of the seven state studies also used a similar methodology to determine costs to victims by manually reviewing casefile notes from a sample of APS casefiles to record cost data.⁵⁸ Some study authors and APS officials told us it was time- and resource-intensive to extract the available data from the casefile notes, in part, because the casefile notes are typically not standardized and further, they do not always include cost information. Once study authors retrieved the available cost data from the casefile notes, they typically used these data to attempt to calculate a statewide estimate. In some studies, they simply added the observed costs together. In other studies, they estimated an average cost per case based on those cases with cost data and then applied this average to a larger number of cases. Then, because research indicates that incidents of elder financial exploitation are under-reported, study authors typically generated a larger number based on one of the underreporting factors mentioned above to project costs statewide (see table 3).⁵⁹

⁵⁷We reviewed the methodology of these seven state cost studies and found their estimates to be reliable based on data reported to APS during the study period. We also identified one study from Wyoming, published in 2014, that included some information about costs based on a review of APS casefiles in that state. This study examined 10 cases from 2011, 16 cases from 2012, and six cases from 2013. Upon review, we determined that because the sample sizes in this study were small and the range of reported losses varied widely from year to year, the estimates were not generalizable. Therefore, we determined that estimates from Wyoming's study were not reliable enough to include in our report.

⁵⁸The 2020 Maine study linked these APS data to Medicare and Medicaid claims data.

⁵⁹See appendix II for more details on each of these studies methodologies, findings, and limitations.

Table 3: Key Findings and Limitations from Seven State Studies of Financial Exploitation

Study year and state	Number of cases included	Observed costs (to victims and/or taxpayers)	Underreporting factors applied ^a	Projected costs (to victims and/or taxpayers) in dollars	Selected limitations identified by study authors and our review
2011 Utah	52 cases from 2011	5 million (victims)	10, 25, and 44	48 to 210 million (victims)	In some cases, there was not enough information in the casefile notes to make a valuation of costs or valuation of property, so these values were derived based on supplemental data.
2014 Oregon	969 cases from 2013	3 million (victims), 407,000 (taxpayers)	44	439 million (victims), 1.9 million (taxpayers)	The total loss to the taxpayers attributed in the sample cannot fully be calculated due to limitations in documentary evidence.
2016 New York	928 cases from fiscal year 2013	27 million (victims and taxpayers)	10 and 44	352 million to \$1.5 billion (victims and taxpayers)	The study did not have full coverage of the state of New York and had to estimate costs for the larger population.
2016 Virginia	76 cases from state fiscal year 2015	2.1 million (victims)	44	1.2 billion (victims)	The findings do not include Fairfax County due to data compatibility issues, and Fairfax is the most populous county in Virginia.
2017 Maine	106 cases from state fiscal year 2016 ^b	4.7 million (victims)	10 and 44	\$47 to \$205 million (victims)	The study used casefiles from both APS and Legal Services for the Elderly to sum losses, but the extent to which these organizations serve different populations is unclear, so there may be some double counting.
2020 Maine ^c	131 APS cases from 2007-2012 and 281 non-APS cases	0.3 million (annual costs for taxpayers)	24 and 44	7.2 to 13.2 million (annual costs for taxpayers)	The study included a specific group of older adults who are dual-eligible for Medicare and Medicaid for the entire period.
2020 Pennsylvania	315 cases between July 2017-June 2018	12 million (victims)	44	2.5 billion (victims)	The study did not have full coverage of the state of Pennsylvania and had to estimate costs for the larger population.

Source: GAO analysis of state cost estimate studies. | GAO-21-90

Notes: For all seven studies, observed costs are cost estimates based on data found in Adult Protective Service (APS) casefile notes and projected costs are cost estimates for the state in the given time period that take into account missing cost data due to underreporting or a lack of data in APS casefiles. Given that the state studies use different timeframes, including partial years, or different calendar and fiscal years, we did not adjust the cost estimates in the various studies for inflation. Importantly, cost estimates across these studies should not be compared or added up.

^aState study authors used various factors to account for underreporting, based on elder abuse studies estimating that just one in 10, one in 24, one in 25, or one in 44 incidents are reported to APS.

^bThe 2017 Maine study included 71 APS casefiles and 35 Legal Services for the Elderly casefiles from state fiscal year 2016. This study included data and analysis from 2010 through 2016.

^cThe 2020 Maine study linked APS data to Medicare and Medicaid claims data to estimate observed costs.

These studies demonstrate that APS casefile data offer another potential source of nationwide data on the costs of elder financial exploitation; however, ACL does not currently ask state APS agencies to submit information on such costs in NAMRS. ACL officials said that when NAMRS was being developed, they considered including a cost data element, but decided against it because while data on costs can often be found in casefile notes, at the time, very few states' APS agencies collected this type of information in their data systems and ACL was focused on keeping the system simple enough to encourage state participation. At the same time, one of the goals for the development of NAMRS was to expand data that states routinely collect, in part to address critical gaps in knowledge at the national level.⁶⁰

Officials said that while they do not currently have any concrete plans to ask states to submit cost data, they envision NAMRS changing over time to help ensure NAMRS data are relevant and can be used to inform policy and prevent elder abuse. To this end, ACL officials said that they will begin a consensus-based stakeholder engagement process in fiscal year 2021 to inform updates to NAMRS that could be implemented in February 2023 when they said the current approval for NAMRS data collection expires.⁶¹ Officials said they will consider whether to add new data elements to NAMRS during this process, and that cost is one of the data elements that could be considered. Including cost data in future iterations of NAMRS could begin to help address this critical gap in knowledge. While ACL officials expressed concern about the reporting burden on state agencies if NAMRS were to add cost data elements, NAMRS remains a voluntary system and state agencies may choose whether to submit these data.⁶² Several researchers and APS officials we spoke with said that adding cost data to NAMRS could make a valuable contribution to the national picture of the costs of financial exploitation, and that

⁶⁰See U.S. Department of Health and Human Services, *Development of a National Adult Protective Services Data System: NAMRS Pilot Final Report* (2015).

⁶¹According to ACL officials, this new approval will be accomplished through the Office of Management and Budget's publication of an Information Collection Request document in the *Federal Register*, with the opportunity for public comment. ACL officials said that state APS agencies are one of the key stakeholders they will consult with during this process.

⁶²Should ACL decide to add new data elements to NAMRS in 2023 as a result of this stakeholder engagement process, states who choose to participate would have to align their systems with the addition of any new data elements, whether or not cost data elements are added.

having a clearer picture of these costs would be helpful to prevention programs and policymakers.

Some States Have Developed Tools to Collect Cost Data

Researchers we interviewed said that using information manually pulled from APS casefile notes is a time consuming and difficult way to retrieve data. To make this process easier, APS officials we interviewed from several states said that their states have created or were creating tools to help their caseworkers collect better cost data about financial exploitation moving forward.

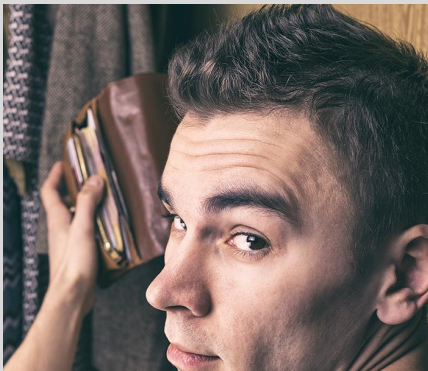
One strategy described by officials in some states involved collecting dollar amounts or other related cost data in new separate fields in their data systems.⁶³ For example:

- An APS official from Sacramento County, California, stated that the county's data system includes a specialized financial exploitation page that collects both the value lost to victims and what was taken, including money, real estate, jewelry, and vehicles. According to this official, the county began collecting cost information in 2014.
- A Virginia APS official said that they published their 2016 state financial exploitation cost study at the request of the state legislature, and afterwards, added fields to the data system to collect the known or estimated amount of monetary loss and the method through which exploitation occurred. Methods include theft, fraud, forgery, or unauthorized credit card use.
- An Oregon APS official told us that the agency established a statewide data system in December 2018, which includes a new financial exploitation data entry page to collect dollar amounts of losses, along with information on the types and methods of exploitation.

Another strategy described by some APS programs involved developing tools to help caseworkers collect and document costs more consistently.

⁶³The eight states we interviewed were selected, in part, because representatives of national elder abuse prevention organizations or ACL officials told us that these state APS agencies systematically collected some cost information related to financial exploitation. (See app. III for more detailed examples of new data elements some states have added to their data systems.)

The mission of APS is to investigate reports of elder abuse—including financial exploitation—and to develop a plan to ensure the victim’s safety, health, and independence.⁶⁴ Some APS officials said that within this context, gathering cost data is relevant only to the extent it is needed to substantiate that financial exploitation took place. If a report of financial exploitation is substantiated, and the caseworker determines there is evidence of possible criminal activity, APS refers the case to law enforcement for further investigation.



