

Opening Statement
Senator Susan M. Collins
Special Committee on Aging

“Broken Trust: Combatting Financial Exploitation Targeting Vulnerable Seniors”

February 4, 2015

Good afternoon. It is my great pleasure to call to order the first hearing of the Special Committee on Aging in the 114th Congress. I have been a member of this Committee since my first days in the Senate, and I am honored now to be the Chairman. This is the first time that a Maine Senator has chaired the Committee since the mid 1990’s when my predecessor in the Senate and good friend, Senator Bill Cohen, served as Chairman.

I am also pleased to welcome both new and returning Members to this Committee, and I am delighted that my good friend, Senator McCaskill will serve as the Committee’s Ranking Member. Sen. Bill Nelson, the former Chairman of this Committee, has also chosen to remain a Member and continues to share his expertise with us.

Throughout its history, the Aging Committee has spurred Congress to action on issues important to older Americans through its hearings, investigations and reports—and it has done so in a genuinely bipartisan manner. I look forward to continuing this tradition, working with Senator McCaskill and all of our Members.

The Committee will focus on three primary issues this year: retirement security; biomedical research investments for diseases like Alzheimer’s and diabetes that disproportionately affect seniors; and financial schemes and other scams targeting older Americans.

Today, we will examine financial exploitation that harms far too many of our nation’s most vulnerable seniors.

This Committee has brought to light many schemes that have defrauded seniors out of their hard-earned retirement savings. It is deeply troubling when a senior falls victim to one of these schemes. But even more egregious is when the perpetrator is a family member, caregiver, or trusted financial advisor.

Financial exploitation of older Americans is a growing epidemic that cost seniors an estimated \$2.9 billion in 2010, according to the GAO. In Maine alone, there are 14,000 new reports each year of senior abuse, which includes financial abuse. And, in as many as 90 percent of financial cases, the senior is victimized by someone he or she knows well.

Unfortunately, the full story is even worse.

Many of these cases are never reported because the victim is too ashamed to report financial exploitation, particularly when it involves a family member. As a consequence, the true incidence of this kind of abuse is not known.

Identifying victims of financial exploitation in my state is particularly difficult because we Mainers pride ourselves on our self-sufficiency. It is difficult for many seniors to ask for help.

In addition, since victims who have their assets taken by family members typically do not want their relatives to be criminally prosecuted, the stolen money is rarely recovered. This loss can undermine both the health of older adults and their financial security.

Combating financial abuse of seniors is primarily the responsibility of state and local agencies, particularly Adult Protective Services Agencies. Experts agree that prevention and response to these cases of abuse requires coordinated efforts, which include state and local agencies, law enforcement, the social work and medical community, and financial institutions.

The federal government also plays an important role in providing leadership to combat this problem. The Elder Justice Coordinating Council, which is led by the Department of Health and Human Services, has brought together 12 federal agencies to coordinate efforts to protect older individuals from abuse, including financial exploitation. They have developed eight recommendations that are intended to improve prevention, awareness, and response to abuse, neglect, and exploitation. I look forward to seeing progress in each of these areas.

I want to welcome to our hearing Judith Shaw, who serves as the Securities Administrator for the State of Maine. Maine is on the cutting edge of helping to combat financial abuse of seniors through programs like the innovative Senior\$afe, which is the first of its kind in the nation.

Senior\$afe is a collaborative effort by Maine's regulators, financial institutions, and legal organizations to educate bank and credit union employees about how to identify and help stop financial exploitation of older Mainers. Senior\$afe has also published this brochure that provides useful tips to seniors.

Financial exploitation knows no socio-economic boundaries. Victims range from seniors who have very modest financial means to those who have amassed great wealth.

For example, I was particularly troubled to learn of the case of a Maine senior in Androscoggin County whose daughter sold her mother's home and moved her into a camper located in her backyard. As if that were not bad enough, the daughter and her boyfriend went on to deplete her mother's life savings over the course of two years, leaving her penniless as well as homeless.

While individuals of limited means are particularly vulnerable, even the wealthiest Americans are not immune to financial exploitation.

Today we will hear from Philip Marshall, who is the grandson of well-known philanthropist and socialite Brooke Astor, who summered in Maine for decades. He will testify about how his father, Anthony Marshall, mistreated his mother and mismanaged her assets while she suffered from Alzheimer's disease.

To be clear, there are many instances when it is vital for a senior to have the assistance of a family member, friend, or other trusted financial advisor to help manage his or her finances wisely and prudently, particularly if that senior becomes ill or loses some cognitive ability. This is another factor that makes this issue so troubling and complicated.

I also look forward to hearing from all our witnesses about additional efforts that are underway to address financial abuse of vulnerable seniors.