



Environmental Scan of Elder Financial Exploitation in Greater Milwaukee

Prepared for: The Greater Milwaukee Foundation
Prepared by: Michael Stevenson, IMPACT Planning Council
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Background

The Wisconsin Consumer Anti-Fraud Fund of the Greater Milwaukee Foundation contracted with IMPACT Planning Council (IMPACT) to research fraud/scams commonly committed or attempted against seniors and the elderly in Milwaukee, Ozaukee, Washington, and Waukesha counties. In addition to identifying the different types of fraud the Foundation was interested in learning about what strategies are being employed to protect seniors and the elderly from fraud and which organizations are working effectively in this regard. Specifically, this report will answer the following questions:

1. What is financial exploitation?
2. What is the scope of elder financial exploitation in Greater Milwaukee?
3. Which agencies are doing work with elder financial exploitation in Greater Milwaukee?
4. What are emerging trends in the field?
5. What do experts in the field think are promising strategies to invest in?

To answer these questions, informal interviews were conducted with local experts at the state and local level. All of the interviewees work in the field of elder financial exploitation. At the end of each informal interview, experts were asked for suggestions of others to contact. In total, IMPACT contacted ten individuals during November and December of 2015. A list of individuals interviewed can be found at the end of this report. In addition to informal interviews, literature and local databases (e.g. 2-1-1) were also reviewed to help answer the research questions.

What is financial exploitation?

An initial call with staff from the Greater Milwaukee Foundation narrowed IMPACT's research to focus on financial fraud (that targets the elderly (i.e. individuals 60+)). When talking with local professionals who work in this field, many referred to this type of fraud as "financial exploitation." The National Center on Elder Abuse defines financial exploitation as "the illegal or improper use of a vulnerable adult's funds, property, or assets." As defined in Wisconsin Statue §46.90(1)(ed), financial exploitation can be any of the following:

1. Obtaining an individual's money or property by deceiving or enticing the individual.
2. Forcing, compelling, or coercing an individual to give, sell at less than fair market value, or in other ways transfer money or property against their will without informed consent.
3. Theft, as prohibited in §943.20.
4. The substantial failure or neglect of a fiscal agent to fulfill his or her responsibilities.
5. Unauthorized use of an individual's personal identifying information or documents, as prohibited in §943.201.
6. Unauthorized use of an entity's identifying information or documents, as prohibited in §943.203.
7. Forgery, as prohibited in §943.38. 7. Financial transaction card crimes, as prohibited in §943.38.
8. Financial transaction card crimes, as prohibited in §943.41.

Financial exploitation can take many forms. It's most commonly committed by a family member, including the misuse of a power of attorney, exhortation, and robbery. Less commonly, it can be committed by a stranger who is targeting older adults by using trickery or scams. All of the respondents interviewed confirmed that most of the cases that they deal with are committed by family members of the victim and that cases involving strangers are less common. The respondents also mentioned that the scope of the exploitation is much greater in the cases involving family members.

What is the scope of elder financial exploitation in Greater Milwaukee?

Research on the prevalence of financial exploitation varies, but studies have generally found that financial abuse affects between 1% and 5% of the elderly population, with a majority of the cases committed by family. A 2014 [study by Weill Cornell Medical College](#) found that close to five percent of older adults said they were victims of financial abuse since turning 60. The most common form of abuse was stolen money or property, occurring in more than 78 percent of respondents who said they were a victim. More than half of the time a family member committed the act – most often an adult child. However, some studies have estimated the prevalence to be higher. A [2010 survey](#) projected that 1 in 5 seniors (more than seven million) over the age of 65 have been taken advantage of financially.

The Wisconsin Department of Health Services oversees the Wisconsin Adult Protective Services Response System. Every county has an elder agency that looks into reported incidents of abuse, neglect, financial exploitation, and self-neglect. The data from 2010-2015 indicate that the most common type of elder abuse reported was self-neglect (about 50% of calls), followed by financial exploitation (about 20% of calls), and neglect by others (about 14% of calls). The chart below shows the number of calls received for each of the top three categories by year.

