

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 as well. GAO was asked to review issues related to elder financial exploitation. This report describes the challenges states face in (1) preventing and (2) responding to elder financial exploitation, as well as the actions some federal agencies have taken to help states address these challenges.

To obtain this information, GAO interviewed state and local social service, criminal justice, and consumer protection officials in California, Illinois, New York, and Pennsylvania—states with large elderly populations; officials in seven federal agencies; and various elder abuse experts. GAO also analyzed federal strategic plans and other documents and reviewed relevant research, federal laws and regulations, and state laws.

What GAO Recommends

Federal agencies should develop a written national strategy addressing challenges GAO identified, facilitate case investigation and prosecution, and improve data, among other things. The Consumer Financial Protection Bureau and the Department of Health and Human Services supported GAO's recommendations. FTC did not believe it is necessary to examine the feasibility of requiring victim's age in complaints. GAO maintains the importance of its recommendation.

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ELDER JUSTICE

National Strategy Needed to Effectively Combat Elder Financial Exploitation

What GAO Found

Officials in each of the four states GAO contacted identified the need for more safeguards and public awareness activities to help prevent elder financial exploitation. They also noted that it is difficult to prevent exploitation by individuals such as financial services providers, power of attorney agents, guardians, and paid in-home caregivers. Although states have primary responsibility for combating elder financial exploitation, the federal government could disseminate information on model power of attorney legislation, for example, to help states better safeguard against power of attorney abuse—one type of federal activity authorized under the Older Americans Act of 1965. In addition, experts and state and local officials told GAO that many older adults need more information about what constitutes elder financial exploitation in order to report and avoid it. The seven federal agencies GAO reviewed have undertaken activities to increase public awareness of elder financial exploitation. While some experts observed that a nationwide approach to educating the public is needed, federal public awareness activities are not currently conducted as part of a broader coordinated approach, which GAO believes could help ensure the effective use of federal resources. The Elder Justice Coordinating Council, which held its first meeting in 2012, could be the vehicle for developing and implementing a coordinated national strategy. The Council is composed of officials from federal agencies and is charged with developing national priorities and coordinating federal elder justice activities.

Experts and officials in each state GAO reviewed indicated that difficulty 1) gaining expertise, 2) sustaining collaboration between law enforcement and adult protective services agencies, and 3) obtaining data hinders their response to elder financial exploitation. As with prevention, many federal agencies have individually taken steps to address these challenges that are in line with their own missions. For example, the Department of Justice (Justice) has begun to construct a website that contains training and other materials prosecutors can use to build their expertise in investigating and prosecuting elder abuse, which includes elder financial exploitation. However, there are gaps in federal support in some areas. For example, law enforcement officials in each of the four states GAO reviewed indicated that it is not clear how they should obtain the federal support they need to respond to interstate and international cases. Justice can provide this information, in keeping with its priority to strengthen its relationship with state and local law enforcement. Similarly, the Federal Trade Commission's (FTC) Consumer Sentinel Network database compiles incidents of financial exploitation reported to it by many sources around the country but receives incidents from state government agencies in only 12 states. The database would be of greater use if FTC obtained incidents from more of the states and contained an indicator that the incident involved an older adult.