



“Senior Scams: What Are They and How Can People Avoid Them?”

Public Hearing Held by: Senator Robert P. Casey, Jr.

Luzerne County Courthouse, Council Chambers

200 North River Street

Wilkes-Barre, Luzerne County, Pennsylvania

Testimony of Teresa Osborne, Secretary

Pennsylvania Department of Aging

Good Morning Senator Casey, fellow testifiers and guests. My name is Teresa Osborne. I presently serve as the Secretary of Aging for the Pennsylvania Department of Aging. While it is a privilege for me to provide testimony for the purposes of this public hearing, I would rather that the need for a session like this, simply did not exist. But, the need is real and the suffering of far too many seniors is palpable as every year older Americans are losing nearly \$2.9 billion dollars to scammers and con artists, criminals who take advantage of an older adult’s vulnerabilities.

As was described in the report issued by the **United States Senate Special Committee on Aging**, entitled, *“Fighting Fraud: US Senate Aging Committee Identifies Top 10 Scams Targeting Our Nation’s Seniors”*, fraud involves the deliberate deceit of the victim with the promise of goods, services, or other benefits that are non-existent, unnecessary, never intended to be provided or grossly misrepresented. Generally, financial crimes against the elderly fall under two categories. Fraud committed by strangers, and financial exploitation by relatives, friends or other caregivers. While these two categories at times can overlap, the difference lies in the offender-victim relationship, which calls for different methods to respond to the problem. As was conveyed via the Report issued by Senator Casey and his fellow Special Committee on Aging members, older Pennsylvanians regrettably are counted among those who have fallen victim to prize and sweepstake fraud, identity theft, financial exploitation and other types of scams.

Having begun my career as an Aging Care Manager in the Older Adult Protective Services Unit with the Lackawanna County Area Agency on Aging twenty six years ago, I have seen first-hand the devastating toll that being the victim of a financial crime takes on an older adult. Under the Commonwealth of Pennsylvania's Older Adult Protective Services Act, individuals 60 years of age and over, who lack the capacity to protect themselves and who are at imminent risk of abuse, including financial fraud, are able to receive the services necessary to protect their health, welfare and safety. The Act ensures that steps are taken to detect, reduce or eliminate the abuse, while safeguarding the older adults' rights. Now that I have the privilege of serving in a position to ensure that Pennsylvania's Older Adult Protective Services Act is protecting vulnerable seniors in all 67 counties, regrettably, I am informed every day of an older adult somewhere in our Commonwealth who has been financially exploited. The situations range from an elderly woman's pension check being cashed without her permission, to an elderly man's signature being forged; from the misuse of an older adult's possessions, such as an ATM or credit card, to an older adult being coerced into signing over property or a will, and the improper use of assets by a power of attorney or guardianship. The situations also include seniors falling victim to sweepstake scams, whereby the older adult is told that he or she could win or has already won a valuable prize or a lot of money, and in order to receive their 'prize', the older adult must first send in money to cover taxes, shipping or other fees. The older adult obliges, and then the 'prize' is never delivered. Or in other instances, I've seen seniors fall prey to scammers who solicit donations to nonexistent charities, playing on the older adult's desire to help others. And I've seen older Pennsylvanians fall victim to home repair scams, whereby the con-artist recommends an array of fraudulent "emergency" home repairs, often requiring an advance deposit. The con-artist may then fail to do any work, might start but not finish or will do substandard work that requires correction. The most common frauds include roof repairs, driveway resurfacing, water-proofing and pest control. As distressing as each situation is, it's even more sobering knowing that researchers tell us that only a small percent of cases are ever reported. It's estimated that for each case that is reported, between 14 and 24 cases are undetected. Older adults are less likely to report financial fraud for several main reasons. They don't

realize they have been or are being scammed, don't know who to report it to, are too ashamed or embarrassed, worry that their relatives or friends will think that they no longer have the mental capacity to take care of their own financial affairs, or fear retaliation.

The fastest-growing segment of America's population are people who are 85 years of age and older. To give you an idea of the steepness of this increase, in 2010, there were 5.8 million Americans age 85 or older. By 2050, it is projected that there will be 19 million people in this age group. Pennsylvania's profile is no different. Financial exploitation is one of the most frequent forms of elder abuse, and it's only going to get worse. As such, it's important that we focus on three key areas: prevention, protection and response. To this end, it's also critical that response strategies be tailored to one's local circumstances, and includes the engagement of a variety of partners. Law enforcement responses alone are not effective in reducing or solving the problem. Careful consideration must be given to who else in your community shares responsibility and can help law enforcement better respond to instances of elder fraud and financial exploitation. We know from experience that these cases are complex and require expertise in multiple areas, including the local Area Agency on Aging, district attorney, police department, financial institutions and other community groups dedicated to serving older adults. Building coalitions and engaging in community outreach efforts have led to the creation of Elder Abuse Task Forces throughout the Commonwealth. Successful task forces, such as the task force that functions here in Luzerne County, are built on the premise that to effectively protect older adults the aging services network and law enforcement must work cooperatively in identifying and responding to elder victimization. The Pennsylvania Department of Aging, in partnership with Temple University's Institute on Protective Services, provides support to counties desiring to develop an elder abuse task force. Our hope for each task force is that through this collaborative effort, community professionals come together to break down walls that otherwise prevent effective responses to victimization of older adults, the public is educated to recognize and report elder abuse, and advocacy becomes the cornerstone by which justice is pursued and cases of elder fraud and financial abuse are

successfully prosecuted. Our intention in providing this support is embedded in Governor Wolf's commitment to protect our most vulnerable residents from all types of abuse and neglect and to bring elder justice to the communities of our Commonwealth. Older Pennsylvanians have worked hard to raise our families, build our communities and defend our country in times of crisis. They deserve to have access to protective services in order to cope with the harm that has been done to them, and to have the support necessary to seek restitution and justice. The World Health Organization recently said this about Elder Abuse: "Elder abuse is a violation of human rights, and is a significant cause of illness, injury, loss of productivity and despair." As a government, a society, a community, and as individuals, we must strive to increase our efforts to ensure that all older Pennsylvanians age with the dignity, respect and honor they deserve.