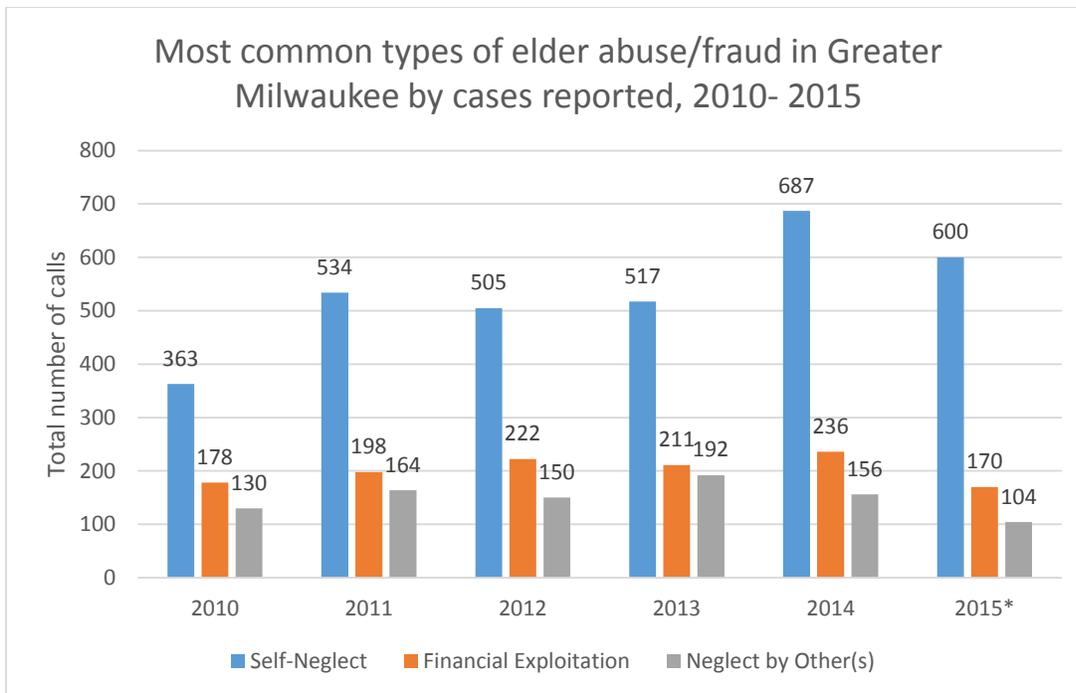


Chart: The three most common types of fraud reported to the WI Department of Health Services by year in the Greater Milwaukee region. Total number of calls per year were: 2010 (N=849); 2011 (N=1114); 2012 (N=1068); 2013 (N=1093); 2014 (N=1296); 2015* (N=1016).

Source: WI Incident Tracking System

*Through Dec 1, 2015; incomplete year

The literature and experts in the region suggest that elder financial exploitation is underreported. [One study](#) estimated that only 1 in 25 cases of elder financial exploitation are reported. One local expert estimated that 75-90% of elder financial exploitation cases are not reported. Another interviewee described the reported cases as the “tip of the iceberg.” Individuals interviewed suggested several reasons why elder financial exploitation is underreported. In general, self-report of financial exploitation is rare. There were several suggested reasons for under-reporting among elders. For example, elders may not know that they are being taken advantage of as they become less involved in managing their own finances. Additionally, “[elders] don’t realize they need to be on guard with people they trust” and may not feel comfortable reporting cases of financial exploitation if the perpetrator is a family member. An elder may decide not to report a case if the family member is their primary caregiver, for fear that they may not have someone else serve in this role in their life. In other cases the elder may feel ashamed or want to avoid getting their family in trouble.

What agencies are doing work with elder financial exploitation in Greater Milwaukee?

Information available from IMPACT 2-1-1, a free, confidential helpline and online resource directory that connects people to information and assistance, provides an initial inventory of agencies that

are working on elder financial exploitation in Milwaukee, Ozaukee, Washington, and Waukesha counties. In addition, during the informal interviews, experts were asked to identify agencies in the region that are working on this issue. The following chart lists these agencies, describes their service area, and includes a brief description of their services. The list includes all of the agencies local experts identified as doing work with elder financial exploitation in the Greater Milwaukee region.

Organization	Area Served	Description of Services
AARP, Wisconsin Chapter	Wisconsin	Raises awareness about fraud with seniors through online resources, bulletins, and conferences.
Aurora Family Services, Center for Financial Wellness	Milwaukee County	Works with elders who need support managing their finances. Often times they work with victims of financial exploitation.
BMO Harris Bank	National	Raises awareness among older adults and their caregivers on preventing elder financial exploitation and encourage advanced planning and informed financial decision making. Also investigate cases of suspected or reported fraud.
Coalition of Wisconsin Aging Groups	Wisconsin	Works to improve the quality of life for people of all ages. Areas of emphasis include education, legal advocacy, and policy development.
Interfaith Older Adult Services	Milwaukee, Waukesha	Offers a variety of programs to support the elderly live independently. Although financial exploitation is not one of their program areas, they work closely with the elderly and raise awareness around financial exploitation issues.
Legal Action of Wisconsin	Milwaukee County	Provides free legal assistance to Milwaukee County residents who are 60+ in cases of elder (financial, physical, emotional, or neglect) abuse.
Milwaukee County Department on Aging "I-team"	Milwaukee	Investigates allegations of physical abuse, financial exploitation, neglect, self-neglect, and emotional abuse for adults 60+. Also oversee a resource phone line. Coordinates the "I-team", an interdisciplinary team that meets monthly to review cases of adult abuse (18+) in the county. The team focuses on elder financial exploitation a couple times a year.

