

EVALUATION OF LOUISIANA'S FRAMEWORK
FOR PREVENTING AND ADDRESSING
ELDER FINANCIAL EXPLOITATION

STATE OF LOUISIANA



PERFORMANCE AUDIT SERVICES
ISSUED JANUARY 23, 2019

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 23, 2019

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Taylor F. Barras
Speaker of the House of Representatives

Dear Senator Alario and Representative Barras:

This report provides the results of our evaluation of Louisiana's framework to prevent and address cases of financial exploitation of the elderly. We found that while several state and local agencies are responsible for responding to complaints of elder financial exploitation, more effective coordination is needed among these groups to ensure victims receive help and perpetrators are held accountable.

Specifically, we found that Louisiana's processes for addressing elder financial exploitation are fragmented, and state agencies do not always coordinate their efforts. As a result, elderly victims may have difficulty getting the help they need. In addition, unlike other states, Louisiana has no requirements for all agencies and stakeholders to coordinate their efforts to address the problem.

We also found that increased coordination with local law enforcement is needed because agency personnel do not always refer elder financial exploitation cases for investigation. For example, of the 213 cases auditors reviewed, the Department of Health's Adult Protective Services division did not refer 153 (71.8 percent) to local law enforcement. Referring such cases is important for Louisiana's prevention efforts, because auditors identified at least 41 individuals who had multiple substantiated cases of elder financial exploitation.

Adequate data collection is a concern as well. State agency personnel estimated that in fiscal 2017 they received approximately 1,730 complaints of financial exploitation of the elderly. In fiscal 2018, that number rose to 2,175. However, some of the agencies are not collecting sufficient or reliable data which limits officials' ability to accurately determine the extent of the problem in Louisiana.

We suggest that improved public awareness and increased training for local law enforcement, district attorneys, and the parish Councils on Aging could help officials better identify and address financial exploitation complaints. Although some agencies conduct public

awareness activities, their efforts could be strengthened by more coordination with other state agencies and local entities, auditors found.

Finally, while Louisiana has laws in place to allow financial institutions to report potential financial exploitation of the elderly, adding statutes related to implementing the Uniform Power of Attorney Act and requiring background checks for individuals such as court-appointed curators (guardians) also could give officials more tools to combat the problem.

I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Department of Health, the Department of Justice, the Governor's Office of Elderly Affairs, the Department of Veterans Affairs, the Office of Financial Institutions, and other stakeholders interviewed for their assistance during this audit.

Sincerely,



Daryl G. Purpera, CPA, CFE
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EFE 2018

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Evaluation of Louisiana's Framework for Preventing and Addressing Elder Financial Exploitation

January 2019

Audit Control # 40160028

Introduction

We evaluated whether Louisiana has a sufficient framework to prevent and address cases of elder financial exploitation. Elder financial exploitation is a form of elder abuse where a person, such as a family member, paid caregiver, financial adviser, or stranger, misuses or takes the assets of an elder for their own personal benefit without the elder's consent. Examples include stealing their cash, using their credit cards, and withdrawing money from their bank accounts without authorization. Other forms include transferring property deeds, misusing power of attorney authority, and identity theft and "scams." Nationally, it is estimated that losses from elder financial exploitation range from \$2.9 billion to \$36.5 billion each year.¹

We conducted this audit because states across the nation are reporting an increase in the number and complexity of cases involving financial abuse of the elderly. According to statistics from the National Adult Protective Services Association (NAPSA), although elder financial exploitation is estimated to affect 1 in 20 older Americans, it is often underreported, as only 1 in 44 cases actually gets reported. In addition, 90% of abusers are family members or other trusted individuals, which causes elders to be less likely to report the abuse. NAPSA also found that seniors who are victims of elder abuse are four times more likely to be placed into a nursing home, and victims of financial exploitation often experience physical, sexual, or emotional abuse or neglect as well.

In Louisiana, multiple state agencies receive, investigate, and refer cases of elder financial exploitation, and each agency plays a different role. Exhibit 1 details the roles of the different agencies and provides examples of the types of cases they investigate.

¹ Estimates from The MetLife Study of Elder Financial Abuse (2011) and The True Link Report on Elder Financial Abuse (2015).

Exhibit 1
Role of State Agencies Involved in Addressing Elder Financial Exploitation
and Examples of Cases
Fiscal Year 2017

Louisiana Agency	Agency Role	Example of Cases
Cases where perpetrator is family member, friend, neighbor, stranger, etc.		
Louisiana Department of Health (LDH) - Office of Aging and Adult Services - Adult Protective Services (APS) - <i>Prior to July 2017</i>	Investigates allegations of elder financial exploitation in the community setting and provides services for elders who have been victims of elder financial exploitation.	APS investigated a case, reported by a bank located in Louisiana, in which an elderly adult’s son had made unauthorized transactions that totaled more than \$10,000. APS substantiated the case, the elder’s bank account was closed, and Power of Attorney authority was changed.
Governor’s Office of Elderly Affairs (GOEA) - Elderly Protective Services (EPS) <i>Beginning July 2017</i>		
Cases involving consumer disputes and scams		
Louisiana Department of Justice (DOJ) Office of Attorney General - Consumer Protection Section (CPS)	Receives reports of consumer disputes (including scams), provides education to the public, mediates consumer disputes, and conducts civil investigations under the “Unfair and Deceptive Trade Practices Act.”	CPS received a scam complaint of an elder being approved for a \$5,000 loan who was also instructed to send money prior to the loan being disbursed. The elder paid at least \$500 and never received the loan.
Cases when elder is in a long-term care setting (includes institutions and home and community-based)		
Governor’s Office of Elderly Affairs - Long-term Care Ombudsman (Ombudsman)	Serves as an advocate for residents in long-term care facilities by responding to complaints and reviewing involuntary discharge notices.	Ombudsman received notice of an involuntary discharge for a resident of a nursing home who had an outstanding balance of more than \$20,000 because a family member was not paying the nursing home with the resident’s funds.
Louisiana Department of Health - Health Standards Section	Investigates allegations when the accused is an employee of an entity licensed by Health Standards, such as personal care attendants. Reviews incidents of elder financial exploitation reported by nursing homes.	Health Standards received a report that a personal care attendant used the elder’s debit card to pay their own bills and other transactions totaling more than \$500, which resulted in the elder not being able to pay utilities.
Louisiana Department of Veterans Affairs (LDVA)	Investigates grievances regarding elder financial exploitation that occur in LDVA facilities.	LDVA received a grievance that an elder woke up from a nap to find his cell phone missing from his nightstand.
Cases where the accused is a seller of a security		
Office of Financial Institutions (OFI) - Securities Division*	Investigates allegations when the perpetrator is a seller of a security (i.e., stocks, bonds, banknotes, etc.).	In fiscal year 2017, OFI did not receive any cases where the accused was a seller of a security. However, an example of a case would be an unlicensed investment company promising unrealistic returns in order to convince an elderly person to invest money with the company.
*Act 580 of the 2016 Regular Legislative Session allows OFI to receive reports of elder financial exploitation from security firms, beginning January 2017. Source: Prepared by legislative auditor’s staff using interviews and data from LDH, GOEA, DOJ, LDVA, and OFI.		

In addition to these state agencies, 11 different federal agencies play a role in addressing elder financial exploitation, and local law enforcement and district attorneys are responsible for investigating and prosecuting perpetrators. According to the Governmental Accountability Office (GAO),² as the US population ages, growing numbers of older adults could be at risk of financial exploitation and its potential impact on society is likely to increase. Therefore, it is crucial that Louisiana have the resources and laws needed to address this growing problem. The objective of this audit was:

To evaluate whether Louisiana has a sufficient framework to prevent and address cases of elder financial exploitation.

The issues we identified are summarized on the next page and discussed in further detail in the remainder of the report. Appendix A contains the agencies' responses to this report (A-1: DOJ, A-2: GOEA, A-3: LDVA, A-4: LDH). Appendix B details our scope and methodology. Appendix C contains the Federal Trade Commission's (FTC) Consumer Sentinel Product Code Descriptions, which outlines how the FTC categorizes complaints.

² [Elder Justice: Federal Government Has Taken Some Steps But Could Do More to Combat Financial Exploitation, May 2013](#)

Objective: To evaluate whether Louisiana has a sufficient framework to prevent and address cases of elder financial exploitation.

We found that because there are multiple state and local agencies involved in addressing elder financial exploitation cases, more effective coordination is needed to ensure that victims receive the help they need, and perpetrators are held accountable for exploiting elderly individuals. In addition, specialized training, increased public awareness, and additional laws would help improve Louisiana's efforts to combat this issue. To evaluate this issue, we researched best practices, federal activities, and other states' laws and practices. We also met with various stakeholders and agencies, and conducted a survey of sheriff and district attorney offices. Specifically, we found:

- **Louisiana's framework for addressing elder financial exploitation is fragmented, and state agencies do not always coordinate their efforts to address elder financial exploitation cases. As a result, elders may have difficulty receiving the help they need.** Unlike other states, there is currently no requirement in Louisiana that all relevant agencies and stakeholders coordinate their efforts to address this issue. Also, moving the elder protective service function to LDH from GOEA in 2012 created confusion and caused some cases not to be accepted. In addition, some agencies did not properly refer cases to the appropriate entities.
- **Increased coordination with local law enforcement is needed as agencies did not always refer elder financial exploitation cases. As a result, perpetrators may not have been held accountable for criminal activity.** Of the 213 elder financial exploitation cases we reviewed, APS did not refer 153 (71.8%) to local law enforcement. Referring perpetrators is important as we identified at least 41 perpetrators who had multiple substantiated cases of elder financial exploitation. Also, LDH's Health Standards Section and LDVA should work with law enforcement to develop policies regarding when and how cases of financial exploitation in long-term care facilities should be reported.
- **State agencies estimated that they received approximately 1,730 cases of elder financial exploitation during fiscal year 2017 and 2,175 cases in fiscal year 2018. However, some agencies are not collecting sufficient or reliable data, which limits the state's ability to accurately determine the extent to which elder financial exploitation exists in Louisiana.** The DOJ's Consumer Protection Section (CPS), GOEA's Long-term Care Ombudsman, and GOEA's Elderly Protective Services (EPS) cannot accurately report on the elder financial exploitation complaints they receive due to incomplete or inaccurate data. In addition, elder financial exploitation is likely underreported in Louisiana's long-term care facilities because some nursing homes did not report any incidents over a three-year period.

- **Improved public awareness and increased training for local law enforcement, district attorneys, and parish Councils on Aging could help Louisiana better identify and address elder financial exploitation cases.** Although some agencies conduct public awareness activities, these efforts could be improved by increasing coordination among other state agencies and local entities. In addition, elder financial exploitation training is needed for law enforcement and district attorney offices, as we found that 31 (66.0%) of the 47 sheriff offices and 27 (84.4%) of the 32 district attorney offices that responded to our survey stated that elder abuse training is not required or ongoing. Parish Councils on Aging may also need additional training as only 18 (< 1.0%) of 1,960 allegations³ of elder financial exploitation were reported by them in fiscal year 2018.
- **Although Louisiana has recently enacted laws to allow financial institutions the ability to report potential elder financial exploitation, enacting state laws related to uniform power of attorney and background checks could help Louisiana better prevent and identify cases of elder financial exploitation.** Implementing the Uniform Power of Attorney Act (UPOAA) and requiring background checks for curators of interdicted elders could help prevent elder financial exploitation. In addition, improvements to background check requirements for long-term care employees could ensure that the most appropriate individuals are caring for the elder population.

These findings are explained in more detail on the following pages.

Louisiana's framework for addressing elder financial exploitation is fragmented, and state agencies do not always coordinate their efforts to address elder financial exploitation cases. As a result, elders may have difficulty receiving the help they need.