Source: Kate Derr/stock.adobe.com. | GAO-21-90

ACL officials noted that once evidence of financial exploitation is substantiated and a case is referred to law enforcement, the APS caseworker’s attention turns to ensuring that the victim is safe and that their basic needs are met. At that point, it is up to law enforcement to investigate the total amount of any losses. According to APS officials, the APS investigation may be complete and the case closed before all of the victim’s financial losses are discovered. For example, Florida APS officials told us that its state APS agency completes investigations within 60 days, which officials said can make it difficult for them to determine a full loss amount in cases involving financial exploitation, because of the time required to investigate these often complex financial exploitation cases.

In addition to time constraints, according to APS officials, the same challenges that can make it difficult for caseworkers to confirm cases of financial exploitation can also make it difficult for APS caseworkers to collect cost data: lack of expertise and access to records, as well as lack of cooperation from victims. To help address these challenges, some state agencies have developed tools to assist their caseworkers in conducting financial exploitation investigations. APS officials we interviewed in several states said that they have developed or are developing tools that can help caseworkers collect more cost data during their investigations of financial exploitation cases.⁶⁵ For example:

- Maine developed a checklist of evidence for caseworkers to collect during their investigations. The checklist includes bank and credit card records from victims and suspects, Medicaid application information,

⁶⁴While APS programs vary at the state and local level with respect to populations served, services provided, and scope of the program, according to the National Adult Protective Services Association, the underlying mission is the same across programs. See National Adult Protective Services Association, *How APS Helps*, accessed September 21, 2020, <https://www.napsa-now.org/get-help/how-aps-helps/>.

⁶⁵See appendix III for examples of tools some states have created to collect cost data.

and correspondence between a nursing home and family member or caregiver suspected of failing to pay for care.

- New York developed a suite of tools (called the Financial Exploitation Investigation Suite of Tools) to help APS caseworkers investigate reports of financial exploitation. These tools include questions to ask during the initial client meeting, a list of documents to request, income and expenses tables, and a “red flag” checklist.⁶⁶

ACL officials said they are aware of some states’ recent efforts to add new data fields and develop tools to collect more cost data, and they acknowledged that sharing these tools with other states would help encourage states to collect cost data by providing states with ideas and models of how to do so. Under the Elder Justice Act of 2009, one of HHS’s responsibilities (delegated to ACL) is to share information and provide technical assistance to state APS agencies, and ACL has established resource centers specifically to provide technical assistance to and share information with state APS agencies related to elder abuse. ACL officials said that they plan to share information on states’ recent efforts to develop tools to collect more cost data, but they do not yet have a timeframe for doing so. Until ACL develops a timeframe for disseminating this information to states, state APS agencies may not be aware of tools and practices that could help them collect cost data more effectively.

Victims and Others Often Face Costs That Are Difficult to Collect and Quantify

Beyond the financial costs of exploitation that are more easily captured in dollars, victims often also experience other costs related to effects on their health or quality of life, but these costs are difficult to collect and quantify. Elder financial exploitation often results in costs to others as well, including family members, health care facilities, taxpayers, and community-based organizations.⁶⁷ While some of these costs can be

⁶⁶New York’s Financial Exploitation Investigation Suite of Tools was created with funding from an ACL grant (specifically, a State Grant to Enhance Adult Protective Services).

⁶⁷Marie-Therese Connolly, et. al., *The Elder Justice Roadmap: A Stakeholder Initiative to Respond to an Emerging Health, Justice, Financial and Social Crisis*, a report prepared for the Department of Justice with support from the Department of Health and Services (2014).

quantified, these data are generally not collected or estimated more broadly.

Costs to Victims' Well-being

Financial exploitation can affect the physical, emotional, and mental well-being of older adults although these effects can be difficult to quantify. For example, living independently and maintaining relationships with family members can be critical to an older adult's physical, emotional, and mental well-being, and studies show that when victims lose their ability to live independently, or lose their relationship with a family member or trusted other who has betrayed them, the effects can be life-altering. None of the studies we identified attempted to quantify these costs related to declines in victims' well-being.

Studies of the effects of elder abuse, including financial exploitation, generally discuss intangible costs more broadly, without assigning a specific cost estimate. For example, in a 1995 study from the National Institute of Justice, researchers found that 14 percent of victims surveyed reported that they had suffered health or emotional problems directly related to having been the victim of a financial crime, but the authors did not estimate specific costs.⁶⁸ Three years later, a study published in *The Journal of the American Medical Association* showed that for participants in the study, elder mistreatment was associated with increased mortality in older adults.⁶⁹

Elder Financial Exploitation Costs Related to Decline in Victims' Well-being

Examples described by APS officials in selected states:

- An older woman was financially exploited by a neighbor who stole thousands of dollars from her, and afterwards, she broke out in persistent hives that would not subside despite medical treatment.
- A perpetrator stole prescription medication from an older adult living in a health care facility, and the victim died without adequate pain relief.

Source: Information from Adult Protective Service (APS) officials in selected states. | GAO-21-90

Elder Financial Exploitation Costs Related to Decline in Well-being

Examples described by APS officials in selected states:

- An older woman who was a diabetic lived with her son who controlled all of her money. He only purchased pizza for the two of them to eat, which caused the woman serious health consequences. APS officials said that while this was a

⁶⁸U.S. Department of Justice, National Institute of Justice, *Victimization of Persons by Fraud* (Washington, D.C.: 1995).

⁶⁹The author of this study defined elder mistreatment as one or more of the following: abuse, neglect, or exploitation of an older adult. See Mark S. Lachs, et.al, "The Mortality of Elder Mistreatment," *JAMA (The Journal of the American Medical Association)*, vol. 280, no. 5 (1998). Although this study does not address the issue of increased mortality as a result of financial exploitation separately from other types of abuse, it illustrates how there can be costs to victims' health as a result of abuse.

form of exploitation and neglect, it would be impossible to capture this health decline in dollars.

- An elderly man had been living with a provider who had been exploiting him for the past 1-2 years. The provider is supposed to do laundry, get medications, and be physically present but doesn't do those things and sometimes may be absent. The APS official said it would be hard to quantify the effects of this exploitation, especially the emotional suffering or the health problems from not taking medication.

Source: GAO interview with Adult Protective Services (APS) officials in selected states. | GAO 21 90

More recently, studies in various peer-reviewed journals that examined the effects of elder financial exploitation found similar effects, such as declines in physical health, depression, and generalized anxiety, or emotional costs—including loss of self-esteem and feelings of guilt or shame.⁷⁰ For example, a 2016 study published in *The Journal of Elder Abuse & Neglect* found that compared with other types of elder abuse, for its sample of victims, financial exploitation had one of the lowest survival rates.⁷¹ A 2013 study found that financial exploitation, like other types of elder abuse, can be associated with increased rates of hospitalization.⁷² In prior reports from 2010, 2011, and 2016, we have also reported on the significant negative effect of financial exploitation and other types of elder abuse on victims', citing health declines and a shorter lifespan.⁷³ Yet, capturing these costs is not easy. The authors of the New York state cost study said that not only are costs associated with declines in physical and emotional health difficult to quantify, but it is also difficult to determine causal relationships between the financial exploitation and the negative effects.

While none of the studies we identified attempted to quantify these potentially life-altering costs, these costs can take a toll. In our discussions with representatives from elder abuse prevention organizations and with researchers, as well as with APS officials in selected states, several said these types of negative effects on victims can be devastating. For example, one researcher said she believes it is

⁷⁰See Gali H. Weissberger, et al., "Physical and mental health correlates of perceived financial exploitation in older adults: Preliminary findings from the Finance, Cognition, and Health in Elders Study (FINCHES)," *Aging & Mental Health*, vol. 24, no. 5 (2020); Michael J. Tueth, "Exposing Financial Exploitation of Impaired Elderly Persons," *American Journal of Geriatric Psychiatry*, vol. 8, no. 2 (2000); and Stacey Wood and Peter A. Lichtenberg, "Financial Capacity and Financial Exploitation of Older Adults: Research Findings, Policy Recommendations and Clinical Implications," *Clinical Gerontologist*, vol. 40, no. 1 (2017).

⁷¹Jason Burnett, et al., "Five-year all-cause mortality rates across five categories of substantiated else abuse occurring in the community," *Journal of Elder Abuse & Neglect*, vol. 28, no. 2 (2016).

⁷²XinQi Dong and Melissa A. Simon, "Elder Abuse as a Risk Factor for Hospitalization in Older Persons," *JAMA (The Journal of the American Medical Association) Internal Medicine*, vol. 173, no. 10 (2013).

⁷³See [GAO-11-208](#), which focused on elder abuse more broadly. The following two reports focused specifically on financial exploitation: [GAO-17-33](#), *Elder Abuse: The Extent of Abuse by Guardians Is Unknown, but Some Measures Exist to Help Protect Older Adults* (Washington, D.C.: Nov. 16, 2016) and [GAO-10-1046](#), *Guardianships: Cases of Financial Exploitation, Neglect, and Abuse of Seniors* (Washington, D.C.: Sep. 30, 2010).

the fallout from financial exploitation that can be life-changing and traumatic, severing relationships with family members or having to move the older adult into a facility. Several researchers and representatives of two elder abuse prevention organizations noted that attempting to quantify some of these negative effects warrants further study.⁷⁴

Costs to Other Groups

In addition to victims, other groups—such as family members, health care facilities, taxpayers, and community-based organizations—may face costs or experience losses resulting from elder financial exploitation. Some of these costs can be quantified; however, data on such costs are generally not collected and, therefore, are difficult to estimate more broadly.

