

Final Report  
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**Financial Abuse of Elderly People vs. Other Forms of Elder Abuse:  
Assessing Their Dynamics, Risk Factors, and Society's Response**

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## **Executive Summary**

### **Purpose**

Financial exploitation of elderly people is expected to proliferate over the next decade as this population and its vulnerability to exploitation continue to grow rapidly. And yet it has received relatively little empirical attention. The purpose of this study was to examine—in a domestic setting—pure financial exploitation (PFE) (i.e., financial exploitation that did not co-occur with another form of abuse) of elderly people and compare it in a number of ways to other forms of maltreatment of elderly persons, including physical abuse, neglect, and hybrid financial exploitation (HFE) (i.e., financial exploitation co-occurring with physical abuse and/or neglect).

### **Method**

Using semi-structured interviews, 71 adult protective services (APS) caseworkers in Virginia and an elderly abused client (under Virginia law, someone who was 60 years of age or more at the time of abuse) and/or a third party (someone who knew the elderly person well but was not involved in the abuse) were interviewed separately about incidents of maltreatment that came to the attention of APS. The elderly clients were on average 76 years of age, 83% Caucasian, 76% female, and 84% were living in their own home. Interviews lasting between one and three hours addressed a number of domains such as case characteristics, consequences, risk factors associated with elderly victims of abuse and perpetrators, the nature of the interactions between them, the APS investigation, the criminal justice response, and outcomes. In addition, data derived from Virginia's state-wide Adult Services Adult Protective Services (ASAPS)

database managed by the Virginia Department of Social Services were used to complement the interview data where applicable.

## **Results**

We examined pure financial exploitation (PFE) by directly comparing these cases to three other forms of elder maltreatment (physical abuse, neglect by other, and hybrid financial exploitation (HFE), i.e., financial exploitation co-occurring with physical abuse and/or neglect) across a range of domains including case characteristics (i.e., the relationship between the elderly person and the perpetrator, the elder's awareness of their maltreatment, the number of times the elderly person was victimized by the perpetrator, the duration of the victimization, whether the elderly person had been previously reported to APS, and whether anyone had previously attempted to intervene on behalf of the elder), 10 consequences (i.e., visit to a health care professional, financial, health, psychological, emotional, social, family, autonomy, geographic, or housing), 35 elder and 27 perpetrator risk factors (described below), and case outcomes (i.e., whether abuse stopped, changes in living arrangements, whether there was ongoing contact between the elder and perpetrator, appointment of guardian, financial impact, perceptions of future risk, recovery of lost funds, new APS reports on the elder, and perpetrator outcomes). In addition, we qualitatively assessed the interpersonal and underlying dynamics involved in these cases. Finally, we examined society's response to elder maltreatment, both from the perspective of APS caseworkers and from the perspective of prosecutors. We found that whether we were examining the various domains, interpersonal dynamics, or society's response, there were significant and

compelling differences between the four types of maltreatment. These differences support the contention that there is no one monolithic phenomenon referred to as elder abuse. Rather, we are convinced of the importance of conceptualizing these forms of elder maltreatment distinctly. Furthermore, even within the four broad categories of elder maltreatment examined in this study, the behavior within categories is far more nuanced than is generally recognized. For example, financial exploitation should not be characterized merely as perpetrators methodically taking an unaware elder's goods or assets for their own gain, as it can also encompass a range of other behaviors, motivations, and, importantly, relationships between the elder and the perpetrator.

Underscoring this point is our important finding of the critical distinctions between pure financial exploitation (PFE) and hybrid financial exploitation (HFE). We sought to determine, in part, whether financial exploitation unaccompanied by other forms of abuse (PFE) was different than when it co-occurred with other forms of elder maltreatment (i.e., HFE). The findings demonstrated that there are significant and meaningful differences between PFE and HFE across a range of domains that indicate that these two forms of abuse need to be conceptualized distinctly.

While all forms of maltreatment of elderly persons have devastating consequences for the elderly person involved, HFE is perhaps the most entrenched (e.g., it is generally the longest in duration) and intractable (because it is characterized by mutual dependency between the elderly person and the perpetrator), the most difficult for APS to investigate, and with the most draconian outcomes for the victims of this

abuse (e.g., the victim is the most likely to be appointed a guardian). To best respond to financial exploitation, a key is to avoid a reductionist tendency to conflate these two very different types of financial abuse.

