

GAO Highlights

Highlights of [GAO-13-626T](#), a testimony before the Subcommittee on Commerce, Manufacturing, and Trade, Committee on Energy and Commerce, U.S. House of Representatives

Why GAO Did This Study

Elder financial exploitation is the illegal or improper use of an older adult's funds or property. It has been described as an epidemic with society-wide repercussions. While combating elder financial exploitation is largely the responsibility of state and local social service, criminal justice, and consumer protection agencies, the federal government has a role to play in this area. GAO was asked to testify on the different forms elder financial exploitation can take and the ways federal agencies can help combat it.

This testimony is based on information in a report issued in November 2012 (see [GAO-13-110](#)). To obtain this information, GAO interviewed public officials in California, Illinois, New York, and Pennsylvania—states that had large elderly populations and initiatives to combat financial exploitation; officials from seven federal agencies; and experts in this field. GAO also reviewed federal strategic plans and other relevant documents, research, laws, and regulations.

What GAO Recommends

In its November 2012 report, GAO made multiple recommendations to federal agencies, and the agencies generally agreed with the recommendations.

View [GAO-13-626T](#). For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov.

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ELDER JUSTICE

Federal Government Has Taken Some Steps but Could Do More to Combat Elder Financial Exploitation

What GAO Found

Older adults are being financially exploited by strangers who inundate them with mail, telephone, or Internet scams; unscrupulous financial services professionals; and untrustworthy in-home caregivers. Local law enforcement authorities in the four states GAO visited indicated that investigating and prosecuting the growing number of cases involving interstate and international mass marketing fraud—such as “grandparent scams,” which persuade victims to wire money to bail “grandchildren” out of jail or pay their expenses—is particularly difficult. In addition, older adults, like other consumers, may lack the information needed to make sound decisions when choosing a financial services provider. As a result, they can unknowingly risk financial exploitation by those who use questionable tactics to market unsuitable or illegal financial products. Local officials also noted that it is difficult to prevent exploitation by in-home caregivers, such as home health or personal care aides, individuals older adults must rely on.

GAO identified several ways the federal government is, or could be, supporting state and local efforts to combat elder financial exploitation.

- With regard to mass marketing scams, GAO has recommended that the Department of Justice reach out to law enforcement authorities in states to clarify how they can obtain the federal assistance needed to handle interstate or international mass marketing fraud.
- To help prevent exploitation by financial services professionals, the Securities and Exchange Commission links to a public website where the qualifications of individual financial services providers can be found, and the Consumer Financial Protection Bureau has issued guidance on how best to convey this information to older adults.
- To prevent exploitation by in-home caregivers, the Centers for Medicare and Medicaid Services provides grants that fund background checks for employees of agencies that provide these services.

Other federal efforts are broader in scope and help combat all types of elder financial exploitation. For example, each of the seven federal agencies GAO reviewed has independently undertaken activities to increase public awareness of this exploitation; however, GAO has recommended that the federal government develop a more strategic approach to these efforts. Further, recognizing the importance of collaboration among those interacting with older adults, GAO has recommended measures to educate bank staff on how to identify potential exploitation and improve collaboration among social service and law enforcement agencies, among others, as they respond to reports of exploitation. GAO has also noted the need for more data on the extent and nature of elder financial exploitation, some of which can be collected from consumer complaints filed with federal agencies. Finally, preventing and responding to elder financial exploitation calls for a more cohesive and deliberate national strategy. To this end, GAO has recommended that the Elder Justice Coordinating Council—a group of federal agency heads charged with setting priorities and coordinating federal efforts to combat elder abuse nationwide—develop a written national strategy for combating elder financial exploitation.