Elder Financial Exploitation Cost to a Family Member

Examples described by researchers we interviewed:

- A family member of a victim of financial exploitation had to take out a second mortgage to pay attorney costs to pursue legal action against the perpetrator who had stolen all of her grandfather's money.
- Some of the major costs that affect family members include costs associated with the family member's loss of work to provide care (which affects employers, too), as well as the victim's health care and housing costs. These losses do not stop at the immediate victim, they trickle down through families and generations, multiplying the negative effects.

Source: GAO interviews with researchers. | GAO-21-90

Family members. When an older adult is a victim of financial exploitation, family members often must use their own financial resources or incur other costs.⁷⁵ For example, according to one state cost study we reviewed, family members may find it necessary to pay for care and housing for older relatives who were once financially independent, and may also pay legal costs if they try to sue perpetrators to recover lost funds.⁷⁶ According to researchers we interviewed, family members may also experience the loss of future inheritance. For example, if a parent has to move to a nursing facility after being financially exploited by a caregiver, the unexpected costs of this care could deplete funds that would have otherwise been passed down to their children. Finally, according to one researcher we spoke with, family members may lose wages if they have to reduce their hours or stop working to take care of a victim. We previously found that employed parental and spousal caregivers experience a number of job impacts due to caregiving responsibilities that can negatively affect their retirement security.⁷⁷

⁷⁴One federal program that attempts to place a dollar value on the extent of a decline in physical or emotional health following trauma is the Veteran Affairs system of disability compensation, which includes compensation for post-traumatic stress disorder (PTSD). For example, based on 2020 compensation rates, a person with a 50 percent disability due to PTSD symptoms could be eligible to receive a benefit of \$893.43 per month.

⁷⁵While some family members may know how much they have spent to support a victim, these costs are not typically captured in APS casefiles.

⁷⁶See New York State Office of Children and Family Services, *The New York State Cost of Financial Exploitation Study* (2016).

⁷⁷GAO, *Retirement Security: Some Parental and Spousal Caregivers Face Financial Risks*, [GAO-19-382](#) (Washington, D.C.: May 1, 2019).

Specifically, we estimated that 56 percent of parental and spousal caregivers went to work late, left early, or took time off during the day to provide care. Overall, we found caregiving was negatively associated with the number of hours caregivers worked, and spousal caregivers who were near retirement had lower retirement assets than non-caregivers.

Elder Financial Exploitation Costs to Health Care Facilities

Examples described by APS officials in selected states:

- The son of an older adult who was bed-bound in a health care facility refused to pay the facility because he said his father's assets were his birthright.
- The daughter of an older adult in a health care facility spent about \$100,000 from her mother's savings account, but would not pay the facility; officials said the facility probably would never receive payment.

Source: Information from Adult Protective Services (APS) officials in selected states. | GAO-21-90

Health care facilities. A CFPB manual for assisted living and nursing facilities highlights that financial victimization of older adults in these care settings can place them at risk of involuntary discharge or loss of housing for nonpayment. In such situations, the facility may have to bear the cost if the victim becomes destitute and the bills remain unpaid.⁷⁸ Some APS officials also told us that hospitals and long-term care facilities may lose money if a family member or other individual responsible for paying for the victim's care fails to do so. While some of these costs may be quantified by a facility, they generally are not collected or recorded in a victim's APS casefile, and capturing the costs across many victims or facilities would be difficult. For example, in states such as Virginia, where APS programs investigate reports of abuse that occur in residential facilities, a state official said that APS often gets financial abuse referrals from nursing homes stemming from non-payment. APS officials in this state said that a record of the amount of fees unpaid to the facility may be available from the facility, but generally these amounts would not be recorded in an individual's APS casefile.

Taxpayers. Victims who experience a significant loss of money or assets may have to enroll in government programs for low-income individuals. Although generally outside of the types of costs tracked by APS caseworkers, three state cost studies we reviewed estimated the costs to their states of providing public benefits to victims who had been financially exploited (see table 3 above).

For example, to estimate Medicaid, Medicare, and other public assistance costs related to financial exploitation in New York, state APS workers coordinated with other state agencies to identify new or additional public benefits and social services provided to clients following an APS investigation of financial exploitation. In Maine, researchers compared the likelihood of incurring costs and expenditure levels of dual-eligible Medicare and Medicaid financial exploitation victims relative to control

⁷⁸Consumer Financial Protection Bureau. *Protecting residents from financial exploitation: A manual for assisted living and nursing facilities* (Washington, D.C.: 2014).

Elder Financial Exploitation Cost to Taxpayers

Examples described by APS officials in selected states:

- A woman in her 80s was left impoverished when her daughter depleted over \$200,000 of her funds. Because of this exploitation, the woman was unable to afford private at-home care, and was moved to a nursing facility and placed on Medicaid.
- The state's APS program sometimes provides funds for hotel or motel rooms to help keep a person safe from abuse, which could be due, in part, to financial exploitation.

Source: Information from Adult Protective Services (APS) officials in selected states. | GAO-21-90

groups. While increased Medicaid spending at the national level could result in significant costs to taxpayers, researchers said that it would be challenging to match necessary APS data to Medicaid data nationally and such as Medicaid and the Supplemental Nutrition Assistance Program.⁷⁹ to determine if any increase in Medicaid spending was a direct result of the exploitation. Officials in four states also said that their APS programs had used emergency funds for food or rent to support financial exploitation victims who were unable to cover those costs, but in three of these states, APS officials said it would be difficult to tie these expenditures specifically to financial abuse because, for example, other types of abuse are often involved as well.

Taxpayers also face costs associated with the response to elder financial exploitation by APS workers, law enforcement, and other program resources, such as legal services. For example, APS may incur costs when caseworkers testify in court, enroll victims in Medicaid, and administer tests of victims' mental capacity to help prove lack of consent. Law enforcement costs can include the costs of investigating financial exploitation cases. One state study was able to quantify some of these types of costs by coordinating with law enforcement agencies.⁸⁰ Courts also incur costs for trying these cases, but APS officials said these costs would be difficult to estimate.

⁷⁹Medicaid pays for low-income individuals' health care needs, including nursing facility fees, if necessary. According to the Centers for Medicare & Medicaid Services, state Medicaid reimbursement rates vary for those who are institutionalized, such as in a nursing facility. For example, according to our analysis of 2019 Medicaid reimbursement rate data from two states, the average reimbursement rate per Medicaid recipient for nursing facilities in the state of New York was \$295 per day (or \$107,791 if in care for a full year), while in the state of Nevada, the average rate was \$129 per day (or \$47,049 if in care for a full year).

⁸⁰New York State Office of Children and Family Services, *The New York State Cost of Financial Exploitation Study* (2016).

Elder Financial Exploitation Costs to Community-based Organizations

Examples described by APS officials and researchers in selected states:

- Local senior resource advocates provided pro bono assistance to an older adult in obtaining health insurance after her granddaughter stole \$75,000 of her money to buy a vehicle, pay personal bills, and support her own lifestyle.
- A 2016 state study found that 33 percent of referrals of financial exploitation led to involvement with other governmental agencies and community-based service programs.

Source: Information from Adult Protective Services (APS) officials and researchers in selected states. | GAO-21-90

Community-based organizations. Community-based organizations, such as non-profit organizations that are not government-funded, can also incur costs that are difficult to quantify in their efforts to combat elder financial exploitation, according to several researchers and APS officials in Oregon. For example, APS officials told us about organizations that provide pro bono legal services to victims, including a legal services organization for the elderly in Maine and a law school in Sacramento, California. Non-profit organizations may provide other supports to victims, such as help obtaining food or health insurance. APS officials in Oregon said their agency does not have access to emergency funding for victims' necessities, so they rely on food banks for those who can no longer afford food.

Conclusions

While comprehensive cost data do not exist across all types of elder financial exploitation, various estimates of certain types of financial losses have been in the billions. In many cases, these costs can be life-altering for the victims, who rarely recover their financial losses. Further, elder financial exploitation can have costs for others, including family members, taxpayers, and community-based organizations. ACL has successfully partnered with state APS agencies to begin collecting data on elder abuse from APS casefiles, including data on financial exploitation. With NAMRS, ACL is making progress toward capturing these important data on financial exploitation that may not exist anywhere else. Each year, more states are submitting more data to NAMRS, and in the coming years, NAMRS is expected to be able to help provide a better picture of the prevalence of the various types of financial exploitation and its perpetrators nationwide.