Two sets of analyses were conducted to examine risk factors associated with elderly people and their perpetrators. Based on these two datasets, variables that were significantly related to pure financial exploitation (PFE) included elder's younger age, absence of communication problems, absence on dependence on others, absence of confusion/dementia, absence of childhood family violence, living alone, having no children, and a perceived good relationship with the perpetrator, and perpetrator variables included an absence of a parasitic abuser (e.g., easy access to elder, lives off the elder), nonrelative and relative relationship status, having had children, and a trend toward an absence of intimate partner violence in their current relationships.

Significant variables associated with elderly people experiencing physical abuse included an absence of dependence on others, an absence of confusion/dementia, some mental health problems, the presence of childhood family violence, widowed status, ability to drive, cohabitation with the perpetrator, perpetrator not perceived by the elder as a caretaker, aggression towards the perpetrator by the elderly person, perceptions of a poor relationship with the perpetrator, and long history of abuse, while perpetrator variables included being a parasitic abuser, unemployed, and having no children.

Variables that were significantly related to elderly people experiencing neglect by other included younger age, communication problems, dependence on others,

medical problems, confusion/dementia, an absence of mental health problems, the presence of childhood family violence, and an absence of fear towards the perpetrator, while the perpetrator variables included an overburdened social support person, but the absence of a parasitic abuser.

Finally, variables that were significantly related to hybrid financial exploitation (HFE) included the presence of childhood family violence, cohabitation with the perpetrator, widowed status, poor health, inability to drive, feelings of isolation (trend), fear of the perpetrator, perceptions of the perpetrator as a caretaker, and long history of abuse, whereas perpetrator variables included parasitic abuser, being a family member, unemployed, inability to drive, and financially dependent upon the elder.

As evidenced by the description above, we found compelling and convincing evidence of the importance of taking into consideration both the elder and the perpetrator in identifying and responding to elder maltreatment. Our regression analyses revealed that characteristics of both the elder and the perpetrator made independent contributions to the variance accounted for in each type of maltreatment. Furthermore, the qualitative interpersonal dynamics (contained in the report) revealed the important role played by both the elder and the perpetrator. The elderly person is not a passive actor in these incidents, but contributes to a dynamic that engulfs both the elderly person and the perpetrator. Thus, there is a need to reconceptualize the maltreatment of elderly persons away from something that “happens” to elderly persons, towards increased understanding that the maltreatment of elderly persons takes place within a dyadic relationship. By recognizing that abused elderly persons

were active participants in the events that led up to their abuse (which is not to say they should be viewed as having caused or be held “responsible” for the occurrence of the abuse), efforts to prevent and redress this abuse can be more appropriately tailored. It is important to understand the mindset of elderly persons that contributes to their psychological vulnerability to being maltreated, particularly with regard to financial exploitation, and to their willingness to assist efforts to remediate the abuse. An exclusive focus on elderly persons or on perpetrators will continue to result in ineffective interventions that leave many elderly people vulnerable. It should be noted that a tendency to focus exclusively on the elderly person may be driven by statutory codes that compel APS to focus exclusively on the needs and safety of the elderly person. At the same time, when law enforcement and prosecution become involved, their primary focus tends to be the perpetrator. Both perspectives miss critical details needed to appropriately respond to elder abuse. Only by understanding the perspectives and characteristics of each participant can we truly understand elder maltreatment. Therefore, we strongly urge the research community and practitioners to eschew the tendency to focus on the elderly victim and rather to view elder maltreatment in terms of dyadic relationships.

Thus far, two important conclusions arise from these analyses. First, the maltreatment of elderly persons differs by type of abuse, and second, the maltreatment of elderly persons involves a relationship, the nature of which plays a critical role in the occurrence of the abuse. These conclusions have important implications for theory development pertaining to the maltreatment of elderly persons. Therefore, we have developed a theory for each type of

maltreatment examined in this study that tries to account for the behavior of both the elder and the perpetrator. These theories have yet to be tested, but their articulation is intended to begin the process of improving our theory-based understanding of this behavior.

Elderly persons who experienced financial exploitation (both PFE and HFE) lost a considerable amount of money and assets. In total, they lost \$4.6 million, or an average loss of \$87,967 per elderly person. In 17% of these cases, a power of attorney was misused to financially exploit the elderly person, resulting in a total loss of \$432,000, or an average loss of \$48,000 per elderly person. Most (86%) of these elderly persons did not recover any of their lost funds or assets.