Fragmentation exists among the various agencies that handle elder financial exploitation because these agencies have different roles depending on the type and location of the exploitation. This fragmented system can create confusion among victims who are seeking help and may result in them not receiving the help they need. However, fragmentation among agencies is not unique to Louisiana. The GAO⁴ concluded in 2012 that a national strategy was needed to combat elder financial exploitation. According to the GAO, a coordinated effort or multidisciplinary team approach results in better service delivery to victims and protection of older adults who are vulnerable to this crime.

Because there are several state and local agencies involved in addressing elder financial exploitation cases, coordination among agencies is important; however, there is

³ This number includes both accepted and unaccepted allegations.

⁴ Elder Justice: National Strategy Needed to Effectively Combat Elder Financial Exploitation, GAO, November 2012.

currently no requirement that all relevant agencies and stakeholders coordinate. State law⁵ requires APS to conduct “Coordinating Council” meetings in each region where local law enforcement offices, district attorney offices, and medical and financial professionals are encouraged to meet and discuss issues surrounding elder abuse. While APS holds these meetings quarterly throughout the state, attendance at these meetings is not mandatory for all of the state and local agencies involved in addressing elder financial exploitation. At the federal level, the Elder Justice Act of 2009 created the Elder Justice Coordinating Council, which consists of 11 federal agencies that meet twice a year with the goal of better coordinating the federal response to the elder abuse issue. In addition, other states ensure coordination by developing task forces, networks, or requiring meetings between agencies involved in elder financial exploitation. For example:

- Kentucky state law⁶ requires that various state agencies⁷ meet to address elder abuse, discuss agency coordination, and recommend practices to assure timely reporting of referrals of abuse, neglect, or exploitation.
- New York has an Elder Abuse Center whose goal is to improve professional, organization, and system responses to elder abuse through collaboration and coordination among agencies.
- Pennsylvania has an Elder Abuse Task Force that reviews cases on a regular basis and includes APS, law enforcement, judges, bankers, and healthcare providers.

Moving the responsibility of investigating elder financial exploitation to LDH in 2012, and then moving it back to GOEA in 2017, resulted in confusion about who was eligible for services. As a result, elders may not have received needed protective services. Prior to calendar year 2012, GOEA administered EPS for adults aged 60 years and older, while LDH administered APS for adults aged 18 to 59 years old. In 2012, these two agencies were combined. As a result, LDH staff that had previously only worked with the disabled populations had to learn to work with the elder population, while also entering cases into two separate data systems. However, beginning July 2017, EPS moved back to GOEA.⁸

Prior to the EPS function moving to LDH in 2012, LDH accepted cases for adults aged 18 to 59 who had a physical, mental, or developmental disability. When EPS moved from GOEA to LDH, APS policy stated to accept allegations if the elder could not manage their own resources, carry out the activities of daily living, or protect themselves from abuse due to infirmities of aging. However, because some LDH staff previously worked only with the disabled population, some elder financial exploitation allegations were rejected because the elder did not have a disability.

⁵ Louisiana Revised Statute (R.S.) 15:1507

⁶ KRS 209.005

⁷ Including the Department for Public Health, Department for Aging and Independent Living, Office of Ombudsman, Area Agencies on Aging, local and state law enforcement officials, and prosecutors.

⁸ During our audit scope, APS was responsible for elder protective services and we tested APS’ case files. However, since GOEA has resumed responsibility of this program, we have directed our recommendations to GOEA in order to provide it with ways to improve addressing elder financial exploitation going forward.

We analyzed all 134 allegations rejected by APS during fiscal year 2017 and found that 21 (15.7%) were rejected because the reporter indicated there was no disability or the reporter was unsure about the disability. The allegations also lacked documentation to support that intake workers questioned whether or not the elders were able to manage their own resources or protect themselves from exploitation. Of these 21 rejected allegations, one allegation had a subsequent case that was accepted by GOEA (*see case detail in text box*). If APS had accepted and investigated the original allegation, it could have potentially prevented the son from spending all of his parent's funds. According to GOEA, now that it administers the EPS program, it does not require a disability when deciding whether or not to accept allegations.

Rejected Case Example

APS received an allegation from a bank that an elder's son opened a credit card in elder's name and in six months had spent tens of thousands of dollars from the elder's checking account. According to the case file, this case was rejected because the complainant did not indicate whether the elder had a disability. However, a year after the original allegation, GOEA accepted the same allegation and found that the elder's son had already spent most of the funds.

Source: APS's Elderly Protective Services Management System.

DOJ's CPS and LDH's APS did not always ensure that scam cases were reported to the appropriate state or federal agency. According to a recent study,⁹ adults over 65 are 34% more likely to lose money as a result of a financial scam than people in their forties. Older adults are more likely to be targets of scams for various reasons including accumulated assets and wealth, isolation due to poor physical health, and decreased cognitive capacity that may affect their judgment. Also, research shows that Americans aged 65 and older receive more junk mail and telephone solicitations than any other age group. Exhibit 2 details examples of types of scams.

Exhibit 2 Examples of Consumer Scams	
Type of Scam	Description
Lottery and Sweepstakes	Elder is told: "You've already won! Just send \$2,500 to cover your taxes."
Grandparent	Elder receives call that "grandson" needs money as he is in jail, cannot afford rent, or needs car repairs.
Home Repairs	Home repair/traveling con men claiming that they are "in the area and can coat elder's driveway or roof really cheaply."
Sweetheart	The perpetrator convinces the elder that they are in love and uses these emotions to elicit money from the unsuspecting elder.
Source: NAPSA and American Association of Retired Persons' (AARP) websites.	

CPS is responsible for mediating consumer complaints for all ages that involve a legitimate business. Through its mediation process, CPS recovered approximately \$3.7 million, involving 3,300 consumer disputes, during fiscal year 2017. However, because CPS is a civil department, it does not have original criminal jurisdiction¹⁰ and is unable to mediate or prosecute

⁹Study conducted by Stanford Center on Longevity and the Financial Industry Regulatory Authority's Investor Education Foundation.

¹⁰ La. Const. art.V, § 6 outlines that district attorneys have original criminal jurisdiction.

scams that are criminal in nature.¹¹ According to data from CPS, during fiscal years 2015 through 2017 there were 2,984 verbal and written consumer complaints that involved scams.¹² While CPS's role in addressing these cases is limited, it can share these reports with the Federal Trade Commission's (FTC) Consumer Sentinel Network¹³ so that law enforcement, district attorneys, and the U.S. Department of Justice can identify where schemes are occurring and use this data when building cases. However, we found that CPS only shared 83 (2.8%) of the 2,984 scam complaints it received with the FTC.

In addition, CPS did not receive all scam cases because APS did not have a formal referral process for these types of cases. When APS received cases involving consumer disputes, including scams, it rejected the case and verbally instructed complainants to call CPS. We found that of the 23 cases in which APS referred the complainant to call CPS, only 3 (13%) were received by CPS. According to GOEA, it formally refers consumer allegations to CPS when the reporter is the elder and accepts scam cases if the elder is in need of services. CPS should begin working with GOEA to determine when it would be appropriate to refer consumer dispute cases to CPS.

While GOEA's Long-term Care Ombudsman works with residents of long-term care facilities to prevent involuntary discharges of residents due to nonpayment, it did not always notify or offer to notify APS when these discharges were the result of elder financial exploitation.¹⁴ According to the National Long-Term Care Ombudsman Resource Center, ombudsmen are often the first to notice the warning signs of possible financial exploitation or the first person a resident confides in regarding being a victim of financial abuse.¹⁵ We reviewed all 145 involuntary discharge notices from fiscal year 2017 in which the notice was issued by a long-term care facility for nonpayment and found 28 (19.3%) of these notices involved potential elder financial exploitation. This included family members or other caregivers not paying the nursing home bill with the resident's income. For these 28 cases, while the Ombudsman performed its role as an advocate for residents during the involuntary discharge appeals process, it could have also offered the residents the option¹⁶ to refer their cases to APS. By not referring these cases for further investigation, the root cause of the involuntary discharge is not addressed, and the resident may face another involuntary discharge in the future.

¹¹ State law grants the Consumer Protection Section the authority to mediate complaints and conduct civil investigations into unfair methods of competition and unfair and deceptive trade practices for cases involving a legitimate business.

¹² Due to the limitations of DOJ's consumer complaint database, the exact number of verbal and written scam complaints could not be identified. Therefore, the numbers noted in the report are based on data provided.

¹³ The Consumer Sentinel Network is a nationwide network of data contributors that report various types of consumer complaints, such as telemarketing scams, identity theft, credit scams, sweepstakes, lotteries and prizes scams, etc.

¹⁴ Nursing homes and assisted living facilities are required by federal regulation (42 CFR 483.15) to send cases in which a resident will be involuntarily discharged from a nursing home due to nonpayment or other reasons to the Ombudsman.

¹⁵ <https://ltcombudsman.org/uploads/files/issues/10-things-ltco-can-do.pdf>

¹⁶ Federal regulation requires the Ombudsman to obtain the resident's approval to refer these cases, unless the resident is unable to communicate consent, and the Ombudsman has reasonable cause to believe that the resident's health, safety, welfare, or rights may be adversely affected.

Recommendation 1: The DOJ's Consumer Protection Section should work with the FTC to develop an electronic process for sharing consumer complaints, including scams, to the FTC's Consumer Sentinel Network.

Summary of Management's Response: DOJ agrees with this recommendation and states that the Consumer Protection Section's dispute database has been incompatible with the FTC's data transfer requirements, but DOJ's IT personnel has worked with the FTC to develop a process to share its consumer disputes data. Recently, DOJ successfully transferred data from all disputes received from fiscal year 2016 through fiscal year 2018 to the FTC's Consumer Sentinel Network. See Appendix A for management's full response.

Recommendation 2: The DOJ's Consumer Protection Section should work with GOEA's EPS to determine when it would be appropriate to refer scam cases.

Summary of Management's Response: DOJ agrees with this recommendation and states that its Consumer Protection Section will confer with GOEA regarding when to refer complaints about scams. DOJ intends to obtain a better understanding of the types of scam cases GOEA handles. See Appendix A for management's full response.

Recommendation 3: GOEA's Long-term Care Ombudsman should refer elder financial exploitation cases to EPS for further investigation when the resident is unable to communicate consent, and the Ombudsman has reasonable cause to believe that the resident's health, safety, welfare, or rights may be adversely affected. For other cases, it should offer the resident the option of referring the case to EPS.

Summary of Management's Response: GOEA agrees with this recommendation and states that, while referrals have been occurring, it sees the opportunity for better documentation of referrals to APS or EPS when a resident has given permission or the Ombudsman has reasonable cause to refer on the resident's behalf. See Appendix A for management's full response.

Matter for Legislative Consideration 1: The legislature may wish to consider creating a task force, entity, or coordinating council to examine and recommend how state and local agencies that receive, investigate, or prosecute elder financial exploitation cases can coordinate their efforts, including their public awareness activities.

Increased coordination with local law enforcement is needed as agencies did not always refer elder financial exploitation cases. As a result, perpetrators may not have been held accountable for criminal activity.

Because multiple state agencies are involved in addressing cases of elder financial exploitation, it is important that they all coordinate with law enforcement and refer relevant cases so that perpetrators can be held accountable for their actions. In addition, because the elder financial exploitation allegations that agencies receive vary considerably, agencies should work with law enforcement to determine which types of cases need law enforcement involvement. We reviewed case files from LDH's APS and Health Standards Section as well as LDVA to determine if elder financial exploitation cases were referred to law enforcement. The results are summarized below.