Researchers and agency officials we spoke with noted the value and importance of knowing more about the costs of financial exploitation. However, ACL currently does not request state APS agencies to submit information on the costs of financial exploitation to NAMRS. ACL has initiated an effort to work with state APS agencies and other stakeholders to reevaluate NAMRS data collection, which could provide an opportunity for ACL to add cost data as part of its future data collection. By requesting cost data, ACL could move states towards collecting this information more routinely and in more standardized ways—helping to address the critical gap in knowledge about the cost of financial exploitation nationwide, and informing efforts to better protect older adults from potentially life-altering financial losses.

Some states have developed tools to collect information on costs and record this information in their case management systems. As the agency responsible for developing and sharing information regarding research and training about the provision of APS services and strategies, ACL is well-positioned to help states learn from one another how to collect cost data, but it has not taken steps to disseminate this information across states. ACL officials said they plan to share this information to assist states, but until they do so, state APS agencies may not be aware of tools and practices that could help their states collect cost data.

Recommendations for Executive Action

We are making the following two recommendations to the Administration for Community Living (ACL):

The Administrator of ACL should work with state APS agencies to develop data fields on the costs of financial exploitation to add to NAMRS to encourage more states to collect these data. This could be achieved, for example, during the stakeholder engagement process ACL is undertaking to discuss potential updates for the NAMRS system. (Recommendation 1)

The Administrator of ACL should develop a timeframe to share information and tools that state APS agencies have developed to collect cost information with other states, to provide states with strategies they can use to improve data collection on financial exploitation costs. This could be achieved, for example, by leveraging ACL's existing resource centers such as the APS Technical Assistance Resource Center or the National Center on Elder Abuse to disseminate this information to states. (Recommendation 2)

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Health and Human Services, the Consumer Financial Protection Bureau, and the Department of Justice for review and comment. All three agencies provided technical comments, which we incorporated into the report as appropriate. HHS also provided written comments which are reproduced in appendix IV and summarized below.

In its written comments, HHS agreed with the recommendation that the agency develop a timeframe to share information and data collection tools with other states that state APS agencies have developed. HHS stated that it would consider ways to conduct these information sharing activities in fiscal year 2022, when it enters into new contracts with its existing resource centers.

HHS did not agree with the recommendation that the agency work with state APS agencies to develop data fields for NAMRS on the costs of financial exploitation to encourage more states to collect these data. In its comments, HHS stated it could not guarantee that data elements capturing the cost of financial exploitation would be recommended for inclusion in NAMRS during the next renewal process. HHS noted that NAMRS is a voluntary data system and that HHS must consider the reporting burden on the state agencies of adding data fields to the system.

We understand that HHS must consider the reporting burden on state agencies and cannot guarantee the inclusion of cost data elements in NAMRS. However, as we note in the report, some state agencies are already collecting these cost data, and by requesting this information in NAMRS, HHS could move states towards collecting this information more routinely and in more standardized ways. As stated in the report, the agency plans to begin a stakeholder engagement process for NAMRS renewal in fiscal year 2021. HHS stated in its written response that it expects this process could result in updating or adding data elements to NAMRS based on input from stakeholders, balancing what would be valuable for understanding adult maltreatment with what is feasible for APS to collect and report with reasonable burden. This stakeholder engagement process is a valuable opportunity to engage with state APS agencies as well as other important stakeholders to consider whether to add new data elements to NAMRS about the cost of financial exploitation in the coming years. We continue to believe that working with states to add data elements to NAMRS to capture the cost of financial exploitation would help to determine the scope and magnitude of financial exploitation nationwide—currently a critical gap in knowledge about the costs of financial exploitation.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Health and Human Services, the Attorney General, the Director of the Consumer

Financial Protection Bureau, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>. If you or your staff have any questions about this report, please contact me at (202) 512-7215 or larink@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

A handwritten signature in black ink, reading "Kathryn A. Larin". The signature is written in a cursive style with a large, looping initial "K".

Kathryn A. Larin
Director, Education, Workforce,
and Income Security

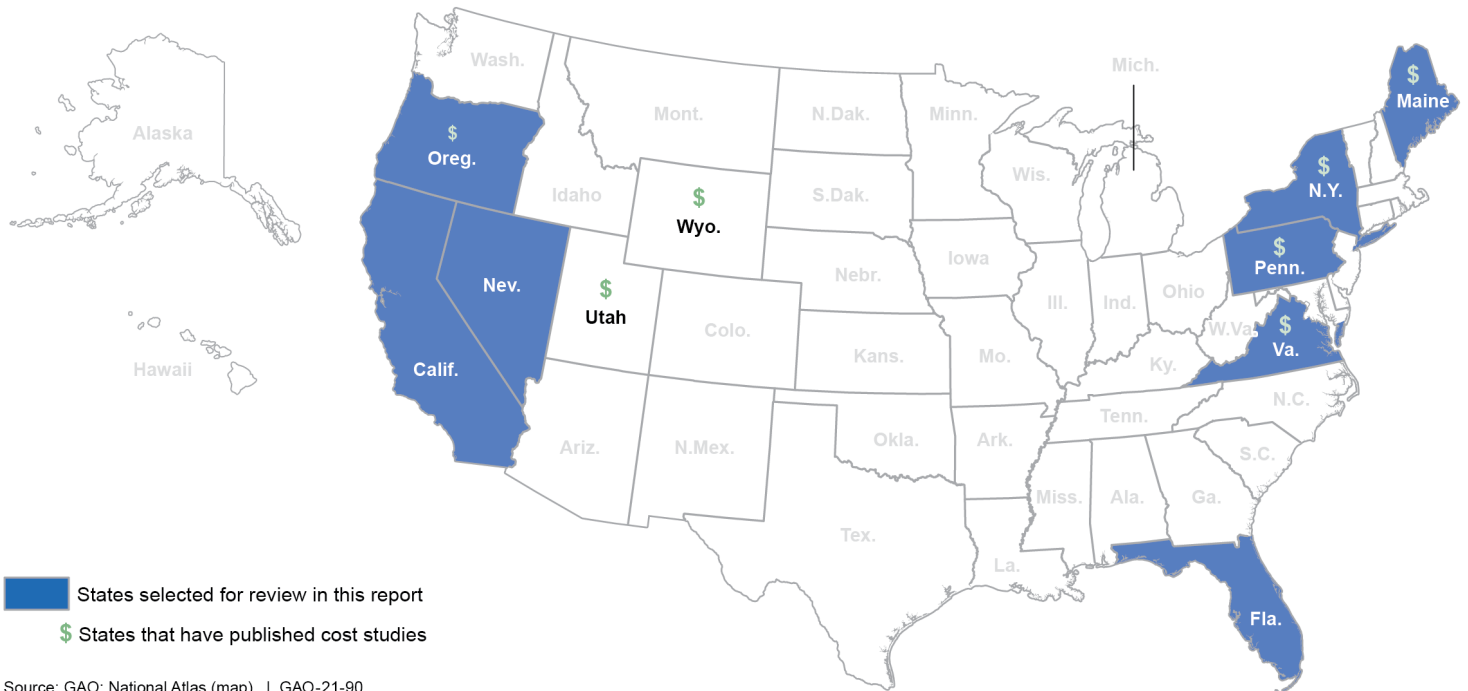
Appendix I: Profiles of Selected States

This appendix provides information on the eight states selected for our review, including demographic information, an overview of the Adult Protective Services (APS) program in each state, and the strategies that officials reported using to address financial exploitation. This information, summarized in state profiles on the following pages, is based on data from the U.S. Census Bureau, the National Adult Protective Services Technical Assistance Resource Center, and our interviews with APS officials in the selected states.¹

We selected these eight states based on various factors, including whether they had made efforts to collect data on financial exploitation or had established an elder abuse multidisciplinary team. Figure 5 provides a U.S. map with the selected states highlighted.

¹We did not conduct an independent review of state laws or regulations.

Figure 5: Map of States Selected by GAO for Review of Elder Financial Exploitation



Source: GAO; National Atlas (map). | GAO-21-90

Text of Figure 5: Map of States Selected by GAO for Review of Elder Financial Exploitation

Map of the United States shows:

- **States selected for review in this report:** California, Florida, Maine, New York, Nevada, Oregon, Pennsylvania, and Virginia
- **States that have published cost studies:** Maine, New York, Oregon, Pennsylvania, Utah, Virginia, and Wyoming,

Source: GAO; National Atlas (map). | GAO-21-90

Appendix II: Overview of Studies of Estimated Costs of Financial Exploitation in Six States

This appendix provides additional details on the data source, methodology, key findings, and limitations described in the seven studies that estimate costs of elder financial exploitation in six individual states.¹ Two studies estimate the costs in Maine and the remaining five studies estimate costs in one of the following states: New York, Oregon, Pennsylvania, Utah, or Virginia. Six of the studies estimated costs to victims, and three state studies also calculated costs to taxpayers. Six of the seven state studies used a similar methodology to determine costs to victims, by manually reviewing casefile notes from a sample of Adult Protective Service (APS) casefiles to record cost data. Study authors typically used these data to calculate a statewide estimate. In some studies, they simply added the costs together. Then, study authors generated a larger number based on one of several underreporting factors to develop a statewide estimate.² See table 4 for detailed information on these studies.