Organization	Area Served	Description of Services
WI Better Business Bureau	Wisconsin	Provides consumer protection information about companies and helps resolve complaints.
WI Department of Agriculture, Trade, and Consumer Protection	Wisconsin	Informs people of their rights, including in cases of solicitations and handles telecommunication complaints.
WI Department of Health Services, Adult Protective Services	Wisconsin	Supports elders who have been abused, neglected, or exploited. Tracks reported cases of abuse across state.

As the table illustrates, there are several agencies working on financial exploitation of the elderly in the region. However, one interviewee stated that “we aren’t doing enough and our strategies aren’t working.” Another said that there is no “community champion” working on the issue. A couple of individuals interviewed suggested that stronger links need to be made among the various sectors/agencies (e.g. Police departments, financial institutions, Adult Protective Services, etc.) to work more effectively as a community.

What are emerging trends in the field?

Local experts shared some insights on emerging trends in the field.

Number of cases increasing, mostly committed by family: Interviewees agreed that elder financial exploitation is a growing issue facing elders, in part because the population that is 60+ is increasing. Respondents also said that this is in part due to a recent downturn in the economy. In addition, local experts suggested that cases are becoming more complex, making it harder to untwist and prosecute cases. “Financial exploitation is about greed, opportunity, power, and control,” said one local expert.

Recognized role of banks in fighting financial exploitation: The role banks play in recognizing financial exploitation was mentioned by almost all of the experts interviewed. One respondent said that banks should be allies in fighting financial exploitation. The role of banks in identifying cases of elder financial exploitation is being more widely recognized, although more training and processes need to be put in place. BMO Harris is seen as a leader in its field in this regard.

Recognized role of law enforcement in fighting financial exploitation. A couple of the interviewees talked about the role of law enforcement in fighting elder financial exploitation; however, they also suggested that these relationships need to be strengthened to be effective. One respondent suggested that law enforcement personnel don’t see cases as being “big enough” to report, and that law enforcement sees these cases as “family matters.” Because of this, police do not often make referrals if they suspect that financial exploitation is occurring.

What do experts in the field think are promising strategies to invest in?

During conversations with local experts, IMPACT staff asked what investments could support efforts to prevent elder financial exploitation in the area. Without prompting, almost all of the respondents talked about the following:

Invest in training for bank and legal staff: Banks are in the best position to recognize financial exploitation on the front line, but bank staff aren't necessarily trained in how to identify warning signs of financial exploitation and/or are not sure what action to take if they suspect financial exploitation. Often elders have banked at the same institution for many years and bank staff are able to identify behaviors that may contradict their normal banking behavior. In addition, there is need to train legal staff on questions they should ask clients before granting someone Power of Attorney. Interviewees discussed that many cases of financial exploitation are committed by family members, and that staff may grant a family member Power of Attorney before making sure it is in the best interest of the elder.

Invest in training for law enforcement: More training for law enforcement is needed so they are better able to recognize signs of financial exploitation. Similar to bankers, law enforcement can be early detectors of exploitation, but often aren't trained to recognize fraud and/or not sure what actions to take if they suspect a case of fraud.

Invest in training for caregivers: There is also a need to train family members to recognize when someone they are caring for may be a victim of financial exploitation. However, one expert cautioned that these types of trainings could be a "double-edged sword" as the information learned in these trainings might be used to commit fraud against family members. In addition, [some research](#) has shown that this type of education isn't always effective.

Offer support to investigate and prosecute reported cases: There are limited resources available to investigate and prosecute financial exploitation cases. Because of the nature of the cases, this can be very resource intensive, sometimes involving forensic accountants. Supporting these efforts would be beneficial to victims. Prosecuting becomes more resource intensive when elders have memory issues and financial accounts are in both the victim and perpetrator's name.

Additional Resources

[National Center on Elder Abuse](#)

[Wisconsin Department of Agriculture, Trade and Consumer Protection Senior Guide](#)

Contact List

Thanks are extended to the following individuals who provided information and insight in addressing this issue:

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Tim Zens, Fraud Investigator, BMO Harris Bank

Nicole Zimmer, Attorney, Legal Action of Wisconsin

This report was prepared by Michael Stevenson, MPH, Research Associate at IMPACT Planning Council. Contact him at mstevenson@impactinc.org or (414) 224-3051 if you have any questions.