APS did not refer 153 (71.8%) of 213 of the elder financial exploitation cases we reviewed to law enforcement.¹⁷ During its investigation process, APS policy requires caseworkers to notify law enforcement of elder financial exploitation, including when elder financial exploitation has been substantiated and if the investigation cannot be completed because the elder is unable to be located. In other instances, such as when the case is rejected for investigation, or if the client dies before a case outcome can be determined, the policy is unclear and left up to caseworker discretion. LDH management stated that while not in formal policy, it would only refer substantiated cases of elder financial exploitation to law enforcement because of limitations imposed by the Health Insurance Portability and Accountability Act (HIPAA).¹⁸ However, we found that HIPAA provides an exception for reporting abuse if the disclosure is necessary to prevent serious harm to the individual or other potential victims. Providing detailed guidance to staff on when cases should be referred would help ensure these cases are referred to law enforcement consistently so that perpetrators are held accountable. Exhibit 3 shows the results from our file reviews and examples of the cases that were not referred.

¹⁷ While some of these 153 cases may have been referred to law enforcement, caseworkers did not check the box in the data system that indicates if cases were referred to law enforcement. In addition, there was no evidence in these case files that the caseworker referred it to law enforcement.

¹⁸ 45 C.F.R. § 164.512

Exhibit 3 APS Cases Not Referred to Law Enforcement Fiscal Year 2017				
Type of Case	Examples of Cases Not Referred to Law Enforcement	Number of Cases Reviewed*	Number of Cases Not Referred	Percent Not Referred
APS policy states to notify law enforcement for these cases.				
Substantiated	APS received an allegation that a woman in her 80s was reported to be afraid of her daughter, who had access to her bank account, and the daughter's boyfriend, who also had access to her bank account. The allegation further stated that elder was also being isolated from family and not being taken to the doctor. Among other allegations, APS substantiated case for financial exploitation and noted that several large sums of money totaling more than \$60,000 were withdrawn from elder's bank account.	71	45	63.4%
Unable to Locate Client	APS received an allegation that an elder with a disability was taken out of a nursing home by family members who wanted to receive his check. According to the allegation, the elder weighed around 100 pounds less than when he left nursing home.	30	21	70.0%
<i>Subtotal</i>		<i>101</i>	<i>66</i>	<i>65.3%</i>
APS policy is unclear on whether or not to refer cases to law enforcement, and LDH stated they could not refer these cases due to HIPAA.				
Deceased	APS received an allegation that an elder woman in her 80s was being tied to a bed, not fed properly, and the family was living off the elder's check. APS reviewed medical records and determined the elder died of natural causes.	27	22	81.5%
Rejected	APS received a faxed report from a bank that the checks of a woman in her 90s were stolen. According to the bank, 25 checks totaling more than \$10,000 were made payable to "Cash" and posted to the elder's account. APS rejected this case because the fax did not list a disability.	85	65	76.5%
<i>Subtotal</i>		<i>112</i>	<i>87</i>	<i>77.7%</i>
Total		213	153	71.8%
*See Appendix B for the methodology for case reviews.				
Source: Prepared by legislative auditor's staff using data from APS.				

Holding perpetrators accountable is important to help ensure the same crime does not occur in the future. For example, we identified at least 41 perpetrators who had multiple substantiated cases of elder financial exploitation from fiscal years 2015 through 2018 (*see example of case in text box on the following page*). At least 20 other states¹⁹ have recognized the importance of making referrals to law enforcement and have passed laws that require their adult and elder protective services agencies to report any criminal activity, including elder financial exploitation, to law enforcement. For example, in Wyoming, state law requires APS to notify

¹⁹ California, Georgia, Illinois, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, Oklahoma, Oregon, Tennessee, Texas, Virginia, Washington, and Wyoming.

law enforcement after receipt of a report that a vulnerable adult is suspected of being abused, neglected, or exploited. Louisiana has a similar law that requires APS to refer all allegations of physical or sexual abuse to law enforcement within one business day; however, this law does not extend to financial exploitation.

LDH's Health Standards Section and LDVA should work with law enforcement to develop consistent policies regarding when cases of elder financial exploitation should be reported to law enforcement. LDH's Health Standards Section oversees nursing homes and investigations of licensed providers, while LDVA oversees veteran homes.

Although the majority of cases that Health Standards and LDVA receive involve allegations of theft that include small amounts of cash or missing property (i.e., cell phones, tablets, and clothing), both agencies also received complaints involving significant dollar amounts during fiscal year 2017. However, at the time of our audit, neither agency had policies that required these cases to be referred to law enforcement. The Health Standards Section received an allegation that a Home and Community-Based Service (HCBS) provider was unable to account for an elder's funds totaling more than \$10,000, but there was no evidence that Health Standards Section referred this case to law enforcement. While not all cases may warrant a referral to law enforcement, developing a policy that provides guidance on when referrals should be made would help ensure these cases are referred consistently. In July 2018, LDVA updated its policies to refer elder financial exploitation cases that are more than \$500 to law enforcement within 24 hours.

Repeat Perpetrator Example

APS received an allegation that an elder's daughter was not using the elder's Social Security check to pay the nursing home bill that had accumulated to more than \$30,000. While APS ensured that the nursing home received the check, they did not refer this case to law enforcement. Less than a year later, GOEA received another allegation that the elder's daughter spent more than \$10,000 of her mother's money in one month. GOEA substantiated this finding and contacted law enforcement.

Source: Elderly Protective Services Management System.

Recommendation 4: GOEA's EPS should ensure that workers follow existing policies regarding law enforcement referrals of "substantiated" and "unable to locate" cases.

Summary of Management's Response: GOEA agrees with this recommendation and states that, while the finding relates to cases prior to the EPS Program returning to GOEA, it will ensure staff follow the policy. See Appendix A for management's full response.

Recommendation 5: GOEA's EPS should clarify its policies regarding referrals of rejected and deceased cases to ensure that law enforcement is alerted to elder financial exploitation cases when appropriate.

Summary of Management's Response: GOEA agrees with this recommendation and states that, while the finding relates to cases prior to the EPS Program returning to GOEA, it will clarify policies for referrals. See Appendix A for management's full response.

Recommendation 6: LDVA should work with law enforcement to develop policies on when it would be appropriate to refer cases to law enforcement.

Summary of Management's Response: LDVA agrees with this recommendation and states that in July 2018 it updated its reporting policies in keeping with federal exploitation regulations and to reflect a monetary threshold adopted in Louisiana's criminal theft statutes. See Appendix A for management's full response.

Recommendation 7: LDH's Health Standards Section should work with law enforcement to develop policies on when it would be appropriate to refer cases to law enforcement.

Summary of Management's Response: LDH agrees with this recommendation and states that, although its Health Standards Section currently has coordinated efforts with law enforcement regarding the referral of substantiated cases of financial exploitation, LDH will revisit the matter. See Appendix A for management's full response.

Matter for Legislative Consideration 2: The legislature may wish to add financial exploitation to the current state law that requires APS and EPS to report physical and sexual abuse cases to law enforcement.

State agencies estimated that they received approximately 1,730 cases of elder financial exploitation during fiscal year 2017 and 2,175 cases in fiscal year 2018. However, some agencies are not collecting sufficient or reliable data which limits the state's ability to accurately determine the extent to which elder financial exploitation exists in Louisiana.

Until recently, national data collected on elder abuse and exploitation was decades behind data collected for child abuse and domestic violence.²⁰ Numerous entities, including the GAO, cited the lack of data as a significant barrier to addressing elder abuse and exploitation. However, the federal government is now collecting national data on state APS/EPS practices and policies, and the outcomes of elder abuse and exploitation investigations. Likewise, we found that state agencies could improve their collection of data on elder financial exploitation cases in order to provide a better understanding of the prevalence of these cases in Louisiana. Better data collection would also help agencies in developing ways to better prevent, detect, investigate, and refer these cases. Exhibit 4 shows the number of elder financial exploitation cases received and addressed by agency, when available.

²⁰ U.S. Securities and Exchange Commission – Elder Financial Exploitation: Why it is a concern, what regulators are doing about it, and looking ahead.

Exhibit 4 Number of Elder Financial Exploitation Accepted Cases, by Agency Fiscal Years 2017 through 2018		
Louisiana Agency	2017	2018
Reports where accused is family member, friend, neighbor, stranger, etc.		
Louisiana Department of Health - Office of Aging and Adult Services - Adult Protective Services (APS) - Prior to July 2017	1,524	N/A
Governor's Office of Elderly Affairs - Elderly Protective Services (EPS) Beginning July 2017	N/A	1,875
Reports involving consumer disputes and scams		
Louisiana Department of Justice's - Consumer Protection Section (CPS)	Unable to determine*	
Reports when elder is in a long-term care setting		
Governor's Office of Elderly Affairs - Long-term Care Ombudsman	Unable to determine	
Louisiana Department of Health's Health Standards Section		
Investigations of Licensees	93	62
Incidents reported by Nursing Homes	80**	157
Louisiana Department Of Veterans Affairs (LDVA)***	25	61
Reports where the accused is a seller of a security		
Office of Financial Institutions****	8	20
*Because age is not a required field on complaint forms, in addition to the limitations discussed below, we could not accurately report how many cases involved elders. **There were 15 financial exploitation cases where LDH data did not list client's age so we could not tell if the victim was elderly. ***This may include individuals under the age of 60. ****ACT 580 of the 2016 Regular Legislative Session allows OFI to receive reports from Security Firms (beginning January 2017). Also, all cases received by OFI in fiscal year 2017 through 2018 were from securities firms where the perpetrator was not the security firm, but instead was a family member or other caregiver, so they were referred to LDH-APS. Source: Prepared by legislative auditor's staff using interviews and data from LDH, GOEA, DOJ, LDVA, and OFI.		

CPS cannot accurately report on the elder financial exploitation complaints it receives due to incomplete or inaccurate data, which also affects its ability to educate the public. CPS received 22,413 verbal and written consumer complaints during fiscal years 2015 through 2017. While CPS's system contains a field that categorizes the type of complaint, it has not developed a description of how complaints should be categorized. As a result, we found that complaints were not categorized consistently. For example, 20 complaints involving elder financial exploitation were categorized as "elder abuse," but we identified at least 16 additional cases of elder financial exploitation that were categorized in 11 different categories, such as solar panels, home repairs, and miscellaneous. The FTC's Consumer Sentinel Network maintains a list of product codes and categories it uses to classify the goods and services offered to consumers. When a complaint is received, the FTC assigns it a code, based on detailed descriptions the office has developed. For example, the category "Imposter: Family/Friend" has a description that states this category should include "complaints about consumers who are

scammed into believing that they are responding to a family member or friend in trouble.” CPS could use the FTC’s consumer dispute listing as the basis for the categories it assigns. See Appendix C for a copy of this document.

Collecting accurate data on financial exploitation could assist CPS in making informed decisions concerning outreach efforts, which may also help in preventing and addressing these types of cases. State law authorizes CPS to promote public education on unfair and deceptive business practices. CPS fulfills this role through outreach efforts, including issuing consumer alerts on its website and organizing presentations at various senior-related functions throughout the state. If CPS consistently categorized the complaints it receives, it could improve its outreach efforts concerning the fraudulent schemes that are occurring in Louisiana. Other states are able to provide more focused outreach. For example, Illinois’ Attorney General issues a news release to inform consumers of the most common scams the office received complaints for during the past year and offers a historical analysis. Kansas’ Attorney General provides a similar news release and also provides more detailed information to better educate consumers on common scams.²¹

GOEA’s Long-term Care Ombudsman needs more detailed data to ensure potential elder financial exploitation cases are referred to EPS appropriately. As mentioned on page 10, out of 145 involuntary discharges, we identified 28 cases of potential financial exploitation because family members or other caregivers had not used the resident’s funds to pay the long-term care facility. However, for these 28 cases, the Ombudsman did not offer residents the option to refer their case to APS for investigation. Currently, the Ombudsman database has a field that staff can select when cases should be referred. However, this field did not include APS as a referral option. Also, management does not have the ability to pull reports to monitor if staff are referring cases appropriately. Adding APS to the list of referrals and developing a report could help management ensure that these cases are being referred when appropriate.

