

**The Wyoming Cost
of Financial Exploitation
2009-2010**

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Introduction

The cost to the victims of financial exploitation, both monetary and otherwise, has not been addressed in terms of a national study nor has there been research as to the impact to state systems. This study is an effort to determine the financial impact on state systems in Wyoming. In addition there is little information as to the outcomes for criminal charges or an evaluation of how perpetrators access victims and their assets. Researchers have calculated that for every one reported financial exploitation case, 44 go unreported¹. Another study stated that 1 in 25 is reported.² In estimating a range for the dollar amount lost Wyoming used the above figures but made our conservative hypothesis of how many cases go unreported based on statistics from government officials and reports³ which state that only 1 out of every 10 seniors report abuse. Cases alleging exploitation that were not within DFS were not examined and in that other agencies do receive reports regarding scam artists, insurance fraud, telemarketing fraud etc., subsequently the costs of financial exploitation to Wyoming vulnerable adults are higher than what is presented in this study.

The Wyoming study was modeled after one done by the Legal Services Developer, Jilene Gunther, MSW, and JD in partnership with the Utah Division of Aging and Adult Services. The Utah study, and the one for Wyoming, focuses on those individuals the Department of Family Services/Adult Protective Services was able to substantiate on as having been a victim of financial exploitation. The Wyoming study had 10 individuals from 2009-2010 whereas the Utah study had 57 cases to review.

The Wyoming study provides basic information as to a projected cost to the governmental entities, to our seniors and vulnerable adults and to our financial institutions. It is also an effort to identify the variables and methods that perpetrators use to exploit. A challenge for this project was the lack of documentation and financial information as to monies or property lost. It was therefore problematic to clearly identify the issues and subsequent impacts. As a result of this study a check list will be provided to caseworkers so that a future study will have more information. One area needing to be addressed is the understanding that a documented involvement with Law Enforcement and probable criminal charges should always be a situation whereby the case remains open until this information can be entered into the narrative.

It is critical for policy makers to realize the impact on victims, the related costs to the victims and the systems and to focus on prevention efforts in addition to effective prosecution and partnerships when conducting an investigation. Financial Exploitation is having a huge impact on the lives of vulnerable adults nationally and there needs to be research as to the importance of the issue, the impact on lives, the potential costs of exploitation and how to better target prevention efforts. In July 2011 a change in Adult Protective Services Statute (W.S. 35-20-102 (xi) (C and D) clearly linked the misuse of one's fiduciary duties to provide for basic needs to a felony within criminal law. The intent of this statute was to clearly reference the ability to prosecute when financial exploitation, by a POA, guardian or any individual, fails to provide for basic needs for the vulnerable adult.

The Study

We used the average 2009 Wyoming Medicaid costs for seniors (\$22,825) in conjunction with obtaining the life expectancy table to determine how many years the senior/victim might be on Medicaid. We assumed that the assets of the victims would remain stagnant and therefore we could safely project Medicaid costs for the duration of their lives. These costs were estimated to be \$44,280.00. Considering that only one in ten cases are ever reported, this cost could potentially reach \$442,800.00.

¹ (2011). New York State Elder Abuse Prevalence Study. Cornell University.

² Wasik, J.F. (2000). The fleecing of America's elderly. Consumers Digest, March/April.

³ Id., (1998). The National Elder Abuse Incidence Study. National Center on Elder Abuse.