¹We identified one additional state study from Wyoming, published in 2014, that included some information about costs based on a review of APS casefiles. This study examined 10 cases from 2011, 16 cases from 2012, and six cases from 2013. Upon review, we determined this study's methodology was not described in enough detail for us to determine if the estimates generated from these data were reliable.

²State study authors used various factors to account for this underreporting, based on elder abuse studies estimating that just one in 10, one in 24, one in 25, or one in 44 incidents are reported to APS.

**Appendix II: Overview of Studies of Estimated
Costs of Financial Exploitation in Six States**

Table 4: Findings, Methodology, and Limitations of State Financial Exploitation Cost Studies

Study year and state	Title and author	Data sources and study population	Analysis methods	Results	Selected limitations identified by study authors and our review
2011 Utah	"The 2011 Utah Economic Cost of Elder Financial Exploitation," by Jilene Gunther	Utah APS cases for adults age 60 and over who had supported cases. Case file data were supplemented with Kelley Blue Book, Utah sold real estate and real estate estimate tools, and other valuation tools when value of losses were unavailable.	Fifty-two cases were reviewed in-depth to determine financial loss. Cases were reviewed regarding dollar amount taken and property stolen. In cases involving property, gathered information as available from case notes was used to determine the value of lost property. Projected costs by multiplying by underreporting factors of 10, 25, and 44. ^a	Observed cost: \$5 million (victims) Projected cost: \$48 to \$210 million (victims)	In some cases, there was not enough information in the case file to make a valuation of costs or valuation of property, so these values were derived based on supplemental data.
2014 Oregon	"Financial Exploitation Data Book: A Retrospective Look At Community Based Financial Exploitation in Oregon in 2013," by Rebecca Fetters	Oregon APS cases, which include those physically disabled (age 18-64) or over the age of 65, which had substantiated cases.	Of 969 cases that had substantiated cases of financial exploitation, 623 were read and reviewed by hand. Added costs in case file notes for which it was possible to assign a specific dollar amount, and extrapolated costs for the broader number of cases for which there was no dollar amount in the case file. Determined the average loss per case, multiplied by the total number of substantiated cases, then multiplied by an underreporting factor of 44.	Observed cost: \$3 million (victims), \$407,000 (taxpayer) Projected cost: \$439 million (victims), \$1.9 million (taxpayers)	The total loss to taxpayer-funded programs attributed the sample cannot fully be calculated due to limitations in documentary evidence.

**Appendix II: Overview of Studies of Estimated
Costs of Financial Exploitation in Six States**

Study year and state	Title and author	Data sources and study population	Analysis methods	Results	Selected limitations identified by study authors and our review
2016 New York	"The New York State Cost of Financial Exploitation Study," by Yufan Huang, and Alan Lawitz	New York State APS cases within a 12-month period across 31 local social services districts. These data are not exclusive to the older population. All cases were coded using a 24-item case review document created specifically for the present study. Most districts submitted case reviews for all cases during the study window; others reviewed a randomly selected subset.	928 case reviews of APS cases involving allegations of financial exploitation; 479 cases were used to calculate alleged victim losses. The personnel hours associated with providing these services were defined as service agency costs. Public benefit costs were tracked by asking APS workers to identify new or additional public benefits provided to clients following an APS investigation. Evidence supporting the alleged exploitation was found in 52 percent of coded referrals. For these cases, workers provided additional information on the identity of the alleged perpetrator, the alleged methods used to exploit the victim, and the nature and value of the assets allegedly taken (victim losses). Adjusted to include estimates for districts lacking data, then multiplied by a high-end (44) and low-end (10) underreporting factor.	Observed cost: \$27 million (victims and taxpayers) Projected cost: \$352 million to \$1.5 billion (victims and taxpayers)	The study did not have full coverage of the state of New York and had to estimate costs for the larger population.
2016 Virginia	"Adult Financial Exploitation in Virginia: Collaborative Approaches to Address the Issue," by Virginia Department for Aging and Rehabilitative Services	Virginia APS cases in State fiscal year 2015 for older adults (age 60 and over) and incapacitated adults (age 18-59) who had substantiated cases	76 cases with enough information to determine the extent of loss were reviewed, which identified a loss of \$2.1 million, with an average of about \$27,782 per case. The 76 cases were selected for review from 1,016 substantiated financial exploitation cases. Therefore the case average was multiplied by 1,061 to determine that these victims may have lost up to \$28,226,512. The study projected costs by adjusting the number of substantiated cases by an underreporting factor of 44 and multiplied by the average cost per victim in sampled cases.	Observed cost: \$2.1 million (victims) Projected cost: \$1.2 billion (victims)	The findings do not include Fairfax County due to data compatibility issues, and Fairfax is the most populous county in Virginia.

**Appendix II: Overview of Studies of Estimated
Costs of Financial Exploitation in Six States**

Study year and state	Title and author	Data sources and study population	Analysis methods	Results	Selected limitations identified by study authors and our review
2017 Maine ^b	"Financial Exploitation of Maine's Older Adults: An Analysis of Maine Adult Protective Services and Legal Services for the Elderly Case Records, State Fiscal Years 2010-2016," by Eileen Griffin, Catherine McGuire, and Kimberly I. Snow	Maine APS cases from State Fiscal Years 2010-2016 for adults 60 and over with at least one substantiated allegation of financial exploitation. Maine Legal Services for the Elderly (LSE) legal files from State Fiscal Years 2010 - 2016 for LSE clients involving allegations determined to have merit for further investigation	This study analyzes cases handled by Maine's APS and LSE to try and address underreporting of elder financial exploitation by multiplying underreporting factors of 10 and 44.	<p>Observed cost (to victims):</p> <p>2010: \$4.6 million 2011: \$2.9 million 2012: \$3.2 million 2013: \$3.3 million 2014: \$4.9 million 2015: \$4.5 million 2016: \$4.7 million</p> <p>Projected cost (to victims):</p> <p>2010: \$46 to \$205 million 2011: \$29 to \$127 million 2012: \$32 to \$139 million 2013: \$33 to \$146 million 2014: \$49 to \$215 million 2015: \$45 to \$199 million 2016: \$47 to \$205 million</p>	<p>The extent to which the populations are different in the two data sets is not estimated in the report.</p> <p>There were a relatively small number of cases.</p>

Appendix II: Overview of Studies of Estimated Costs of Financial Exploitation in Six States

Study year and state	Title and author	Data sources and study population	Analysis methods	Results	Selected limitations identified by study authors and our review
2020 Maine	"Pent-up demand for care among dual-eligible victims of elder financial exploitation in Maine" by Yvonne Jonk, et al.	Maine APS database from 2006-2014 for adults age 60 and over who were dual-eligible for Medicaid and Medicare with substantiated allegation of financial exploitation. APS cases were linked to Medicare and Medicaid claims data.	Health service utilization and costs were analyzed 1-year prior, during, and 2 years after the initial APS investigation. Used propensity scores to match each APS adult with a substantiated allegation of financial exploitation to two non-APS controls. Regression models were used to compare the likelihood of incurring costs and expenditure levels of financial exploitation victims relative to comparable non-APS controls, respectively. Used a range of under reporting rates: one in 24 and one in 44 to estimate range of the total Medicare and Medicaid costs associated with financial exploitation in Maine.	Observed cost: \$0.3 million (annual costs for taxpayers) Projected cost: \$7.2 to \$13.2 million (annual costs for taxpayers)	The study is limited to a specific group of older adults who were dual-eligible for Medicare and Medicaid for the entire period. There were a relatively small number of cases. Given potential underreporting issue, some financial exploitation cases may have been included in the non-APS controls.
2020 Pennsylvania	"Financial Exploitation of Older Adults Study Report" by Pennsylvania Department of Aging	Pennsylvania cases from Social Assistance Management System database between July 2017-June 2018 for elders randomly selected from 10 Area Agencies on Aging.	The Department of Aging randomly selected a total of 455 cases from 10 Area Agencies on Aging (AAAs) encompassing the 14 counties with highest substantiated financial exploitation cases. 315 cases with dollar amount were used to calculate average financial exploitation. The authors projected the total cost by multiplying the average financial exploitation cost calculated earlier by the state wide number of total financial exploitation cases substantiated by the AAAs during this timeframe and an underreporting factor of 44.	Observed cost: \$12 million (victims) Projected cost: \$2.5 billion (victims)	This study did not have full coverage of the state of Pennsylvania and had to estimate costs for the larger population.

Source: GAO analysis of state cost estimate studies. | GAO-21-90

Notes: Given that the national and state studies use different timeframes, including partial years, or different calendar and fiscal years, we did not adjust the cost estimates in the various studies for inflation. Importantly, cost estimates across these studies should not be compared or added up.