Data issues hinder GOEA’s ability to accurately determine the number of substantiated elder financial exploitation cases and ensure these cases are referred to law enforcement when appropriate. The system previously used by LDH-APS and currently used by GOEA allows staff to run reports and identify elder financial exploitation cases only when financial exploitation is listed as the primary allegation. However, GOEA does not always list elder financial exploitation as the primary allegation when there are multiple allegations. This results in an inaccurate representation of the number of cases that EPS identifies as elder financial exploitation, especially considering elder financial exploitation often occurs with other types of abuse or neglect. For example, from fiscal years 2015 through 2018, 3,998 (65.5%) of the 6,104 accepted cases of elder financial exploitation had more than one allegation. Also, when cases have multiple allegations, GOEA cannot determine what specific allegation within a case is substantiated. Instead, as long as one allegation is substantiated, the system considers the whole case as substantiated.

In addition, as mentioned previously, both LDH-APS and GOEA policies direct caseworkers to refer substantiated cases of elder financial exploitation to law enforcement.

²¹ <https://ag.ks.gov/in-your-corner-kansas/resources/consumer-corner-column/2011/10/24/october-consumer-corner-scammers-posing-as-grandchildren-an-increasing-problem>

However, additional data issues have prevented both entities from pulling reports to monitor whether referrals were made. For example, the system had a checkbox for caseworkers to check when the case was referred; however, for at least 22 (31.0%) of the 71 substantiated cases we reviewed, the checkbox was not selected even though the case notes indicated that a referral was made to law enforcement. Correcting these data issues could better ensure that GOEA is accurately tracking the number of elder financial exploitation cases received, whether these cases were substantiated, and whether or not cases were referred to law enforcement.

While LDH's Health Standards Section and LDVA collect data on the number of elder financial exploitation cases occurring in nursing homes and veteran homes, some facilities are not consistently reporting these cases. Nursing homes are required²² to report incidents that involve physical abuse (including injuries of unknown origins), emotional abuse, sexual abuse, caregiver neglect, or misappropriation of resident property to LDH's Health Standard's Section. According to LDH, this includes unwitnessed falls, threats, use of foul language, failure to follow a resident's plan of care, etc. LDVA requires that grievances be reported by the residents and staff to the administrator at each veteran home. Administrators then send these grievances and any corrective actions the home takes to LDVA. However, we found that no incidents or grievances were reported by nursing homes or veteran homes for long periods of time, which could indicate that cases are not consistently reported. This includes the Jackson Veteran Home and the Reserve Veteran Home that did not report any grievances for six months during fiscal year 2017. According to LDVA, this was due to changes in administrators and a learning curve experienced by staff from switching to their new online system. LDVA also stated that the new system allows it to monitor veteran homes in real time. In addition, 30 (10.9%) of the 275 nursing homes licensed by Health Standards did not report any incidents for at least three fiscal years. Exhibit 5 shows the number of nursing homes that did not report any incidents for each year in fiscal years 2015 through 2017.

Exhibit 5 Number of Nursing Homes Licensed by Health Standards that Did Not Report Any Incidents Fiscal Years 2015 through 2017			
Fiscal Year	Total Number of Nursing Homes	Number of Nursing Homes Reporting No Incidents	Percent Not Reporting
2015	275	75	27.3%
2016	275	83	30.2%
2017	275	68	24.7%
Source: Prepared by legislative auditor's staff using data from LDH - Health Standards Section.			

Recommendation 8: DOJ's CPS should develop and assign consistent categories for the complaints it receives similar to the FTC's product codes and categories, so it can use this data when providing education to the public.

²² By Federal Regulation (42 C.F.R. § 483.12) and/or LAC 48:I.9727

Summary of Management's Response: DOJ agrees with this recommendation and states that it has been working to amend the consumer dispute categories to be similar to those used by the FTC. See Appendix A for management's full response.

Recommendation 9: GOEA's Long-term Care Ombudsman should develop a report that could be pulled to ensure potential elder financial exploitation is referred when appropriate.

Summary of Management's Response: GOEA partially agrees with this recommendation and states that EPS is already a referral option, but it is working with the Office of Technological Services (OTS) to see if it is feasible to add APS as another referral option and to create a report to review this data. See Appendix A for management's full response.

Recommendation 10: GOEA's EPS should collect more detailed data that shows the accurate number of cases involving elder financial exploitation, whether each allegation in a case was substantiated, and whether or not substantiated cases were referred to law enforcement.

Summary of Management's Response: GOEA agrees with this recommendation and states that it will contact OTS to discuss the possibility of such changes to the database. See Appendix A for management's full response.

Recommendation 11: LDH's Health Standards Section should review Nursing Home Incident data to identify nursing homes that have not reported cases for long periods of time and follow up during its survey process.

Summary of Management's Response: LDH agrees with this recommendation and states that, in 2015, it recognized that the database being used to collect nursing home incident reports was outdated and unable to perform certain functions so it began the process of replacing the system and plans to launch a new database for incident tracking, reporting, and trending by June 2019. See Appendix A for management's full response.

Recommendation 12: LDVA should monitor the number of grievances reported by its veteran homes to identify homes that have not reported cases for long periods of time and follow up with the homes.

Summary of Management's Response: LDVA agrees with this recommendation and states that the period where LLA noted a time of no grievances reported was during a time when there were changes in administrators at two homes and a learning curve experienced by staff switching from paper reports to an online system. The new system allows LDVA headquarters to monitor grievances in real time. If there are no grievances for a given month, Nursing Compliance Officers will call that home immediately to determine why. See Appendix A for management's full response.

Improved public awareness and increased training for local law enforcement, district attorneys, and parish Councils on Aging could help Louisiana better identify and address elder financial exploitation cases.

Louisiana state law²³ requires any person, who has reasonable cause to believe that elder financial exploitation has occurred, to make a report to APS, EPS, or law enforcement. Because these cases are often underreported, it is also important that communities recognize these cases and report them to the appropriate agencies. Therefore, increasing public awareness and specialized training are important tools to ensure state and local agencies are identifying, referring, and properly addressing elder financial exploitation.

State and local agencies should coordinate public awareness efforts to help the public recognize and report cases of elder financial exploitation. Once elders become a victim of elder financial exploitation, there is a risk that they will not get their money back. Therefore educating the public on how to recognize elder abuse is important. In addition, because every resident of Louisiana is required by law to report elder abuse, educating the public on how to make these reports is crucial to ensuring these cases are addressed. While GOEA and CPS provide some education to the public relevant to their specific role, a more coordinated approach is needed, which involves the appropriate state and local agencies. Other states are required by law to coordinate their efforts toward increasing and improving public awareness. For example, South Carolina law²⁴ established a council composed of various state and local agencies²⁵ that is required to develop methods of addressing the ongoing needs of elders, including increasing public awareness. In addition, a GAO report²⁶ recommended that because federal agencies involved in addressing elder financial exploitation often have limited funding for public awareness activities, these activities should be part of a broader coordinated approach. In Louisiana, only two state agencies are involved in public awareness activities. Exhibit 6 summarizes current public awareness activities conducted by these state agencies.

Exhibit 6 Elder Financial Exploitation Public Education	
Louisiana Agency	Public Awareness Provided
Governor's Office of Elderly Affairs - Elderly Protective Services	In addition to the Coordinating Council meetings previously discussed, GOEA presented at 22 conferences and/or nonprofit events throughout the state in fiscal year 2018.
Department of Justice - Consumer Protection Section	In fiscal year 2017, CPS participated in approximately 18 senior-related activities that included presenting at churches and participating at Seniors and Law Enforcement Together (SALT) events. CPS also issued 28 consumer alerts.
Source: Based on information provided by EPS and CPS.	

²³ R.S. 15:1504-5

²⁴ S.C. Code Ann. § 43-35-33

²⁵ The council includes members from the Attorney General's Office, Office on Aging, Criminal Justice Academy, Police Chief's Association, Long-Term Care Ombudsman, and Sheriff's Association.

²⁶ [Elder Justice: National Strategy Needed to Effectively Combat Elder Financial Exploitation, GA, November 2012.](#)

According to GOEA, it would like to increase public awareness through additional activities, such as television infomercials, but lack of funding prevents it from doing so. Lack of funding also affects GOEA's ability to apply for federal grants available to increase public awareness, as it cannot afford the state match. The Administration for Community Living has issued grants to states to increase education and public awareness. For example, Kentucky's local Area Agency on Aging participates in local Coordinating Councils on Elder Abuse and used grants to provide training and developed informational cards containing crucial elder resource information that law enforcement officers provide to victims.

Because of its funding issues, GOEA could also utilize multiple resources that already exist at the federal level. For example, the U.S. Department of Justice created the Federal Elder Abuse Resource Roadmap that guides potential reporters through questions and directs them to the appropriate agency. Additionally, the National Center on Elder Abuse (NCEA) provides relevant information, materials, and support to enhance state and local efforts to prevent and address elder mistreatment, including disseminating information to professionals and the public, and providing technical assistance and training to states and to community-based organizations.

GOEA should use the data it collects on allegations of elder financial exploitation to identify where to target public awareness efforts and where training is needed. When

GOEA receives allegations of elder financial exploitation, it includes the person or entity who reports the allegation in its database. GOEA could use this information to identify where it could target its public awareness activities. For example, as shown in Exhibit 7, in fiscal year 2018, 454 (23.2%) of 1,960 allegations were from banks and credit unions. Other prevalent reporters include family members, healthcare providers (e.g., hospitals and physicians), friends, neighbors, and acquaintances. Reporters with fewer allegations include Councils on Aging, District Attorney Offices, and law enforcement. Therefore, GOEA should consider increasing public awareness activities that focus on the groups with low numbers of cases reported.

In addition, GOEA needs to ensure Councils On Aging (COA) staff are trained on how to recognize elder financial exploitation, as only 18

Exhibit 7 Allegations Received by Reporter Type Fiscal Year 2018		
Reporter Type	Number	Percent
Family Member (i.e., child, brother, spouse, etc.)	549	28.0%
Bank/Credit Union	454	23.2%
Healthcare Provider	238	12.1%
Friend/Neighbor/Acquaintance/Landlord	152	7.8%
Anonymous	121	6.2%
HCBS/Home Health Agency	94	4.8%
Self	81	4.1%
Nursing Home/Assisted Living Facility	36	1.8%
Law Enforcement	36	1.8%
Federal or State Agency	33	1.7%
Other	29	1.5%
Other Financial	27	1.4%
Insurance Provider	26	1.3%
Hospice	18	0.9%
Council on Aging (COA)	18	0.9%
Social Services	18	0.9%
Veteran Affairs	17	0.9%
Attorney	7	0.4%
Credit Card Company	5	0.3%
District Attorney Office	1	0.1%
Total	1,960*	100%
*This number includes both accepted and unaccepted allegations. Source: Prepared by legislative auditor's staff using GOEA data.		

(< 1%) of 1,960 elder financial exploitation allegations²⁷ were reported by them in fiscal year 2018. As reported in our 2014 report on GOEA, Louisiana has COAs operating in every parish that offer programs targeted toward seniors. Therefore, it is important for GOEA to ensure that the COAs have sufficient training to help them recognize and report elder financial exploitation.

Requiring specialized training on elder abuse or designating elder abuse law enforcement officers and district attorney prosecutors could help law enforcement and prosecutors better identify, investigate, and prosecute cases of elder financial abuse.

According to the National Center for State Courts,²⁸ a victim's reluctance to report abuse and cooperate during prosecution is often due to cognitive or physical impairment, love for or fear of retaliation by the perpetrator, or fear of the loss of independence if abuse is discovered. Therefore, elder abuse is often underreported, and cases can be difficult for law enforcement and prosecutors to navigate, making training on identifying, investigating, and prosecuting these cases important.