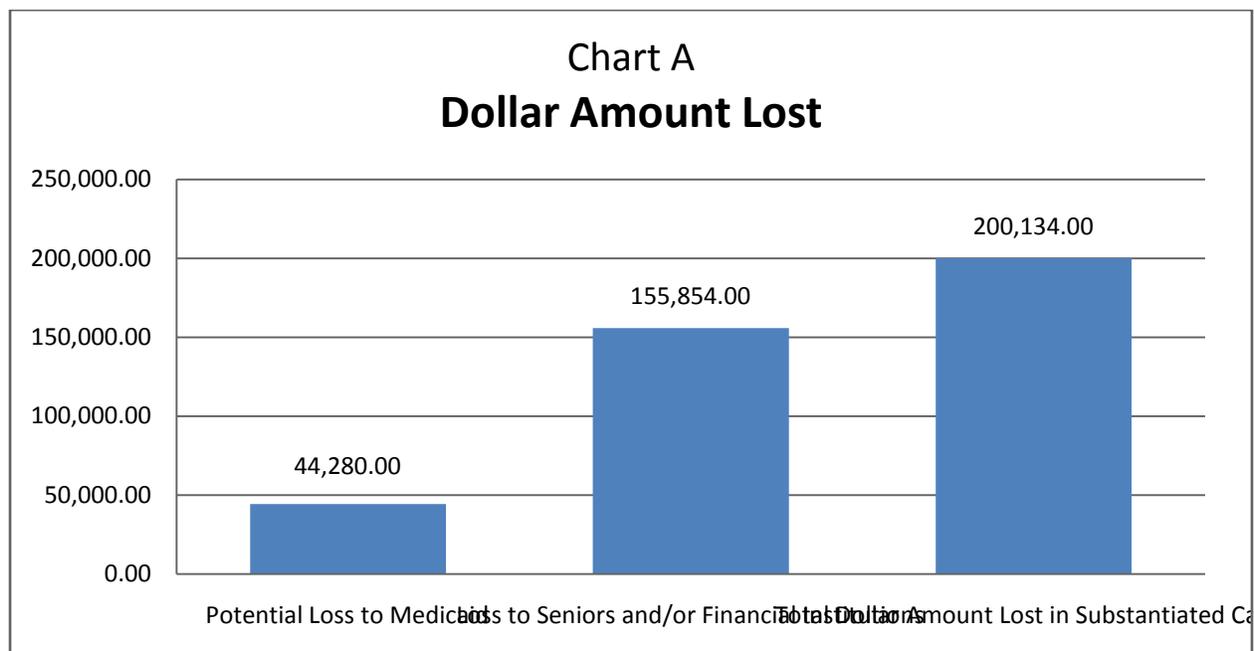
Our study also looked at variables involved in exploitation, relationship of perpetrators to victims, and provided, to the best of our ability, the dollar amounts based on what is provided in the narratives. The benefit of the study was to provide an overview of costs to the state as a result of the victimization of vulnerable adults when financially exploited.

Variables

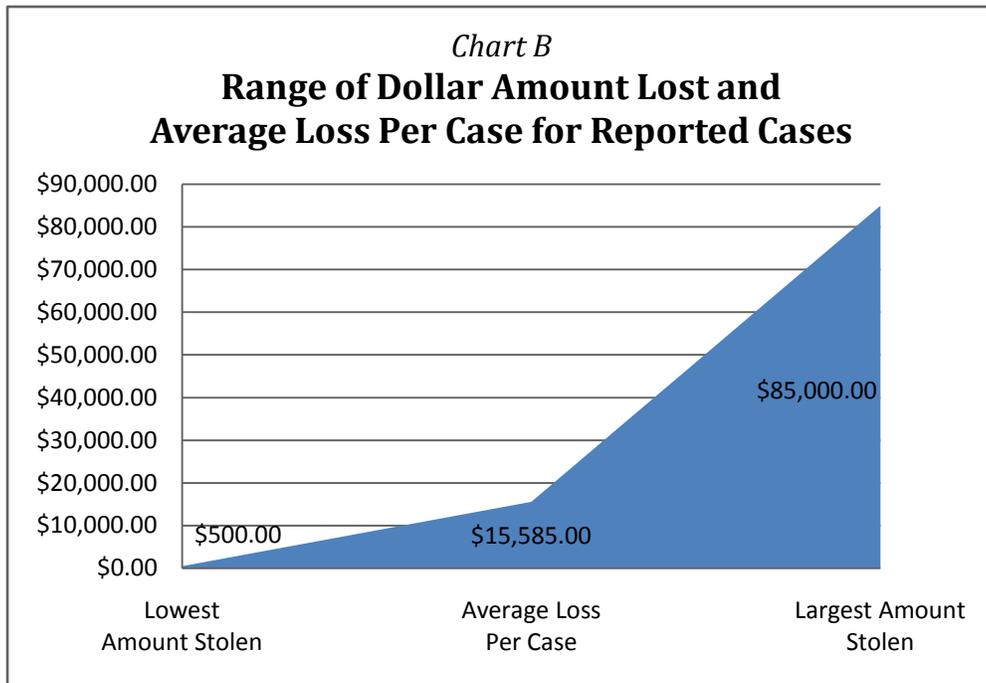
Initially narratives were read in an effort to compile cost amounts related to the exploitation. Subsequent readings looked for information as to who made the report, the perpetrator’s relationship to the victim, the type of exploitation and the method. Interest was also with the partnership with Law Enforcement and whether or not criminal charges were made. In very few cases was there notation of the outcome with Law Enforcement as the case would be closed once the Department of Family Services was able to substantiate.

