Senior citizens lose billions, fear to report financial exploitation

By Fernanda Crescente

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WASHINGTON – Advocates for elderly Americans are launching a campaign to stop groups and individuals from defrauding senior citizens, who are the victims of an estimated $36 billion worth of financial exploitation a year.

The 57 million Americans aged 60 and older face an increasing amount of fraud, and advocates hope education, awareness and anti-scam programs will help an increasingly older population avoid losing their money and independence.

Financial exploitation is the most frequently reported form of abuse against adults. One in five has been financially exploited, with the average victim losing $120,303, a study by the American Association of Retired Americans Banksafe Initiative shows.

But for every reported case, 23 stay under wraps due to embarrassment, fear or lack of evidence, said Sandy Markwood, CEO of the National Association of Area Agencies on Aging.

“They may be fearful that if they report they have been duped, somebody may say, 'It is time for mom to move out of her house,' and again, most old adults don’t want to move out of their house,” she said.
In light of World Elder Abuse Awareness Day, Markwood wants to bring this issue to the forefront through a consumer-based brochure that informs the general public about scams targeting the elderly.

In many cases, victims and their families are reluctant to talk publicly in fear that they and their families may be victimized again. USA TODAY spoke to two families, whose accounts were verified by law enforcement officials.

Members of one family said Lisa Kovachik, a one-time aide to the late Rep. Jim Traficant, D-Ohio, cheated their mother out of over $100,000. Their mother befriended Kovachik after having a falling out with her children regarding her condition. Trusting Kovachik’s connection to Traficant, she gave Kovachik power of attorney, allowing her to look over finances.

Prosecutors in Mahoning County, Ohio charged Kovachik with one count of felony theft in the case, according to a report in the Youngstown Vindicator.

Canfield, Ohio, police said that in addition to forging checks and gaining access to the victim's insurance and annuity policies, Kovachik threatened neighbors who expressed concerns about the woman.

In Pennsylvania, a woman was scammed after receiving a fake, photocopied letter from Publishers Clearing House announcing she had won a $5,000 prize, said Dave Sunday, the chief deputy prosecutor in York County, Penn.

A contact at the bottom of the letter instructed the woman to deposit a check, which bounced back, Sunday said. Even after the check was refused, she developed a relationship with the scammer, who would call her several times a day asking for financial help before he could give her the prize.

As a result, the woman made several trips to the bank, withdrawing $5,000 at a time to buy gift cards and give out their numbers. She lost $30,000 before the bank could inform her family.

When the bank confirmed the incident and the family tried to block the scammer's phone number, they found out the calls were coming from Jamaica and Canada.

The victim's daughter reached out to the local police department, the Office of the Attorney General and the Federal Trade Commission, but was unable to get her mother's money back.

Though a lot of elder abuse cases are successfully prosecuted, it is difficult to recuperate money once it goes overseas, Sunday said.

As part of the York County Elder Abuse Taskforce, Sunday goes to senior centers around the county to educate older adults on signs of financial exploitation and equip them with resources.

"In their lives, they grew up in a way that you trusted people," he said. "It is vastly different than it is today."

Sunday said scammers often acquire information about their victims by scouting neighborhoods and going through trash. He recommends older adults destroy old mail and sensitive documents.

Mark Shea, director of the York County Area Agency on Aging, said families should keep an open relationship with their loved ones and watch out for changes or anxiousness. He also said he wants to make information available for those who may not have a trusted caregiver.

“If they don’t have a family to support them, they can at least be educated for themselves,” Shea said.
Other effective ways of ending financial exploitation involve signing up for the National Do Not Call Registry, avoiding isolation, getting second opinions and having a healthy dose of skepticism, according to the National Association of Area Agencies on Aging.

Shea, Sunday and Markwood agreed older adults should not be embarrassed to report cases of financial exploitation.

“If these people aren’t reported, it will happen to somebody else – one of their friends, one of their neighbors,” Markwood said. “No one should be embarrassed to report this. This is a crime. The only way we are going stop elder financial abuse and scams is if we are aware of it and report it.”

Victims of financial exploitation who fear they may be in immediate danger should contact local law enforcement. Resources such as the Eldercare Locator, a national call center with information on a variety of topics concerning the elderly, also provide assistance in non-emergency situations.