According to one sheriff's office, "I do not feel that our office has access to any available training that would allow us to more aggressively seek out and work these cases."

Source: LLA survey of sheriff offices

As stated earlier in the report, various state agencies refer elder financial exploitation cases to local law enforcement for investigation, which then refers these cases to district attorney offices for prosecution. Because law enforcement interacts with the public daily, it is often in the position to identify elder financial exploitation. Therefore, training for law enforcement and district attorney offices on

elder financial exploitation is important. According to the Louisiana Commission on Law Enforcement (LCLE), law enforcement officers in Louisiana are required to take one mandatory course when completing basic training titled "Law Enforcement and the Elderly." LCLE also offers four optional elder-related online courses. Law enforcement and district attorneys may also receive training on elder abuse from entities such as the Louisiana District Attorney's Association and St. Tammany's Seniors and Law Enforcement Together (SALT) Council. We surveyed sheriff and district attorney offices in Louisiana and found that 16 (34.0%) of the 47 sheriff offices and 20 (62.5%) of the 32 district attorney offices that responded stated that elder abuse training has been provided in the past, but it is not required or ongoing. In addition, 15 (31.9%) of the 47 sheriff offices and seven (21.9%) of the 32 district attorney offices that responded stated that they had not completed any elder abuse training.

During the 2010 Regular Session, the Louisiana Legislature repealed the Louisiana Committee on Law Enforcement for the Elderly, and the Aged and Law Enforcement Response Team Program, which required that one law enforcement officer in each parish and one assistant district attorney in each judicial district be trained on how to address elder abuse. According to our survey, only nine (19.1%) of the 47 sheriff offices had a designated elder investigator. Other states require more training for law

According to one sheriff's office, it has been most helpful to have a specialized elder abuse detective because of the valuable experience and knowledge gained in what can and cannot be done when investigating these types of cases.

Source: LLA survey of sheriff offices

²⁷ This number includes both accepted and unaccepted allegations.

²⁸ [Prosecuting Elder Abuse Cases – Basic Tools and Strategies, National Center for State Courts, 2012.](#)

enforcement. For example, Colorado law²⁹ requires that each county sheriff and municipal law enforcement agency employ at least one officer who has completed training in addressing incidents of abuse and exploitation.

Training on elder financial exploitation is also important to familiarize law enforcement with existing tools they could use to identify and address this issue, including the following:

- **Checklist to Help Identify Elder Abuse.** The U.S. Department of Justice has a checklist on its website³⁰ that includes signs that may indicate elder financial exploitation, such as unemployed adults in elder's home, abrupt changes in wills, and sudden transfer of assets. Of the 47 sheriff offices that responded to our survey, 40 (85.1%) stated that they did not use a tool to identify elder abuse, and of those 40 offices, 33 (82.5%) stated that a tool would be helpful in identifying elder financial exploitation cases.
- **Consumer Sentinel Network.** The FTC's Consumer Sentinel Network is a free nationwide network of data contributors who may report various types of consumer complaints. Law enforcement and prosecutors could utilize this consumer complaint information when investigating and building cases. However, according to FTC's website,³¹ only five (7.8%) of the 64 sheriff offices, no city police departments, and no district attorney offices in Louisiana are currently members of the Consumer Sentinel Network.

Additional training and recent state legislation may have led to the recent increase in allegations of elder financial exploitation reported by banks. According to the Consumer Financial Protection Bureau (CFPB),³² banks and credit unions are well-situated to protect older Americans from financial exploitation because they often have face-to-face transactions with elders. The Louisiana Legislature recently passed Act 434 of the 2018 Regular Legislative Session, which gives financial institutions more authority to handle these cases. Additionally, federal law³³ states that financial institutions may provide training to its employees on identifying and reporting elder financial exploitation. Furthermore, the Louisiana Bankers Association has provided a voluntary webinar to its members and has hosted conferences where this topic was discussed. Additional training and Act 434 have likely helped to increase the number of allegations reported by banks and credit unions to GOEA. As shown in Exhibit 7 on page 21, banks and credit unions reported approximately 454 (23.2%) of the 1,960 allegations of elder financial exploitation to GOEA in fiscal year 2018, which is an increase from the 211 (14.3%) of 1,478 allegations that banks and credit unions reported in fiscal year 2015.

²⁹ C.R.S.A. § 24.31.313

³⁰ <https://www.justice.gov/elderjustice/law-enforcement-1>

³¹ <https://www.ftc.gov/enforcement/consumer-sentinel-network/members>

³² Advisory for Financial Institutions on Preventing and Responding to Elder Financial Exploitation. https://files.consumerfinance.gov/f/201603_cfpb_advisory-for-financial-institutions-on-preventing-and-responding-to-elder-financial-exploitation.pdf

³³ 12 U.S.C. § 3423

Recommendation 13: GOEA’s Elder Protective Services should use its reporter data to determine where to target its training and public awareness efforts.

Summary of Management’s Response: GOEA agrees with this recommendation and states that it will contact OTS to discuss the possibility of such changes to its database. As resources become available, GOEA will prioritize training and education efforts based on reporter data. See Appendix A for management’s full response.

Recommendation 14: GOEA’s Elder Protective Services should develop training for staff at each of the parish COAs to help them recognize elder financial exploitation.

Summary of Management’s Response: GOEA does not agree with this recommendation and states that, because COAs are not means tested, they do not have access to client’s financial data and are not likely to recognize elder financial exploitation. Due to the program’s limited training resources, training occurs in other areas. GOEA does offer training at the Louisiana Council on Aging Directors Association conferences and at the Louisiana Aging Network Association Conferences.

LLA Additional Comments: COA staffs interact with elders on a regular basis, which puts them in a place to potentially identify cases of elder abuse, including elder financial exploitation. NAPSAs list signs of elder abuse that can be observed without obtaining financial data, including the sudden inability to meet essential physical, psychological, or social needs; and appearing hungry, malnourished, disoriented, or confused.

Matter for Legislative Consideration 3: The legislature may wish to consider requiring ongoing elder abuse training for local law enforcement and district attorneys.

Although Louisiana has recently enacted laws to allow financial institutions the ability to report potential elder financial exploitation, enacting state laws related to uniform power of attorney and background checks could help Louisiana better prevent and identify cases of elder financial exploitation.

Over the last few years, Louisiana law has made positive strides in regard to preventing and addressing elder financial exploitation. For example, during the 2016 Regular Legislative Session, the legislature passed Act 580 that allows securities firms to place holds on transactions that appear to be elder financial exploitation, which could help limit the extent of financial exploitation. Additionally, Act 434 of 2018 Regular Legislative Session was passed that extended this to other financial institutions such as banks and credit unions. However, we identified additional improvements to state law that could help Louisiana better address cases of elder financial exploitation.

Implementing the Uniform Power of Attorney Act (UPOAA) could help Louisiana in preventing and identifying elder financial exploitation. A power of attorney authorizes an individual to act on another individual's behalf in private affairs, legal matters, or medical matters. Individuals given financial power of attorney over an elder have increased access to bank accounts and assets. According to stakeholders, elder financial exploitation by an individual who has power of attorney of the elder can cause difficulties in addressing cases. For example, 14 (45.2%) of the 31 district attorneys that responded to our survey stated that they have difficulties prosecuting elder financial exploitation when suspects have power of attorney. Sheriffs also noted that elder financial exploitation is hard to identify when suspects have power of attorney.

The American Association for Retired Persons (AARP), the American Bar Association, and the Commission on Law and Aging support the UPOAA, which provides more protection against abuse than Louisiana's current power of attorney laws. As of December 2018, 26 (52%) of the 50 states³⁴ have enacted the UPOAA or substantially similar legislation. Implementing the UPOAA would help in preventing and identifying elder financial exploitation because, among other things, it requires clear statements of duties. This helps investigative agencies (i.e., APS, law enforcement), prosecutors, judges, and juries to determine whether an individual has committed power of attorney abuse. In addition, it requires the power of attorney agent to keep records of all receipts, disbursements, and transactions made and to provide this information to adult or elder protective services or law enforcement, if requested. This could help GOEA and law enforcement identify elder financial exploitation.

Requiring background checks for curators of interdicted elders could help prevent elder financial exploitation.

In Louisiana, when an elder becomes incapable of making informed decisions, a judge may appoint a curator who has the authority and responsibility to make decisions in the elder's best interest concerning his or her person or property. Therefore, it is important for courts to select the best person available to serve as a curator. While Louisiana law³⁵ states that a convicted felon cannot serve as a curator without good cause, it does not require proposed curators to submit a background check like some other states.³⁶ For example, Florida courts require a proposed guardian (i.e., curator) to submit a criminal background check and consider the results before appointing a guardian. Requiring proposed curators to submit background checks assists the courts in deciding who should be appointed to serve as curator, which in turn could help prevent elder financial exploitation.

An **interdiction** is a legal process where a court is asked to determine whether a person is unable, due to infirmity, to consistently make decisions regarding his person or property.

A **curator** is the person appointed by the court to care for the interdicted person or his affairs, make decisions for the interdicted person, or to act in the place of the interdicted person. Other states refer to this as a **guardian**.

Source: Louisiana's Elder Law Task Force's "What is Interdiction?" Guide, September 2017

³⁴ This includes: Alabama, Arkansas, Colorado, Connecticut, Georgia, Hawaii, Idaho, Iowa, Maine, Montana, Maryland, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

³⁵ LSA-C.C.P. Art. 4561

³⁶ Colorado, District of Columbia, Florida, Idaho, Minnesota, Nebraska, New Hampshire, North Dakota, Rhode Island, South Dakota, Texas, and Vermont require potential guardians to submit criminal background checks.

Improvements to background check requirements for long-term care employees could ensure that the most appropriate individuals are caring for the elder population. For example, fingerprint-based background checks that include checking for identify theft and forgery could help prevent long-term care facilities and programs from hiring high-risk individuals. Louisiana state law³⁷ prohibits long-term care facilities, including nursing homes; programs that provide in-home care, including home and community-based providers and home health providers; and other healthcare providers from hiring employees³⁸ who have been convicted of certain crimes. These include violent crimes such as assault and armed robbery, as well as nonviolent crimes such as felony theft and attempted theft above \$500. Currently, state law³⁹ requires applicants to submit a background check that includes reviewing state criminal records and the sex offender public registry. This check is known as a name-based background check. However, a fingerprint-based background check⁴⁰ would include checking the federal records, which could identify individuals with a criminal history in another state. A name-based background check offers limited protection, as it may not uncover information about a criminal history in another state or if an individual uses an assumed name. At least 12 other states⁴¹ have passed legislation that requires long-term care workers to submit to fingerprint-based background checks. Individuals working with other vulnerable populations in Louisiana, including child care workers and foster parents, must also have fingerprint-based background checks.

In addition, Louisiana law does not prohibit long-term care facilities or programs from hiring individuals that have been convicted of identity theft or forgery. Other states, such as Minnesota,⁴² prohibit individuals who have been convicted of these crimes from obtaining employment at long-term care facilities or programs for certain amounts of time. For example, if a person is convicted of aggravated forgery they could not work at a long-term care facility or program for 15 years; whereas, a misdemeanor level forgery charge would prohibit employment for seven years. Adopting a similar law in Louisiana could help prevent high-risk individuals from caring for vulnerable elders.

Matter for Legislative Consideration 4: The legislature may wish to consider implementing the Uniform Power of Attorney Act.

Matter for Legislative Consideration 5: The legislature may wish to consider requiring proposed curators to submit background checks to the courts when appointing curators.

³⁷ R.S. 40:1203.3

³⁸ This includes only employees that provide nursing care or other health-related services directly related to patient or resident care.