^aState study authors used various factors to account for this underreporting, based on elder abuse studies estimating that just one in 10, one in 24, one in 25, or one in 44 incidents are reported to APS.

^bThe 2017 Maine study included data and analysis from 2010 through 2016. We reported cost estimates by year because the study did not adjust their dollar amounts for inflation.

Appendix III: Selected State APS Agency Tools for Collecting Financial Exploitation Cost Data

This appendix provides examples of data elements or tools developed by Adult Protective Services (APS) in five of the selected states. Some states have added—or are planning to add—new data elements to their states' data systems to record dollar amounts, what was stolen, or the method used by the perpetrator. Other states have developed tools to assist caseworkers that are collecting cost data during financial exploitation investigations. The tools states have developed for caseworkers include checklists, lists of questions, and worksheets that can be used by caseworkers during their investigations. The following examples illustrate some states' efforts to improve the collection of cost data when investigating financial exploitation cases.

Examples of New Data Elements Capturing Costs in State Data Systems

New York. New York's APS agency developed a list of additional reportable data elements about the costs of financial exploitation which could be incorporated into their existing state data system for recording and reporting.¹ This template includes data elements such as the costs of items stolen from the client, the cost of additional public benefits needed due to financial exploitation, as well as costs incurred by APS and other public agencies during the investigation or assessment of the financial exploitation case. If these data elements are incorporated, the APS data system will prompt the caseworker to provide information such as the method of theft and the dollar amount for items stolen, including personal property, stocks or bonds, real estate, automobiles, and/or public benefits (see fig. 6).

¹This list of data elements was developed by New York APS with funds from an Administration for Community Living grant (specifically, a State Grant to Enhance Adult Protective Services) in fiscal year 2015.

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

Figure 6: Example List of Reportable Data Elements on Costs of Financial Exploitation and Outcomes from the APS Agency in New York

The screenshot shows a web browser window with the URL <https://ocfe.ny.gov/main/psae/>. The main content area contains a form titled "Cost of Items Stolen From Client 8. Indicate all items stolen and the amount stolen." The form is structured as a table with four columns: Item Name, Amount, More than once?, and Description. Each row includes a text input field for the amount (all set to "\$1 - \$100") and a radio button for "More than once?". The "Description" column has a pre-filled example "e.g. Stolen C" for Cash and empty boxes for other items. Below the table, there are two conditional instructions: "If Real Estate was selected please enter the address." followed by a text input field, and "If Automobile / Boat was selected please enter the year, make and model." followed by another text input field.

	Amount	More than once?	Description
Cash	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	e.g. Stolen C
Personal Checks	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Bank ATM Transaction / Debit Card	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Benefit Check	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Credit Card	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Real Estate	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Automobile / Boat	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Personal Property (eg jewelry)	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Stocks/Bonds	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Other Item (Specify)	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Other Item (Specify)	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>
Other Item (Specify)	<input type="text" value="\$1 - \$100"/>	<input type="radio" value="Yes"/>	<input type="text"/>

If Real Estate was selected please enter the address.

If Automobile / Boat was selected please enter the year, make and model.

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

9. Cost of New/Additional Types of Benefits Needed Due to Financial Exploitation.

	New / Additional Cost	One Time	Monthly
Public Assistance	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Food Stamps / SNAP	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
HEAP	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Home Delivered Meals (Meals on Wheels)	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Medicaid	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Placement in Residential Family / Shelter	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Rent Subsidy	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>

Other Benefit Needed (Specify)

	Description	New / Additional Cost	One Time	Monthly
Benefit #1	<input type="text"/>	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Benefit #2	<input type="text"/>	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>
Benefit #3	<input type="text"/>	\$1 - \$100	<input type="checkbox"/>	<input type="checkbox"/>

Source: New York Adult Protective Services (APS). | GAO-21-90

Oregon. In Oregon, the state's data system collects the data elements shown below (see fig. 7), which include a description of the exploitation and the dollar amount lost.

Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data

Figure 7: Example Data Collection Page on Financial Exploitation from the APS Case Management System in Oregon

https://www.oregon.gov/DHS/SENIORS-DISABILITIES/ADULT-ABUSE/Pages/index.aspx

How is the adult's money/home/property/assets being used? (Check all that apply)

For another person's personal needs <input type="checkbox"/>	For illegal activity <input type="checkbox"/>
For things adult would not use/purchase <input type="checkbox"/>	Questionable transfer of money/property <input type="checkbox"/>
Unexplained loss of money/property <input type="checkbox"/>	Without adult's knowledge/permission <input type="checkbox"/>
Medication Diversion <input type="checkbox"/>	

[Scroll To Top](#)

What is the adult being threatened, pressured or forced to do? (Check all that apply)

Allow someone to live with them <input type="checkbox"/>	Give away money or property <input type="checkbox"/>
Make changes to a bank account <input type="checkbox"/>	Sign a quitclaim deed <input type="checkbox"/>
To do anything they wouldn't normally do <input type="checkbox"/>	

[Scroll To Top](#)

Is there a will or power of attorney?
--None--

Has there been a recent change made to either?
--None--

Financial Exploitation Additional Details

Reported Dollar Amount Loss

[Scroll To Top](#)

Source: Oregon Adult Protective Services (APS). | GAO-21-90

Virginia. In 2019, Virginia's APS agency added a screen to its case management system to collect the known or estimated amount of

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

monetary loss, amount recovered, and method of financial exploitation:
theft, fraud, forgery, or unauthorized credit card use (see fig. 8).

Figure 8: Example Data Collection Page on Financial Exploitation from the APS Case Management System in Virginia

The screenshot shows a web browser window with the URL <https://www.vda.virginia.gov/abuseandfraud.htm>. The form is titled "Investigative Findings" and contains the following fields:

- Analysis of Findings *:** A large text area with a character limit of 4000.
- Client's Living Setting at Close of Investigation:** A dropdown menu currently showing "Select One".
- Substitute Decision Makers at Close (of APS Investigation):** A dropdown menu with options: "Healthcare Proxy in Effect (Healthcare POA or Healthcare surrogate)", "Financial Proxy in Effect (Financial POA)", "Guardianship or Conservatorship of Person (Guardian)", "Guardianship or Conservatorship of Property (Conservator)", and "Representative Payee".
- Type of Substantiated Abuse/Neglect/Exploitation (Check all that apply.):** A series of checkboxes for:
 - Self-Neglect:
 - Neglect:
 - Physical Abuse:
 - Mental Abuse:
 - Sexual Abuse:
 - Other Exploitation:
 - Financial Exploitation:
- Other Exploitation Explanation:** A text input field.
- Type of Financial Exploitation:** A section with:
 - Known or estimated amount of monetary loss *:** A text input field.
 - Amount Recovered *:** A text input field.
 - Scam:
 - Theft:
 - Fraud:
 - Forgery:
 - Unauthorized Credit Card Use:

Source: Virginia Adult Protective Services (APS). | GAO-21-90

Examples of Tools to Assist Caseworkers That Are Collecting Financial Exploitation Data

California. APS officials in Sacramento County told us they developed a questionnaire in 2014 for caseworkers to use during financial exploitation investigations (see fig. 9). This questionnaire directs caseworkers to collect data such as asset taken, value of asset taken, method of financial exploitation, and value of the asset protected due to APS intervention.

Figure 9: Example Questionnaire for APS Caseworkers to Use in Financial Abuse Investigations from Sacramento County, California

Sacramento County Adult Protective Services (APS)
Financial Abuse Questionnaire

1. Data is not available on this case because: _____

2.

a. At the time of intake, was money allegedly taken?	Yes/No
b. Value of money allegedly taken?	_____
c. At the time of intake, was real estate allegedly taken?	Yes/No
d. Value of real estate allegedly taken?	_____
e. At the time of intake, was prescription medication allegedly taken?	Yes/No
f. At the time of intake, was jewelry allegedly taken?	Yes/No
g. Value of jewelry allegedly taken?	_____
h. At the time of intake, was a vehicle allegedly taken?	Yes/No
i. Value of vehicle taken?	_____
j. At the time of intake, was there suspicious activity (no loss or amount of loss unknown)?	Yes/No
k. At the time of intake, was the perpetrator living off of the client's property or finances?	Yes/No
l. At the time of intake, was there another type of asset allegedly taken?	Yes/No
m. What was the value of the other type of asset taken?	_____

3.

a. Type of financial abuse- Improper use of funds?	Yes/No
b. Type of financial abuse- Scam?	Yes/No
c. Type of financial abuse- Theft?	Yes/No