Findings

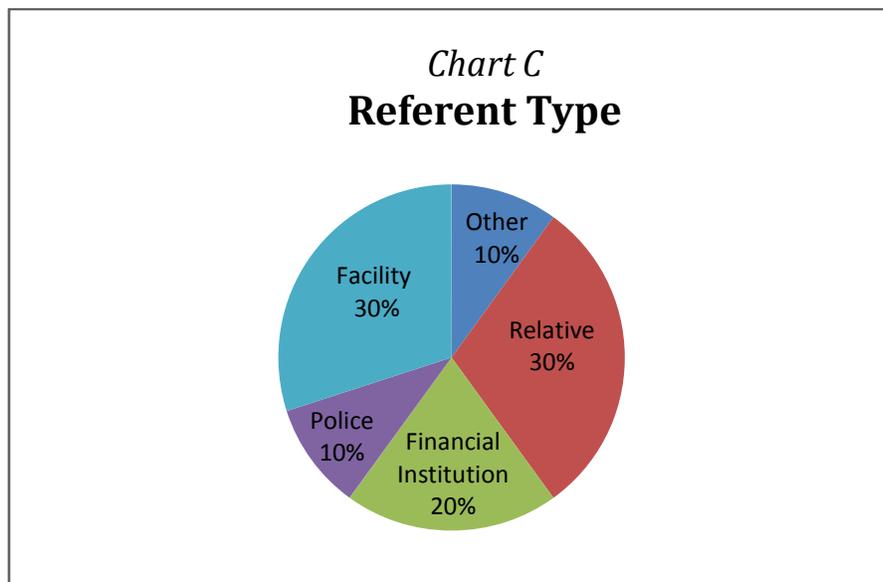
Out of the 10 cases reviewed, \$155,854.00 was lost due to financial exploitation. The loss to Medicaid could potentially be \$44, 280.00. The amount of money taken or exploited could be either a loss to the vulnerable adult or a subsequent loss to the financial institution.



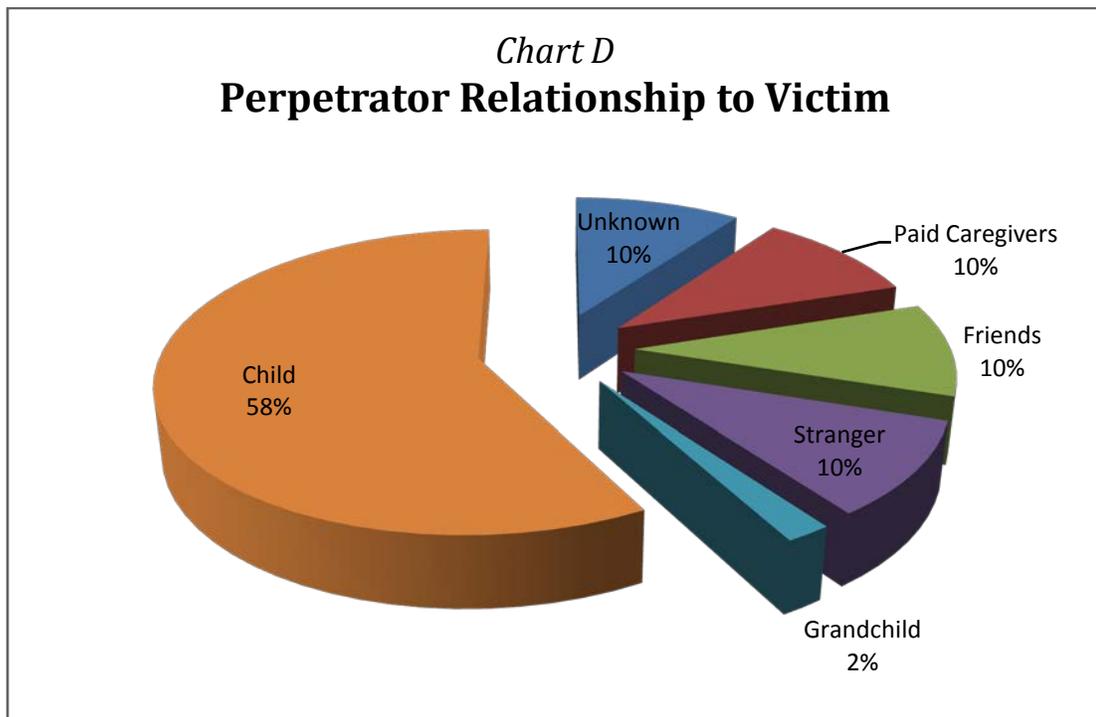
The range of money and property exploited was from \$500 to \$85,000. The average loss per case is \$15,585.00.