³⁹ R.S. 40:1203.2

⁴⁰ According to LDH's Health Standards Section and Louisiana State Police fingerprint-based background check are more costly than name-based background checks.

⁴¹ Including Alaska, Arizona, Colorado, Delaware, Florida, Minnesota, Mississippi, Nevada, New Jersey, New Mexico, Oregon, and Utah

⁴² M.S.A. § 245C.04

Matter for Legislative Consideration 6: The legislature may wish to consider requiring fingerprint-based background checks, in addition to name-based background checks, for long-term care employees, and consider adding identity theft and forgery to the list of crimes that would prohibit long-term care facilities and programs from hiring high-risk individuals.

APPENDIX A: MANAGEMENT’S RESPONSES

Department of Justice	A-1
Governor’s Office of Elderly Affairs	A-2
Louisiana Department of Veterans Affairs	A-3
Louisiana Department of Health	A-4



Jeff Landry
Attorney General

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December 18, 2018

VIA HAND DELIVERY

Daryl G. Purpera, CPA, CFE, Legislative Auditor
Louisiana Legislative Auditor's Office
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

On behalf of the Louisiana Department of Justice ("DOJ"), please accept the following response to the performance audit report on Louisiana's framework for handling Elder Financial Exploitation. Thank you for your efforts in evaluating this important issue. DOJ is committed to ensuring that we best serve all of our state's people, especially the elderly. We concur with Findings 1 and 2 of the Legislative Auditor as they relate to the Consumer Protection Section of the Department of Justice ("DOJ CPS"). We have already implemented some of the recommendations and intend to effectuate the others soon. DOJ CPS will continue our efforts to help protect senior citizens from persons who seek to deprive them of their money and other assets.

DOJ CPS Response to Audit Finding 1, Recommendation 1 and 2:

Audit Finding 1: Louisiana's framework for addressing elder financial exploitation is fragmented, and state agencies do not always coordinate their efforts to address elder financial exploitation cases. As a result, elders may have difficulty receiving the help they need.

We agree. Better coordination among state agencies may assist the elderly in finding the help they need. DOJ CPS addresses matters concerning civil unfair trade practices and consumer protection. We provide consumer education to the public through alerts, publications, and presentations. We also accept complaints from consumers about unfair practices and offer a voluntary mediation process to consumers and businesses to improve communication between the parties and assist in resolving disputes. However, elder financial exploitation is often criminal in nature, and we do not have original criminal jurisdiction. It is imperative that persons with criminal complaints, including complaints about elder financial exploitation, directly contact local law enforcement agencies, which have jurisdiction over criminal activity. For this reason, DOJ CPS ensures that we recommend to every person who files a consumer dispute that they contact local law enforcement agencies with complaints about criminal conduct.

Audit Recommendation 1: The DOJ's Consumer Protection Section should work with the FTC to develop an electronic process for sharing consumer complaints, including scams to the FTC's Consumer Sentinel Network.

DOJ CPS's consumer dispute database export functionality has been incompatible with the FTC's data transfer requirements. DOJ CPS, with the assistance of DOJ IT personnel, has worked with the FTC to develop an

electronic process to share data from consumer disputes received by DOJ CPS. Recently, we successfully electronically transferred data from all consumer disputes received from fiscal year 2016 through 2018 to the FTC's Consumer Sentinel Network. Our records show that out of approximately 9,392 consumer disputes filed, approximately 134 were designated as scams and were from consumers who indicated that they were elderly. While this data may assist the 5 sheriff's offices in Louisiana that are presently members of the FTC's Consumer Sentinel Network, complainants should not assume that law enforcement agencies will obtain the information through the FTC. Local law enforcement agencies are the appropriate agencies with jurisdiction over scam cases. Persons with criminal complaints, including those about elder financial exploitation, should directly contact local law enforcement agencies, and we make sure to direct each person that files a consumer dispute with DOJ CPS to do so. The following statement in the report as it relates to DOJ CPS is unfounded: "The DOJ's Consumer Protection Section and LDH's APS did not always ensure that that scam cases were reported to the appropriate state or federal agency."

Audit Recommendation 2: The DOJ's Consumer Protection Section should work with GOEA's Elder Protective Services to determine when it would be appropriate to refer scam cases.

DOJ CPS will confer with the GOEA regarding when to refer complaints about scams. The report states that GOEA accepts scam cases if the elder is in need of services. We intend to obtain a better understanding of the types of scam cases GOEA handles.

DOJ CPS Response to Audit Finding 3, Recommendation 8:

State agencies estimated that they received approximately 1,730 cases of elder financial exploitation cases during fiscal year 2017 and 2,175 cases in fiscal year 2018. However, some agencies are not collecting sufficient or reliable data, which limits the state's ability to accurately determine the extent to which elder financial exploitation exists in Louisiana.

We agree that some agencies are unable to collect sufficient or reliable data, which limits the state's ability to accurately determine the extent to which elder financial exploitation exists in Louisiana. Unlike other agencies whose sole focus is on matters pertaining to the elderly, DOJ CPS addresses matters regardless of the age of the persons that file complaints. When filing consumer disputes with DOJ CPS, complainants are given the option to select whether they are over the age of 65. However, not all complainants are comfortable publically disclosing their age. Accordingly, DOJ CPS is unable to accurately identify the number of consumer disputes filed by the elderly, which limits our ability to track the number of complaints about elder financial exploitation.

Recommendation 8: The DOJ's Consumer Protection Section should develop and assign consistent categories for the complaints it receives similar to the FTC's product codes and categories, so it can use this data when providing education to the public.

DOJ CPS's consumer dispute database is nearly eighteen years old. Modifications to it often require changes to the code, which requires the time and expertise of DOJ IT personnel. We have been working to amend the consumer dispute categories to be similar to those used by the FTC and intend to finalize the project soon. The use of new categories may make the data more discernable to the FTC's Consumer Sentinel Database as we continue to electronically transfer information. Additionally, consistent use of new categories might make it easier for DOJ CPS to gather historical statistics about the types of consumer disputes received. However, new categories will not make the underlying data from consumer disputes more sufficient or reliable as implied by the report. The data in DOJ CPS's consumer dispute database is only as reliable as the information provided

by the complainants. Use of new categories will not provide DOJ CPS with the age of the complainants that choose not to disclose their age and will not provide more detailed information about elder financial exploitation for DOJ CPS to use when educating the public. DOJ CPS personnel review each consumer dispute upon receipt, and we timely alert the public with the most accurate information available. We agree that more reliable data about elder financial exploitation could assist our outreach efforts and help us to better serve the elderly community. We will make new efforts to encourage persons over the age of 65 to provide their age when filing consumer disputes by informing them that their information will assist our ability to track scams targeting the elderly and warn others about them.

Again, we appreciate the effort of your staff and their professionalism during the audit process. If you have any questions, please call me at (225) 326-6400.

For Louisiana,

JEFF LANDRY
Attorney General

By: _____

Michael Dupree
Director, Public Protection

Office of Elderly Affairs
State of Louisiana
OFFICE OF THE GOVERNOR

JOHN BEL EDWARDS
GOVERNOR



December 18, 2018

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Purpera:

Please accept this letter as the Governor's Office of Elderly Affairs (GOEA) official response to the findings and recommendations presented as a result of the recent performance audit on Elder Financial Exploitation.

Finding 1. Recommendation 3: GOEA's Long-term Care Ombudsman should refer elder financial exploitation cases to EPS for further investigation when the resident is unable to communicate consent, and the Ombudsman has reasonable cause to believe that the resident's health, safety, welfare, or rights of the resident may be adversely affected. For other cases, it should offer the resident the option of referring the case to EPS.

GOEA concurs. While we do think referrals have been occurring, we do see the opportunity for better documentation of referrals to APS or EPS when a resident has given permission or the ombudsman has reasonable cause to refer on the resident's behalf. File documentation will include when the ombudsman offers the option of referral to APS or EPS when the resident is unable to give permission and the Ombudsman has reasonable cause to believe the rights of the resident may be adversely affected.

Finding 2. Recommendation 4: GOEA's Elder Protective Services should ensure that workers follow existing policies regarding law enforcement referrals of "substantiated" and "unable to locate" cases.

GOEA concurs. While this finding relates to cases prior to the Elderly Protective Service Program returning to Elderly Affairs, GOEA will ensure staff follow policy.

Finding 2. Recommendation 5: GOEA's Elder Protective Services should clarify its policies regarding referrals of rejected and deceased cases to ensure that law enforcement is alerted to elder financial exploitation cases when appropriate.

December 18, 2018

GOEA concurs. While this finding relates to cases prior to the Elderly Protective Service Program returning to Elderly Affairs, GOEA will clarify policies for referrals.

Finding 3. Recommendation 9: GOEA's Long-term Care Ombudsman should add EPS as a referral option in their system and develop a report that could be pulled to ensure potential elder financial exploitation is referred when appropriate.

GOEA concurs, in part. EPS is a referral option. We are currently working with the Office of Technology Services to see if it is feasible to add APS as another referral option and to create a report to review this data.

Finding 3. Recommendation 10: GOEA's Elder Protective Services should collect more detailed data that would show the accurate number of cases involving elder financial exploitation, whether each allegation in a case was substantiated, and whether or not substantiated cases were referred to law enforcement.

GOEA concurs. GOEA will contact the Office of Technology Services to discuss the possibility of such changes to the database.

Finding 4. Recommendation 13: GOEA's Elder Protective Services should use its reporter data to determine where to target its training and public awareness efforts.

GOEA concurs. GOEA will contact the Office of Technology Services to discuss the possibility of such changes to the database. As resources become available, GOEA will prioritize training and education efforts based on reporter data.

Finding 4. Recommendation 14: GOEA's Elder Protective Services should develop training for staff at each of the parish COAs to help them recognize elder financial exploitation.

GOEA does not concur. Because COA services are not means tested, COAs do not have access to client's financial data and are not likely to recognize elder financial exploitation (as evidenced in Exhibit 7 of your report). Due to the program's limited training resources, training occurs in other areas. GOEA does offer training at the Louisiana Council on Aging Directors Association conferences and at the Louisiana Aging Network Association Conferences.

We appreciate the professionalism and courtesy of your staff during this audit. As always, GOEA remains open to any advice or enhancements in the best interests of our state's elderly.

Sincerely,



Karen Ryder
Executive Director

State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



JOEY STRICKLAND
SECRETARY

Louisiana Department of Veterans Affairs

December 17, 2018

VIA ELECTRONIC MAIL TO: kbaker-hernandez@lla.la.gov

Krista Baker-Hernandez
Manager, Performance Audit Services
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: *LDVA Responses to Elder Financial Exploitation Performance Audit*

Dear Krista,


Please find attached Louisiana Department of Veterans Affairs' (LDVA) completed recommendation checklist as requested and LDVA's responses to the Legislative Auditor's two recommendations for our agency in the Elder Financial Exploitation Performance Audit Report.

We would note for your reference that LDVA no longer includes the word "war" in front of the term "veteran homes" or the names of our five (5) veteran homes, so if you wanted to remove that term "war" from the report where it is used ahead of "veteran home," that may be more updated terminology.

Also, we do not feel that we need an exit conference scheduled for LDVA for this audit because all issues were resolved in our previous meeting.

Thank you again for your assistance.

Very Truly Yours,


Secretary Joey Strickland
Louisiana Department of Veterans Affairs

LDVA Response to Elder Financial Exploitation Performance Audit Report Recommendations

Recommendation #6: *LDVA should work with law enforcement to develop policies regarding when cases of financial exploitation in long-term care facilities should be reported to law enforcement.*

Response:

As noted in the report, in July 2018, LDVA updated its reporting policies in keeping with federal exploitation regulations and to reflect a monetary threshold adopted in Louisiana's criminal theft statutes. Elder financial exploitation cases valued at over \$500 are to be reported by the veteran home administration to law enforcement within 24 hours of the development of such reasonable suspicion by the veteran home's administration. Each of LDVA's veteran homes have long developed, and continue to strengthen, strong relationships with their local law enforcement agencies and personnel. This recommendation has been addressed.