4. What is the confirmed value of the assets taken after investigation is completed? _____

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

- | | |
|--|--------|
| 5. a. Due to the APS intervention, what is the value of the income or pension protected each month? | _____ |
| b. Due to APS intervention, what is the value of savings, (money market accounts, IRAs, annuities, stocks, etc) protected? | _____ |
| c. Due to APS intervention, what is the value of the real estate protected? | _____ |
| d. Due to APS intervention, was prescription medication protected from theft? | Yes/No |
| e. Due to APS intervention, what is the value of the jewelry protected? | _____ |
| f. Due to APS intervention, what is the value of the vehicle(s) protected? | _____ |
| g. Due to APS intervention, what is the value of other assets protected? | _____ |
| h. Not applicable. | Yes/No |
| 6. a. Social worker requested neurological exam or capacity declaration to address cognitive capacity? | Yes/No |
| b. Social worker assisted client/family in obtaining payee? | Yes/No |
| c. Social worker collaborated with family and friends to protect client's assets? | Yes/No |
| d. Social worker assisted client in obtaining a restraining order? | Yes/No |
| e. Social worker made crime report to law enforcement?
(Do not check yes if only the 343 was completed) | Yes/No |
| f. Social worker facilitated or assisted in the recovery of client's assets? | Yes/No |
| g. Social Worker assisted client/family in closing bank accounts and/or opening new accounts? | Yes/No |
| h. Social worker made referrals to the criminal justice system (FTC, FBI IC3, Postmaster, DOJ, DA's Office, etc)? | Yes/No |
| i. Social worker educated the client and/or suspect about the law requiring the client's assets to be used for the client's benefit? | Yes/No |
| j. Social worker ensured appropriate level of placement for client? | Yes/No |
| k. Social worker educated client and/or family regarding financial scams? | Yes/No |
| l. Social worker referred the client for conservatorship? | Yes/No |
| m. Other interventions | Yes/No |
| n. None (either N/A or interventions completed by friend, family, or professionals prior to APS involvement) | Yes/No |
| o. Client has capacity and refused social worker interventions/services? | Yes/No |

Source: Sacramento County Adult Protective Services (APS). | GAO-21-90

Maine. In Maine, APS officials have created a checklist to assist its caseworkers collecting information when investigating financial exploitation cases. The checklist includes examples of evidence to obtain and interviews to pursue (see fig. 10).

Figure 10: Example Checklist of Evidence to Obtain When Investigating Financial Exploitation Cases from the APS Program in Maine

CHECKLIST OF EVIDENCE TO OBTAIN IN FINANCIAL EXPLOITATION CASE

- Bank documents of victim, including
 - Bank statements for saving, checking
 - Copies of all checks written on victim's account (front and back)
 - Copies of all deposits into victim's account
 - Copies of loan paperwork, application, payment history
- Bank documents of the suspect (same as above)
- MaineCare Application file if person is on MaineCare
 - Shows other assets
 - Shows who applied – suspect?
 - Correspondence or notes between financial worker and applicant
- Nursing home records
 - Account history
 - Trust account history – is the suspect giving victim and spending money
 - Correspondence with suspect regarding non-payment
 - Admission agreement (is suspect listed as financially responsible party?)
- Documentation of other assets/investments of the victim
 - Annuities, mutual funds, bonds, stocks
 - People on MaineCare typically will not have stocks, bonds, mutual funds – can only have assets of \$3,000
- Documentation of any income that does not automatically go into victim's bank account (to see who is endorsing the checks and where they are being deposited/cashed)
 - Social security
 - Tax refunds
 - Pensions
- Interviews
 - Current POA/Conservator/Guardian (non-suspect)
 - Find out about usual expenditures of victim
 - Obtain financial information that might have already gathered
 - Nursing home or group home staff
 - Obtain payment history and correspondence with suspect
 - If a trust account exists, inquire into procedure related to how the trust accounts are handled (i.e. how money is received and spent)

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

- Victim, if competent
 - Makes sure to verify victim was not giving gifts to the suspect and that she was not aware of the checks being written in her account.
 - Ask if victim is aware that her nursing home (etc) bill is in arrears.
 - Ask about any agreements for payment for services provided.
- Suspect (tape/video record)
 - Show him/her suspicious checks and ask what they are for.
- Relatives of victim
 - May have information on the suspect or financial info on the victim
 - May have witnessed interactions between suspect and victim which could show undue influence, harassment, duress
- Complainant (if none of the above)
- MaineCare worker
 - Inquire about any statements made to suspect about how to appropriately spend down the recipient's money
 - Ask about difficulties obtaining financial documentation from suspect to complete the application
 - Ask whether worker had any suspicions when reviewing the financial documentation during the MaineCare approval process
- Medical records of victim if competency is an issue
- Employee file (if suspect is a group home/nursing home/personal care attendant (PCA) employee
- Criminal history check
- Documentation of suspicious expenditures out of victim's account (if there are checks for unusual expenses, get the documents – loan paperwork, credit card – find out if victim has a credit card, etc.; if there are checks to other banks, find out if the victim or suspect have an account at the bank through subpoenas; if large ticket purchases are made see if you can find out from the company who made these purchases. If there are purchases for insurance, such as health insurance, not belonging to the victim, match the acct # to the suspect.)
- Credit card records of victim or suspect
- Invoices, receipts, etc (fiduciary should keep these, but they frequently don't)
- Conservatorship file documents (if suspect was the victim's conservator, they have to file annual accountings)
- Consider consulting a fiduciary expert (such as a professional conservator). Can sometime be used as an expert witness to explain fiduciary duty.

Source: Maine Adult Protective Services (APS). | GAO-21-90

New York. In New York, APS officials have developed a set of tools to assist caseworkers' investigations of financial exploitation. The Financial Exploitation Investigation Suite of Tools (FEIST) including a list of

**Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data**

questions, red flags checklists, and worksheets in 5 steps.² For example, step 2 includes a red flag checklist for APS's initial inquiry (see fig. 11).

²Step 1 includes a list of questions to help the caseworker identify if financial exploitation is occurring and, if so, to understand the full scope of the abuse. Step 2 includes a red flag checklist (see fig. 11). Step 3 includes a worksheet to collect data on client income and expenses. Based on what is known about the client's income and expenses, the caseworker can determine whether the client's income does not cover their bills, which can be an indicator of financial exploitation. Step 4 is a bank statement summary, which is used to help the caseworker identify unusual withdrawal and spending patterns. Step 5 pulls the above information together to submit the case to a third party for review, assessment, and possible intervention. The New York Financial Exploitation Investigation Suite of Tools can be accessed at <https://www.justiceclearinghouse.com/resource/investigating-financial-exploitation-new-yorks-feist-y-new-approach/>.

Figure 11: Example of a Tool for Investigating Financial Exploitation Cases from the APS Program in New York

**Financial Exploitation Investigation Suite of Tools (FEIST)
Phase I: Initial Inquiry & Observation
Step 2: Red Flags Checklist – Initial Inquiry & Observation**

County _____ Caseworker _____
Case No. _____ Email Address _____

✓ Red Flag	Reference to Indicators
Multiple referral sources indicate financial exploitation	
Responses suggest lack of capacity, dementia, or severe disorientation	
Client relies on others for ADLs/IADLs	
Others speak for the client, or client defers to others for response	
Client is evasive, hostile, or dismissive about finances	
Client is isolated from resources/other contact	
Client reports feeling threatened or ashamed	
Client is unable to pay bills	
Client is uncomfortable with the way finances are handled	
Individual handling finances or care charges excessive fees	
Client is uncomfortable with decisions made by POA or HCP	
Others live in the home and do not contribute to household	
Others use client's car/other asset	
Client believes income does not cover regular expenses	
Income should but does not cover regular expenses	
Client has unexplained debt	
Client has unexplained balances on credit cards	
Client believes they have been financially exploited, scammed, or had their identity stolen	

After you have reviewed this Step 2: Red Flags Checklist, ask yourself the following additional questions based on what you know so far:

- Is there a reason to believe the client may be a victim of financial exploitation by the hands of another person? Is this something you cannot rule out?
- Is there a reason to believe someone may be taking the client's funds or property without the client's permission or knowledge?
- Is there a reason to believe that someone is using the client's funds or property in their own interest rather than the interest of the client?
- Does the client indicate he/she is being exploited, and this cannot be ruled out?