From the 10 cases reviewed 30% of the referrals came from the social worker at the facility and 30% from family members. Banking and financial referrals were 20% and 10% from both Law Enforcement and a DFS Benefit Specialist.

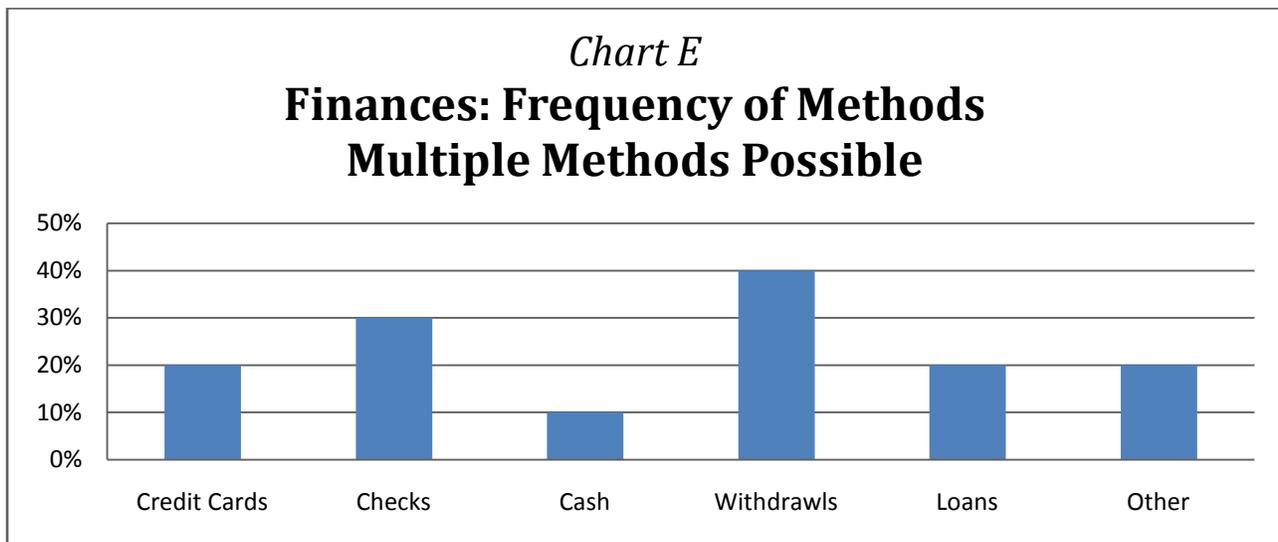


The majority of perpetrators, nationally and specific to this study, were family members. Wyoming had 60% and 58% of these were children. National data also indicates that those hired to provide in home services or direct care in facilities are also noted to be perpetrators of the crimes and generally a larger % than not.



Amount of exploitation per type indicated that **bank withdrawals were the prevalent means of exploitation.** In that narratives provided vague information with regard to property value and in some cases exact amount of monies exploited, these were identifiable gaps in terms of the validity of this study. Sadly the withdrawals were made by family members accessing finances without permission from the victim. Utah created a monitoring system which is a program whereby a third party has access to observe the transactions within one's account and it is estimated that 50% of the cases of exploitation could have been identified and possibly prevented from occurring at all. The senior gives permission to a third party to access their account to observe transaction in their account. (Navigating Your Rights: The Utah Legal Guide for Those 55 and Over by Jilenne Gunther).