We also found that victims and perpetrators involved in pure financial exploitation (PFE) appear to be a more heterogeneous group compared to the elderly victims of other forms of elder maltreatment, making identification and intervention more challenging. We also learned that APS caseworkers perceive financial exploitation cases as more difficult to investigate than physical abuse or neglect cases. Caseworkers explained that financial exploitation cases take longer to investigate, require evidence that is harder to produce, and the financial institutions and elderly victims involved are often uncooperative. In addition, APS caseworkers perceived that officials in the criminal justice system (law enforcement, prosecutors) were unhelpful to them in investigating elder abuse, in general, and financial exploitation in particular. For example, 72% of APS caseworkers believed prosecutors are even less helpful and willing to take up their cases when financial exploitation is involved compared to physical abuse or neglect cases. These expectations of a lack of response are likely to result in a

vicious cycle of APS caseworkers referring even fewer of their cases to prosecutors, particularly those involving financial exploitation. In turn, this is likely to result in prosecutors concluding that the maltreatment of elderly persons, particularly financial exploitation, is not an issue in their jurisdiction because they never receive referrals involving these types of cases. A small pilot study of prosecutors revealed that indeed many prosecutors find elder abuse cases more difficult to prosecute than other types of crime, with financial exploitation being the second most difficult type of elder maltreatment to prosecute (following neglect cases). The result of this miscommunication between APS caseworkers and officials in the criminal justice system is that financial exploitation cases are less likely to be vigorously pursued by APS. For example, if both financial exploitation and physical abuse of an elderly person was occurring, APS caseworkers might focus on physical abuse in their investigations and base any determination of maltreatment on them instead of financial exploitation knowing physical abuse is easier to investigate and confirm and that assistance from criminal justice officials will be more forthcoming. If APS, the primary entity charged with preventing, responding to, and remedying the abuse of elderly persons, does not pursue a case, it is unlikely to receive attention from any other entity, particularly by prosecutors. Thus, we concluded that financial exploitation is underinvestigated and poorly redressed. One potential solution offered by prosecutors was the establishment and use of multidisciplinary teams to promote and facilitate collaboration among APS caseworkers, law enforcement officials, and prosecutors. Resulting improved communication and coordination may also enhance the willingness of victims of elder

maltreatment to cooperate with investigations and support the implementation of remedial measures, including prosecution where appropriate.

However, most elderly persons did not want law enforcement or prosecutors (63% and 74%, respectively) involved in their case. Physically abused elderly persons, however, were more likely to call the police for assistance during an abusive situation, although they often attempted to recant their complaint after the situation was defused. Nevertheless, once contacted, police were reluctant to drop the charges. Even though the elderly victims did not want their perpetrator prosecuted, the case was likely to be prosecuted, with physical abuse cases significantly more likely to be prosecuted than other types of abuse. Another dynamic playing a role in the occurrence of prosecution was family or friend support, with prosecution more likely when the elderly person had strong family or friend support to encourage the elderly person to pursue prosecution. It was also found that an elderly person's preference for prosecution was associated with actual prosecution, suggesting that victim cooperation is a key factor in prosecutors' decisions to pursue these cases. This finding is consistent with our prosecutor pilot results as well, indicating that a number of variables indicative of victim cooperation (e.g., ability to testify, the elderly person pressed charges) were important to prosecutors' decisions regarding whether to pursue prosecution.

Finally, while the APS caseworkers we interviewed were clearly dedicated and hard-working individuals who sincerely and in good faith wanted to improve the lives of their clients, one of the apparent impediments to a better societal response to this abuse is that the goals and perceptions of the elderly person may differ from that of the

APS caseworker. Perceptions can differ regarding the elderly person's initiative at stopping their own abuse, the nature of the relationship between the perpetrator and the elderly person, the causes of the abuse, and what constituted a satisfactory outcome for the elderly person. We hypothesized that differences in perspective between elderly victims and APS caseworkers might impact the outcome of the case. In cases in which the perceptions of elderly persons and APS caseworkers diverged regarding the causes of the perpetrator's behavior (e.g., the perpetrator is a bum vs. the perpetrator has a mental illness), the resolution of a case was less likely to be successful and ultimately the abuse continued. This suggests that differences in perceptions have an impact on the ability of APS caseworkers to effectively intervene in elder abuse. Reconciling these perceptions can enhance the likelihood of effective interventions.

### **Implications and Recommendations**

Results of this study indicate the need for greater training for APS caseworkers, law enforcement officials, and prosecutors, with implications for elderly victims.