Appendix III: Selected State APS Agency Tools
for Collecting Financial Exploitation Cost Data

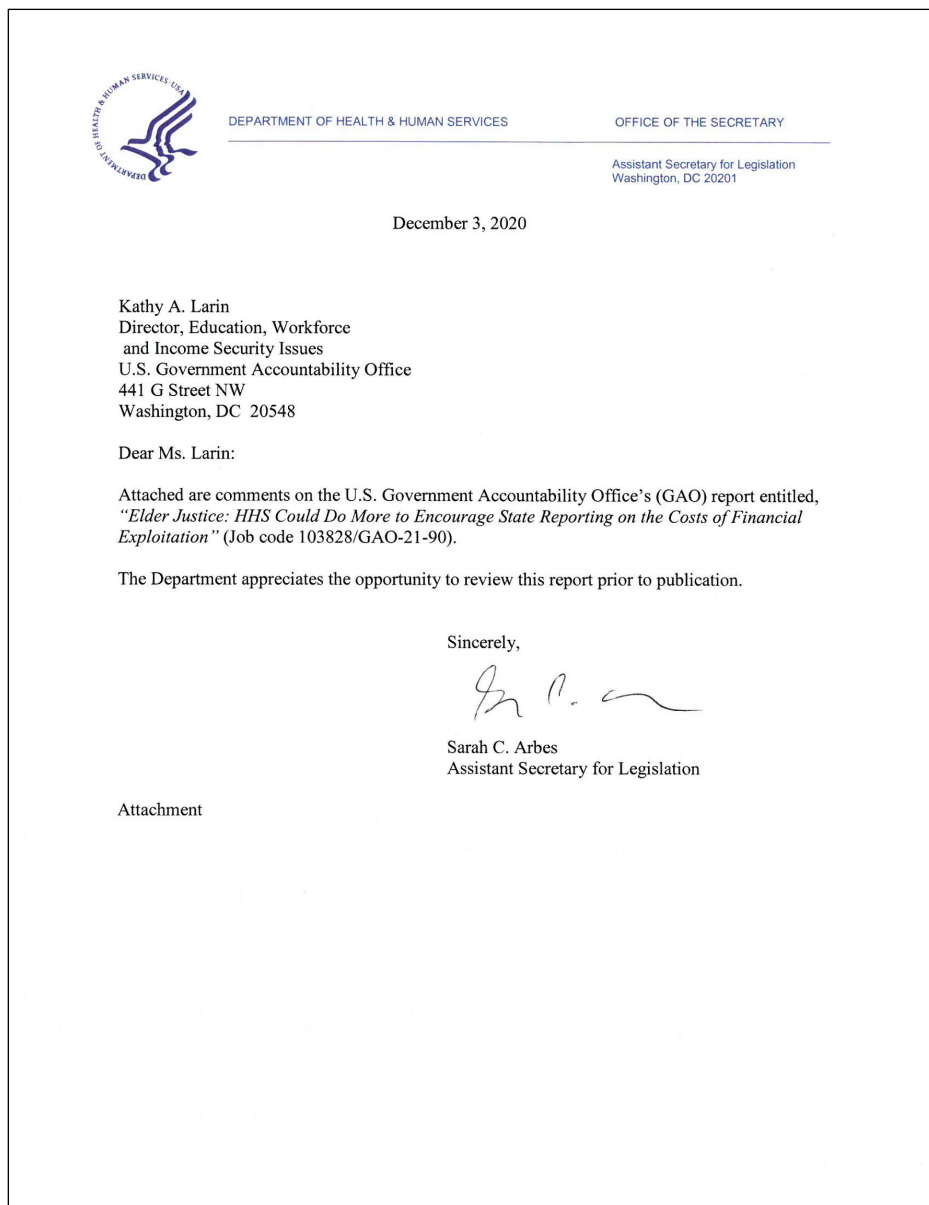
If the answer to any of these questions is yes, **proceed with FEIST Phase II and take other needed action to gather additional information.**

- This includes making a prompt request for customer financial records from the financial institutions where the client is believed to have accounts. Use the standard request form approved by your local district.
- Where the client is believed to have given a power of attorney to an agent, send a 15-Day Letter to the agent, directing the agent to provide the power of attorney document and all written transactions made by the agent on behalf of the client. If the agent fails to timely respond, contact your counsel and ask for initiation of a special proceeding for a court to compel the agent's disclosure of such records.
- Consider requesting a credit report for the client (if capable of giving consent).

Developed by Webber CPA, PLLC in conjunction with a federal grant to Enhance Adult Protective Services awarded by the Administration for Community Living to the New York State Office of Children & Family Services.

If, on the other hand, it appears that the client is knowingly giving their funds or property away to another person, with the client's consent AND without coercion or intimidation, then it is unlikely to be financial exploitation. **If you can rule out financial exploitation, stop use of the FEIST.**

Appendix IV: Comments from the Department of Health and Human Services



**Appendix IV: Comments from the Department
of Health and Human Services**

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED — "ELDER JUSTICE: HHS COULD DO MORE TO ENCOURAGE STATE REPORTING ON THE COSTS OF FINANCIAL EXPLOITATION" (GAO-21-90)

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report.

Recommendation 1

GAO recommends ACL work with state APS agencies to develop data fields for NAMRS on the costs of financial exploitation, and to encourage more states to collect and submit cost data to NAMRS. **(Recommendation 1)**

HHS Response

HHS does not concur with GAO's recommendation to include NAMRS data fields on costs of financial exploitation. As a voluntary reporting system, ACL employs a stakeholder engagement process to understand the needs and value to researchers and states for adding and updating NAMRS data fields. ACL must also consider the burden on states for consistently collecting data for any of the data fields and reporting to NAMRS. While useful in determining the scope or magnitude of the phenomena of financial exploitation, the actual cost of financial losses is not necessary information for APS caseworkers during investigations. This information is not necessary for determining eligibility nor service planning, and APS is not the entity that would seek restitution from, or prosecution of, perpetrators. Because of these facts, ACL cannot guarantee that data elements capturing the cost of financial exploitation would be recommended for inclusion in NAMRS during the next renewal process.

However, ACL has plans to begin the stakeholder engagement process for NAMRS renewal in the second quarter of FFY 2021. The stakeholder process is expected to complete by the end of FFY 2021. In February 2022, ACL will begin the formal process under the Paperwork Reduction Act for updating NAMRS by the existing expiration of February 2023. NAMRS data fields will be updated and/or added based on input from stakeholders on what data elements would be valuable for understanding adult maltreatment, balanced with what is feasible for APS to collect and report with reasonable burden.

Recommendation 2

GAO recommends ACL develop a timeline to share with other states information and tools that state APS agencies have developed to collect cost information, and to provide states with strategies to improve data collection on financial exploitation data. **(Recommendation 2)**

HHS Response

HHS concurs with GAO's recommendation. While currently outside the FFY 2021 scope for the APS Technical Assistance Resource Center and the National Center on Elder Abuse, ACL will consider ways to incorporate these activities beginning in FFY 2022.

Text of Appendix IV: Comments from the Department of Health and Human Services

December 3, 2020

Kathy A. Larin

Director, Education, Workforce and Income Security Issues

U.S. Government Accountability Office 441 G Street NW

Washington, DC 20548

Dear Ms. Larin:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, "Elder Justice: HHS Could Do More to Encourage State Reporting on the Costs of Financial Exploitation" (Job code 103828/GAO -21-90).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Sarah C. Arbes

Assistant Secretary for Legislation

Attachment

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED — "ELDER JUSTICE: HHS COULD DO MORE TO ENCOURAGE STATE REPORTING ON THE COSTS OF FINANCIAL EXPLOITATION" (GAO-21-90)

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**Appendix IV: Comments from the Department
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Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Kathryn A. Larin, (202) 512-7215 or larink@gao.gov

Staff Acknowledgments

In addition to the contact named above, Margie K. Shields (Assistant Director), Nora Boretti (Analyst-in-Charge), Anna Cielinski, Aaron Karty, LaToya King, and Kathleen McQueeney made significant contributions to this report. Also contributing to this report were David Barish, James Bennett, Joy Booth, Pin-En Annie Chou, Sarah Gilliland, Gina Hoover, Almeta Spencer, Kathleen van Gelder, Karin Wallestad, and Adam Wendel.

Related GAO Products

Fake Caller ID Schemes: Information on Federal Agencies' Efforts to Enforce Laws, Educate the Public, and Support Technical Initiatives. [GAO-20-153](#). Washington, D.C.: December 18, 2019

Veterans Benefits: Actions VA Could Take to Better Protect Veterans from Financial Exploitation. [GAO-20-109](#). Washington, D.C.: October 3, 2019

Social Security Benefits: SSA Needs to Improve Oversight of Organizations that Manage Money for Vulnerable Individuals. [GAO-19-688](#). Washington, D.C.: September 26, 2019

Nursing Homes: Improved Oversight Needed to Better Protect Residents from Abuse. [GAO-19-433](#). Washington, D.C.: June 13, 2019

Elder Justice: Goals and Outcome Measures Would Provide DOJ with Clear Direction and a Means to Assess Its Efforts. [GAO-19-365](#). Washington, D.C.: June 7, 2019

Elder Abuse: The Extent of Abuse by Guardians Is Unknown, but Some Measures Exist to Help Protect Older Adults. [GAO-17-33](#). Washington, D.C.: November 16, 2016

Elder Justice: More Federal Coordination and Public Awareness Needed. [GAO-13-498](#). Washington, D.C.: July 10, 2013

Elder Justice: National Strategy Needed to Effectively Combat Elder Financial Exploitation. [GAO-13-110](#). Washington, D.C.: November 15, 2012

Incapacitated Adults: Oversight of Federal Fiduciaries and Court-Appointed Guardians Needs Improvement. [GAO-11-678](#). Washington, D.C.: July 22, 2011

Elder Justice: Stronger Federal Leadership Could Enhance National Response to Elder Abuse. [GAO-11-208](#). Washington, D.C.: March 2, 2011

Related GAO Products

Guardianships: Cases of Financial Exploitation, Neglect, and Abuse of Seniors. [GAO-10-1046](#). Washington, D.C.: September 30, 2010

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