Recommendation #12: *LDVA should monitor the number of grievances reported by its veteran homes to identify risky homes that have not reported cases for long periods of time and follow up with the homes.*

Response:

As noted in the report, the period where LLA noted a time of *no grievances* reported was during a time where there were changes in administrators at the two homes noted and a learning curve experienced by staff switching from paper reports (that had to be mailed in to headquarters, or inspected in person on visits to the veteran home) to a new online nursing electronic record system where grievances are now reported. The new system now in place at all LDVA veteran homes allows LDVA's headquarters Nursing Compliance team to monitor veteran homes' grievances and many other medical records in real time. LDVA's Nursing Compliance Officers now monitor each veteran home's grievance reports submitted (and their responses) at least monthly. If there are no grievance reports submitted that month, Nursing Compliance Officers will call that home in that month, and request why immediately. If there is any question about how a grievance was handled by a veteran home, it is dealt with *that month*. This recommendation has been addressed.



State of Louisiana
Louisiana Department of Health
Office of Management and Finance

December 19, 2018

Daryl G. Purpera, CPA, CFE
Legislative Auditor
P.O Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Elder Financial Exploitation

Dear Mr. Purpera,

Thank you for the opportunity to respond to the findings of your Louisiana Department of Health Elder Financial Exploitation audit. The Louisiana Department of Health (LDH) Health Standards Section (HSS), which is the licensing regulatory section of the Department, is committed to ensuring appropriate oversight and review of those allegations/occurrences of elder financial exploitation to those recipients of services provided by these licensed entities.

Recommendation 7: LDH's Health Standards should work with law enforcement to develop policies on when it would be appropriate to refer cases to law enforcement.

LDH agrees with the recommendation. Although the LDH Health Standards Section currently has coordinated efforts with law enforcement regarding the referral of substantiated cases of financial exploitation, LDH agrees to revisit this matter by engaging in discussions with appropriate law enforcement offices. Currently, cases are referred to the appropriate law enforcement agency depending upon the facts/details surrounding the allegation and the wishes of the victim. Appropriate referrals are made to local law enforcement, the Attorney General's Office, the Program Integrity section of LDH, and to the nurse aide registry based upon the determined facts surrounding each individual case. Substantiated findings of financial exploitation in excess of \$500 are routinely reported to local law enforcement.

Recommendation 11: LDH's Health Standards should review Nursing Home Incident data to identify risky nursing homes that have not reported cases for long periods and follow up during their survey process.

LDH agrees with this recommendation. In 2015, LDH recognized that the database being used to collect nursing home incident reports, which includes those of financial exploitation, was outdated and unable to perform certain functions. In particular, the system does not have reporting capabilities, which would allow HSS to track, and trend patterns of activities being reported. LDH began the process of replacing this outdated system and establishing a department wide tracking system that could be used to coordinate activities and information and could produce needed reports. The department plans to launch a new database for incident tracking, reporting, and trending by June 2019.

All certified nursing homes in Louisiana are subject to full onsite regulatory inspections every 9-15 months in addition to any complaint investigations that may be conducted in that interim period. A complete review of all regulatory requirements takes place during this process including a review of all incidents, accidents, grievances, and care areas.

There is also a federal process that takes place to identify at risk nursing facilities. These facilities are subject to increased oversight and onsite inspections to monitor all services provided. These inspections are conducted no less than every 6 months.

That information which is reported to the database is thoroughly reviewed and monitored to determine regulatory non-compliance and the need for additional follow up and/or referrals to appropriate agencies.

You may contact Cecile Castello, RN, Director, Health Standards Section at 225-342-4997 with questions regarding this information.

Respectfully,



Cindy Rives
Undersecretary

APPENDIX B: SCOPE AND METHODOLOGY

This report provides the results of our performance audit on whether Louisiana has a sufficient framework to prevent and address cases of elder financial exploitation. We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The audit generally covered the time period July 1, 2014, through June 30, 2018. Our audit objective was:

To evaluate whether Louisiana has a sufficient framework to prevent and address cases of elder financial exploitation.

We conducted this performance audit in accordance with generally-accepted *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To answer our objectives, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

Louisiana Department of Health (LDH)

- Interviewed staff at LDH's Office of Aging and Adult Services' Adult Protective Services (APS) and Health Standards Section to gain a better understanding of their role and responsibilities in handling elder financial exploitation cases.
- Obtained and reviewed LDH's internal policies and procedures regarding APS and Health Standards section.
- Obtained and analyzed Elderly Protective Services Management System (EPSM) data using Excel and Audit Command Language (ACL) and reviewed EPSM electronic case files.
 - Tested EPSM data for reliability.
 - Used the EPSM system to calculate statistics including, the number of elder financial exploitation cases for fiscal years 2017 and 2018, and the reporter types for fiscal year 2018.
 - To test if cases were rejected in accordance with APS policy, we reviewed all 134 cases that were rejected in fiscal year 2017. We also identified rejected cases that APS noted were referred to DOJ's CPS. We then determined whether these cases were listed in CPS' consumer database.

- To test if rejected cases were referred to law enforcement in accordance with APS policy, we first identified 85 of the 134 cases that were rejected in fiscal year 2017 that contained potential criminal activity. We then reviewed all 85 cases to determine if a referral was noted in the electronic case file.
- To test if substantiated cases of financial exploitation were referred to law enforcement as required by APS policy, we first analyzed the data and found that 258 (75.4%) of the 342 substantiated cases closed in fiscal year 2017 were not marked as referred to law enforcement in the data. Because we found that this field was not always complete, we randomly selected, using the Random Number Generator in Excel, 100 of the 258 cases to conduct a file review to determine if there were case notes that these cases were referred to law enforcement. We did not review all 258 cases identified because of time limitations, and the results of our review are not intended to be projected to the population. We then eliminated 29 of the 100 randomly-selected cases because they were closed by GOEA rather than APS. As a result, our review included 71 (27.5%) of the 258 cases not marked as referred to law enforcement in the data.
- To test if cases that were closed as “unable to locate” or “deceased” were referred to law enforcement when appropriate, we reviewed case files for all 30 cases closed as “unable to locate” and all 27 cases closed as “deceased” in fiscal year 2017.
- To test if there were perpetrators that had committed elder financial exploitation more than once, we used EPSM data and identified 41 perpetrators that had more than one elder financial exploitation case in fiscal years 2015 through 2018. Because we only could use the perpetrator’s name to identify duplicates, we excluded perpetrators with last or first name listed as “unknown,” as well as results where the perpetrator was listed in different regions.
- Obtained and analyzed Online Tracking Incident System (OTIS) data regarding investigations of employees of licensed providers and incidents in nursing homes using Excel and ACL. We also reviewed OTIS electronic case files.
 - Tested OTIS data for reliability.
 - To determine if cases received by Health Standards in fiscal year 2017 were reported to law enforcement, we first identified 80 cases of elder financial exploitation reported by nursing homes and 93 cases where the accused was a licensee of Health Standards during fiscal year 2017 using OTIS data. We then conducted a file review to determine if there was evidence of referrals for 18 of the nursing home cases and 51 of the Health Standards licensee cases. We selected cases that were substantiated or rejected.

- To identify Nursing Homes that went periods of time without reporting incidents, we compared OTIS incidents reported in fiscal years 2015 through 2017 to Health Standard's list of nursing homes.
- Provided and discussed the results of our analyses with LDH management.

Governor's Office of Elderly Affairs (GOEA)

- Interviewed staff at GOEA's Elder Protective Services and Long-Term Care Ombudsman concerning their role and responsibilities in handling elder financial exploitation cases.
- Obtained and reviewed GOEA's internal policies and procedures regarding EPS and Long-Term Care Ombudsman.
- Obtained access to GOEA's Louisiana Ombudsman Reporting System (LORS) and identified 254 involuntary discharges for fiscal year 2017. To determine if these 254 involuntary discharges were referred to APS when they contained potential elder financial exploitation, we first identified 145 discharges were issued because of non-payment by reviewing electronic cases files. Next, we reviewed the 145 cases files to determine if there was evidence of potential financial exploitation and identified 28 cases. Lastly, we reviewed the case files to determine if there was evidence that the 28 cases were referred to APS.
- Reviewed GOEA's Louisiana Ombudsman Reporting System and determined that there was no referral option for APS and no reports available to be run to ensure that cases were referred to APS.
- Provided and discussed the results of our analyses with GOEA management.

Department of Justice - Consumer Protection Section (CPS)

- Interviewed CPS staff to gain a better understanding of their role and responsibilities in handling elder financial exploitation cases.
- Obtained and analyzed data from CPS's Consumer Database using Excel and ACL.
 - Tested data reliability for fiscal years 2015 through 2017.
 - Identified the total number of consumer complaints received by CPS. We included consumer complaints for all ages because the data field indicating if a complainant is over a certain age is not collected consistently.
 - To determine if cases that involved "scams" were referred to the Federal Trade Commission's Consumer Sentinel database, we selected complaint categories that involved scams for fiscal years 2015 through 2017. Then

using CPS's data we determined if these cases were marked as referred. Due to the limitations of DOJ's consumer complaint database, the exact number of verbal and written scam complaints could not be identified. Therefore, the numbers noted in the report are based on data provided.

- Provided and discussed the results of our analyses with CPS management.

Louisiana Department of Veterans Affairs (LDVA)

- Interviewed staff at LDVA to determine its procedures for handling elder financial exploitation cases in LDVA facilities.
- Obtained and reviewed LDVA's internal policies and procedures regarding grievance reporting.
- Received paper case files for fiscal years 2017 and 2018. Reviewed case files to determine the number of grievances that contained elder financial exploitation during this time period.
- Reviewed the 25 grievances reported in fiscal year 2017 that contained elder financial exploitation to determine if there was evidence in the paper file that the case was referred to law enforcement.
- Provided and discussed the results of our analyses with LDVA management.

Office of Financial Institutions (OFI)

- Interviewed staff at OFI about its role and responsibilities concerning elder financial exploitation cases.
- Researched and reviewed relevant state laws concerning OFI's responsibilities in receiving, investigating and referring financial exploitation cases.
- Reviewed the eight cases of elder financial exploitation reported to OFI in fiscal year 2017 to ensure that the cases were entered into LDH's EPSM system.

Other Steps

- Interviewed various stakeholders including the AARP, St. Tammany Parishes' Seniors and Law Enforcement Together (SALT), Louisiana Commission on Law Enforcement, Louisiana Bankers Association, East Baton Rouge Parish Sheriff's Office, and the 16th District Attorney's Office.
- Researched best practices and studies conducted by state and federal agencies and national organizations including the U.S. Government Accountability Office, National Adult Protective Services Association, U.S. Department of Justice, Federal Trade Commission, U.S. Securities and Exchange Commission, and etc.

- Researched and reviewed relevant Louisiana laws and regulations related to elder financial exploitation, including laws on required elder abuse coordination, reporting of elder abuse cases, investigation of elder abuse cases, power of attorney (mandate), curatorship, and background check requirements for long-term care employees. We then compared these laws and regulation to those of other states.
- Sent out surveys to all 42 district attorney offices and all 64 sheriff offices concerning their experiences handling elder financial exploitation cases. Of the 42 district attorney offices, 32 (76.2%) answered the survey. Of the 64 sheriff offices, 47 (73.4%) answered the survey.

