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In a continuation of their efforts to protect seniors from exploitation, Aging Committee Chairman Collins and Ranking Member McCaskill Hold Hearing on Elder Financial Abuse: “Trust Betrayed: Financial Abuse of Older Americans by Guardians and Others in Power”

Thursday, December 1, 2016

Washington, D.C. — The number of adults over age 65 is expected to nearly double in the United States by 2050. When an older adult becomes incapable of making informed decisions, a guardianship may be necessary. Unfortunately, a new government report finds the extent of abuse by guardians remains too difficult to determine. Efforts to better protect older adults with guardians were the focus of a Senate Aging Committee hearing today titled, “Trust Betrayed: Financial Abuse of Older Americans by Guardians and Others in Power.”

In addition to robbing seniors of their hard-earned savings, financial abuse of older adults often puts seniors’ health and safety at risk. The scope of this form of exploitation is broad and can be perpetrated by a range of fiduciaries, such as a court-appointed guardian, a family member with power of attorney privileges, or a senior’s personal attorney. In addition, senior financial abuse can be committed by “friends” or family members who are handling the victim’s affairs informally.

“Financial abuse of seniors by those they trust is far too common. Today’s hearing will help us understand the extent to which our seniors remain at risk of financial exploitation by guardians, and what is being done to protect them from this reprehensible crime,” said Senator Susan Collins, Chairman of the Senate Aging Committee. “Seniors in need of assistance to manage their financial affairs should not have their trust betrayed, leaving them destitute in some cases. While much more remains to be done, I am encouraged to hear of the important work being carried out in a number of states to protect seniors.”

Pointing to a recent report recommending better inter-governmental

communication, Senator Claire McCaskill, Ranking Member, asked, “The problem is, when Social Security finds out there is fraud they are not sharing that information with state courts, even though they share it with other federal agencies —what’s the rationale for that? The (Social Security Administration) have caught someone ripping someone off, what in the good lord’s name are they doing keeping that information from state authorities?”

During the hearing, the Committee released a new Government Accountability Office (GAO) report requested by Chairman Collins and Ranking Member McCaskill on guardianship abuse. The GAO’s report builds on a previous study it released in 2010, which found hundreds of cases of abuse, neglect, and exploitation and identified \$5.4 million that had been improperly diverted. The [updated report](#) examined cases of elder financial abuse over a four-year period, from 2011 to 2015, and examined measures taken by several states to help protect older adults with guardians.

According to the GAO, guardianship abuse is widespread, but it remains difficult to determine the extent of elder abuse by guardians nationally due to limited data. GAO noted that some progress is being made to collect data on guardianships and improve the guardianship process. In 2013, the Department of Health and Human Services began developing the National Adult Mistreatment Reporting System (NAMRS) to provide consistent and accurate national data on senior abuse. HHS has completed the pilot project and expects to roll out the system next year.

In addition, GAO identified a number of measures that can be taken to protect seniors from guardianship abuse, including for courts to ensure that a guardianship is truly needed before appointing one and periodically reexamine whether a guardianship is still needed. Courts should also make sure that guardians are screened for criminal backgrounds and are properly educated on their role and responsibilities.

Witnesses for the hearing included:

- Kathryn Larin, Acting Director, Forensic Audit and Investigative Services Team, U.S. Government Accountability Office, Washington, D.C.

- Cate Boyko, Manager, Minnesota Conservator Account Auditing Program, Ramsey, MN.
- Jaye Martin, Executive Director, Maine Legal Services for the Elderly, Augusta, ME.
- Jessica Kruse, Attorney, Ozarks Elder Law, Springfield, MO.

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