Greater work is needed in the development of training tools for APS caseworkers as many felt their ability to handle financial exploitation was inadequate (see also Choi et al., 1999; Mals, Buckmaster & Cunningham, 2003; Price & Fox, 1997; Setterlund et al., 2007). Furthermore, research on how to foster greater communication between APS caseworkers and prosecutors would facilitate both investigation of financial exploitation as well prosecution (Brandl, Dyer, Heisler, Otto, Stiegel & Thomas, 2007).

Additional work on prosecution also is desperately needed. Elder abuse is widely believed to be underprosecuted, and yet little is known about this phenomenon.

Research needs to better understand prosecution barriers and facilitators. As noted by Ulrey (2010), there are always barriers to prosecuting elder maltreatment, but none that education cannot correct. Research on the development and use of multidisciplinary teams may prove very useful in this respect. While our results indicated that prosecutors still rely on victim cooperation in deciding whether to pursue prosecution, more education on evidence-based prosecution is needed.

Virginia recently enacted the Uniform Power of Attorney statute (Va Code § 26-72 (2010)) as advocated by Stiegel and VanCleave Klem (2008). Law enforcement training in understanding this statute will be necessary. In addition, it appears that law enforcement training in interviewing and communicating with elderly people is also in order (NDAA, 2003). Finally, law enforcement officials would likely benefit from engaging in a multidisciplinary team approach to investigating elder maltreatment.

As we saw, victim's desire for law enforcement and for prosecution was related to actual prosecution, suggesting that victim cooperation is important in prosecutors' decisions to pursue prosecution. While we are in favor of evidence-based prosecution, methods designed to encourage elderly people to participate in prosecution also are needed. Based loosely on our results, and the work of others, it may be that victim cooperation can be enhanced through a multidisciplinary approach in which APS caseworkers provide the social support elderly victims need while law enforcement officials simultaneously gather evidence. While we are confident this approach holds merit, it has yet to be empirically tested. Furthermore, limited research indicates that approaching elderly victims about prosecution from the perspective of gaining access to

services for perpetrators is a valuable approach and also deserving of empirical attention (Bergeron, 2007; Brownell, 1998; Korbin, Anetzberger, Thomasson & Austin, 1991).

APS has a social services perspective and the criminal justice system has an offender accountability focus. We would like to suggest that neither of these approaches is satisfactory. Our results strongly indicate the need to respond differently to different forms of abuse in order to effectively intervene, taking into consideration both the elder and the perpetrator. Because our theories of maltreatment differ by type of maltreatment, it naturally follows that the interventions (which should be built on theories) should differ as well, taking into consideration the needs of both elderly people and their perpetrators. Services for perpetrators must be part of any intervention designed to stop elder maltreatment (Nordstrom, 2005). These interventions must be subjected to evaluation, including an assessment of potentially harmful consequences of interventions (Lithwick, Beaulieu, Gravel & Straka, 1999; Wright, 2010). Currently, even rudimentary variables are not captured by APS departments and there is no way to determine whether APS is effectively intervening in the lives of elderly people (Wolfe, 2003; Teaster et al., 2006). Therefore, we also would like to challenge adult protective services (and other governmental agencies) to develop systems of data collection that accommodate the collection of outcome data (including perpetrator outcomes) that would facilitate evaluations of APS - and other - interventions. We are encouraged that the Bureau of Justice Statistics has recently

released a solicitation to address this problem (see *2010 Assessment of Administrative Data on Elder Abuse, Maltreatment, and Neglect Solicitation*, OMB No. 1121-0329).

### **Future Research**

To validate these findings, this research will need to be replicated. Several areas of fruitful endeavor include greater theoretical development and testing of theories to gain a better understanding of elder abuse. Furthermore, theory development should form the foundation for the development of effective interventions (Ansello, 1996; Lithwick, Beaulieu, Gravel & Straka, 1999) which should be subjected to evaluation. There is an urgent need to study elderly victims and perpetrators more deeply and over time to understand the development and life course of elder abuse. One of the most interesting findings from the study was related to the distinction between pure financial exploitation (PFE) and hybrid financial exploitation (HFE). While these findings are promising, much greater development of this concept is needed. Much more work is needed to understand how divergent perspectives impact case outcomes, and whether there are methods APS caseworkers could use to persuade elderly people to change their perspective without alienating them. As our study likely underestimated the impact of dementia on elder maltreatment, we encourage more work in this arena to understand this association. Although controversial, we encourage the field to undertake the study the behavior and motivations of perpetrators of elder maltreatment.