The methods used varied and often the perpetrator used more than one method to exploit which would account for the percentages of use reflected in the chart. The other category indicated a loss of personal property or nonpayment of rent when sharing housing.



Summary

Using the Wyoming Integrated WHIN Database that contains person-centric information from the various state agencies, an analysis was done to identify the utilization of a vulnerable adult on Wyoming state services before and after the individual was financially exploited. The following state services (by agency) are included in the WHIN database:

- Department of Family Services: Supplemental Nutrition Assistance Program (SNAP), Personal Opportunities with Employment Responsibilities (POWER), Low-Income Energy Assistance Program (LIEAP), Out of Home Care and Child Care
- Department of Health: Medicaid, Mental Health Substance Abuse
- Department of Corrections
- Department of Workforce Services; Worker's Compensation, Unemployment Insurance, workforce Investment Act, Workforce Development Training fund, Vocational Rehabilitation

The population studied included ten (10) individuals with a financially exploited episode. The time period used in the analysis is one year prior to the financially exploited date and eighteen (18) months post the financially exploited date. All of the states services in WHIN listed above were examined for utilization from the individuals. Time enrolled in Medicaid was used as a control when calculating per member-per-month cost.

Attempting to estimate a loss to Medicaid is challenging in that it assumes that the amounts stolen allowed for the victim to be eligible to qualify for Medicaid and that they would not have been eligible if not for the fact they were victimized. There is also an assumption that the victim would not gain assets and thus would be on Medicaid for the duration of their life. The victim's age and life expectancy were used to calculate number of years to potentially be on Medicaid and considering that 1 out of 10 victims report the cost to the state systems can be projected to be 10 times the cost indicated in this study.

Four out of the ten individuals with a financially exploited episode were not utilizing a state service in the WHIN analysis' time frame. The remaining six (6) individuals were found only to be on Medicaid and not utilizing any other state services during the analysis' time frame.

Overall costs to the State of Wyoming increased 24% immediately after the exploited episode (post 0-6 months) from the previous six-month period and then began to decrease thereafter. However, it is noted that drug costs increased following the financially exploited episode and continued to increase in the next six-month period. The response to the question as to why the costs decreased after the initial six months were “possibly that victims had moved, passed away, someone had replaced those monies they had lost, an expensive episode that ended or another reason unable to be determined in the data. The indicator in the data is pointing to an expensive episode that ended for a couple of the individuals which may have resulted in death since no data and Medicaid eligibility ends”. (Heath Baron/Human Capital Consultant)

Metric	Pre Period		Financially Exploited Date	Post Period		
	Months 7-12	Months 0-6		Months* 0-6	Months 7-12	Months 13-18
N	3	5		6	5	5
Medicaid Medical Claimant PMPM Cost	\$1,626	\$2,313		\$2,385	\$2,083	\$2,017
Medicaid Drug Claimant PMPM Cost	\$0	\$0		\$6	\$15	\$15
Total Cost	\$4,879	\$11,567		\$14,348	\$10,490	\$10,160

**Includes the Financially Exploited Date*

The benefit of the study in Wyoming was to provide an overview of costs to the state as a result of the victimization of vulnerable adults when financially exploited. The implementation of a check list for the caseworkers to illicit more detailed information as to the value of property and the partnership with Law Enforcement in the investigation will lend itself to a more extensive study of the financial impact. The check list is in the process of being developed and will be forthcoming. It is further a benefit to have the information for training purposes and to educate policy makers, the legal system and our families and individuals who are vulnerable and who fall prey to those with intent to misuse their finances. There have been articles linking the victims who have been exploited to suicide. There is no concrete evidence to currently support this but it is noted that out of the 10 cases that Wyoming reviewed there was in fact one attempted suicide citing the devastation of dealing with the exploitation and all that was involved.

Conclusion

Another needed response would be the development of Financial Abuse Specialist Teams (F.A.S.T.) which have successfully addressed reports to Adult Protective Services in other states. At this time we are providing that information to our offices, Law Enforcement and County Attorneys within the state with a goal to create these teams in each community. The teams came together as soon as the department receives a report and have been successful in terms of freezing accounts so the exploitation can be stopped and addressing capacity issues and possible need for legal oversight.