APPENDIX C: FEDERAL TRADE COMMISSION'S CONSUMER SENTINEL PRODUCT CODE DESCRIPTIONS

Consumer Sentinel Product Code Descriptions October 2018

	PSC Description	PSC Explanation
1	Advance-Fee Loans, Credit Arrangers	Complaints about advance-fee loans or advance-fee credit cards, for which the consumer is told he/she has to pay some form of tax or fee prior to obtaining the funds.
2	Auto: Financing	Complaints about automotive financing.
3	Auto: Gas	Complaints about the quality, advertising, or sales of automobile fuel; gas-saving claims for automotive devices; oil and gas additives; gas price gouging; and suspected fuel dilution by stations.
4	Auto: Parts & Repairs	Complaints about the quality, advertising, or sales of automotive parts and the quality of work or advertising of automotive repair service companies.
5	Auto: Renting & Leasing	Complaints about the quality or advertising of automotive rentals or leases, including complaints about the information provided regarding up-front costs, early termination fees, future vehicle value, among other things.
6	Auto: Sales - New	Complaints about the quality, advertising, or sales of new automobiles.
7	Auto: Sales - Used	Complaints about the quality, advertising, or sales of used automobiles.
8	Auto: Warranty Plans & Services	Complaints about automotive warranties and services, including recalls.
9	Banks, Savings & Loans, and Credit Unions	Complaints about banks, including both national and state-chartered, as well as thrifts and credit unions.
10	Books and Magazines	Complaints about the quality, advertising, or sales of books or magazines. This category includes magazine subscription offers or telemarketing violations of a magazine subscription company.
11	Broadband Internet Services and Content: Cost	Complaints about ISPs that have not truthfully disclosed monthly prices, usage-based fees, or fees for early termination or additional network services.
12	Broadband Internet Services and Content: Internet Access	Complaints about ISPs that have not truthfully disclosed how non-broadband Internet access services affect consumers' access to ISP service.
13	Broadband Internet Services and Content: Internet Speed	Complaints about ISPs that have not truthfully disclosed the expected and actual speed or latency or suitability of the service for real-time applications.

	PSC Description	PSC Explanation
14	Business Opportunities\ Work-At-Home Plans	Complaints about business opportunities: promotion of distributing goods and services, provided by the promoter, with assistance in the form of locations or accounts. Also, complaints about work-at-home plans: an offer a consumer may receive or seek out to work directly from home (e.g., stuffing envelopes or processing medical claims).
15	Charitable Solicitations	Complaints about the solicitation of charity. Charitable solicitations include any request of any kind for a charitable contribution. Any in person or telemarketing solicitation would apply, as well as the distribution of a newsletter or brochure which solicits a gift with the promise to contribute.
16	Children's Products	Complaints about the quality, advertising, or sales of products marketed to children. This includes toys, board games, sporting equipment, etc.
17	Computers: Equipment\Software	Complaints about the quality, advertising, or sales of computers, computer hardware (e.g., keyboard, mouse, or computer speakers), and software programs. This category contains desktop PCs.
18	Connected Consumer Devices: Activity/Healthcare Monitors or Trackers	An electronic consumer product--not just an app--that can connect to the Internet and uses a processor or sensors to collect consumer activity or healthcare information. These products can share data with the consumer as well as other electronic devices. This category generally excludes products lacking the capacity to connect to the Internet. This category includes activity and fitness monitors, self-monitoring healthcare devices, and other technology that quantify consumer biometrics, moods, states, or other personal information.
19	Connected Consumer Devices: General	An electronic consumer product--not just an app--that can connect to the Internet and uses a processor or sensors to collect consumer information. These products can share data with the consumer as well as other electronic devices. This category generally excludes products lacking the capacity to connect to the Internet. Examples for this category include smart watches, GPS systems, and connected-home hubs and devices. It also includes versions of appliances, automobiles, and drones that can connect to the Internet.
20	Counterfeit Check Scams	Complaints in which a fraudster uses a fraudulent or counterfeit check as part of a scam, including foreign lottery scams, Internet auction scams, secret shopper scams, and check overpayment scams. In check overpayment scams, fraudsters send consumers fraudulent checks for payment. The consumers cash the checks and send any remaining balance back to the fraudsters via wire transfer or prepaid debit card, only later to find that the checks were fraudulent and the consumers are now responsible for the entire deposit. Note: this code includes fraudulent cashier's checks, money orders, corporate checks, and
21	Credit Bureaus	Complaints about the credit reporting agencies. A credit bureau is a company that collects information from various sources and provides consumer credit information on individual consumers for a variety of uses. It is an organization providing information on individuals' borrowing and bill paying habits.
22	Credit Card Loss Protection	Complaints about services offered by someone other than the consumers' credit card service provider to protect the consumer from credit card loss. Fraudulent companies typically offer the consumer credit card insurance in the instance that their card is lost, stolen, or fraudulently used. The consumer is typically charged a fee for this service.
23	Credit Cards	Complaints about credit cards. A credit card is any card that may be used repeatedly to borrow money or buy products and services on credit. These cards are typically issued by banks. Note: this code includes charge cards and retailer credit cards.
24	Credit Information Furnishers	Complaints about the furnishing of information to the credit reporting agencies. A credit information furnisher is a company that provides information to consumer reporting agencies. Typically, these are creditors with which a consumer has some sort of credit agreement (credit card companies, auto finance companies, and mortgage banking institutions, to name a few). However, other examples of information furnishers are collection agencies (third-party collectors), state or municipal courts reporting a judgment of some kind, past and present employers, and bonders.

	PSC Description	PSC Explanation
25	Credit Repair	Complaints about organizations which offer to repair a consumer's credit record. A credit repair company is a company that will offer to repair a consumer's credit rating, including removing items from his/her credit report and improving his/her credit score, for a fee.
26	Credit Report Users	Complaints about companies that use the information provided by a consumer credit report. A credit report user is a company that views data collected by the credit bureau in order to make a decision. These companies do not report information; they merely use the data that is supplied. Typically, these are creditors, with which a consumer is attempting to obtain credit (credit card companies, auto finance companies, and mortgage banking institutions, to name a few).
27	Creditor Debt Collection	Complaints about the debt collection practices of an original creditor. A creditor debt collector is a company that extended credit (be it a loan, credit card, services, etc) and is now attempting to collect on a delinquent account.
28	Debt Management\Credit Counseling	Complaints about companies that offer debt management or credit counseling services. A debt management or credit counseling company is a company or agency that will assist consumers in organizing their funds and/or paying off accounts.
29	Digital Media/Streaming	Complaints about the advertising, content or sales of digital entertainment as it is distributed and viewed on digital electronic devices. This category includes DVDs, CDs, MP3s and satellite music services. It also includes online streaming media and video on demand.
30	Education: Colleges and Universities	Complaints about colleges and universities. This would include issues related to accreditation/usefulness of the degree and promises made by the institution related to job prospects after graduation. <i>Note: this code does not include complaints against trade/vocational schools.</i>
31	Education: Trade\Vocational Schools	Complaints about trade or vocational school services. A trade or vocational school is a school that specializes in certain skills, including technical schools, culinary schools, etc.
32	Employ Agencies\Job Counsel\Overseas Work	Complaints about companies that offer employment services, job counseling, or information regarding overseas employment opportunities for high fees.
33	Food	Complaints about the quality, advertising, or sales of food products.
34	Franchises\Distributorships	Complaints about franchises and distributorships. A franchise is a promotion, requiring at least \$500, to sell trademarked goods and services with significant assistance or control of the franchisor (promoter). A distributorship is an opportunity to sell a product for a profit but without the franchisor business model.
35	Funeral Services	Complaints about the quality, services, price, or price disclosures of funeral service providers.
36	Garments, Wool, Leather Goods & Textiles	Complaints about the quality, advertising, or sales of clothing, including wool or leather goods, as well as fabrics. This typically involves the labeling or mislabeling (Made in the USA) of the mentioned items.
37	Grants: Non-Educational	Complaints about companies that offer to assist consumers in obtaining a non-educational grant, or researching what grants they may be eligible for.
38	Health Care Provider Billing	Complaints about the billing practices of a healthcare provider, typically a hospital.

	PSC Description	PSC Explanation
39	Health Care: Diet Products\Centers\Plans	Complaints about the quality, advertising, or sales of diet products, diet centers, and/or diet plans.
40	Health Care: Dietary Supplements\Herbal Remedies	Complaints about the quality, advertising, or sales of dietary supplements and/or herbal remedies.
41	Health Care: Drugs-OTC\Prescription	Complaints about over the counter/prescription drugs and information.
42	Health Care: Eye Care	Complaints about eye care products and services, including contact lenses. <i>Note: this code includes the withholding of eyeglass prescriptions by a provider when the consumer decides to go elsewhere for business.</i>
43	Health Care: Medical Discount Plans\Cards\Insurance	Complaints about the quality, advertising, or sales of medical discounts plans, medical discount cards, and medical discount insurance.
44	Health Care: Other Medical Treatments	Complaints about medical treatment claims, such as cures for arthritis or cancer cures, and dental care and hearing products and services.
45	Health Care: Other Products\Supplies	Complaints about any other health care products or supplies not covered by other health care product/service codes.
46	Home Appliances	Complaints about the quality, advertising, or sales of a home appliance. Home appliances are household machines, using electricity or some other energy input such as refrigerators, microwaves, washer/dryer, etc. <i>Note: this code includes complaints regarding the energy claims of the product made by the manufacturer.</i>
47	Home Furnishings	Complaints about the quality, advertising, or sales of a home furnishing. Home furnishings are equipment or items necessary or useful for comfort or convenience in the home. This includes couches, chairs, tables, television sets, etc.
48	Home Protection Devices	Complaints about the quality, advertising, or sales of a home protection device such as a burglary alarm system or fire/gas alarm device.
49	Home Repair	Complaints about the quality, advertising, or sales of a home repair service. Home repair covers any aftermarket work/repair that the consumer may have done to his/her home. This could include pool installation, windows, a new roof, etc. <i>Note: this code does not cover the initial construction of a home.</i>
50	Housing	Complaints about out-of-scope housing issues. This would include complaints against apartment complexes or landlords for issues such as maintenance.
51	Immigration Services	Complaints about products and services offered by companies purportedly to help non-U.S. consumers obtain a benefit from the government, such as to enter, remain, or work in the U.S.

	PSC Description	PSC Explanation
52	Impostor: Business	Complaints about a person or entity who manipulates or attempts to manipulate a consumer into revealing confidential information or performing some act. The scammer will claim to represent a company, like a bank, to either obtain consumer information or induce an action by the consumer, like granting computer access or sending money. <i>Note: this code does not include social engineering attempts involving counterfeit checks, nor does it include any companies attempting to collect on a consumer's debt.</i>
53	Impostor: Family\Friend	Complaints about consumers who are scammed into believing that they are responding to a family member or friend in trouble. Often, scam artists will contact consumers claiming to be or have custody of a family member/friend in distress and in need of an immediate money transfer.
54	Impostor: Government	Complaints about a person or entity claiming to be working for or affiliated with a government agency. Such claims are attempts to gain consumer trust and lure them into a scam such as a foreign lottery or a prize/sweepstakes offer. <i>Note: this code does not include social engineering attempts involving counterfeit checks.</i>
55	Insurance (Other than Medical)	Complaints about non-medical insurance services such as car or life insurance.
56	Internet Access Services	Complaints about any Internet Service Provider (ISP). This code would be used in the instance of Internet inactivity, lack of access/cannot connect to the Internet.
57	Internet Auction	Complaints about Internet auctions. Internet auction websites are online marketplaces with new and used merchandise from around the world. <i>Note: this code does not include complaints against online classified listings.</i>
58	Internet Information Services	Complaints about Internet websites that are involved in a commercial venture such as advertising products and services. This category includes websites that offer content for a fee as well as complaints about objectionable material.
59	Internet Web Site Design\Promotion	Complaints about the quality, advertising, or sales of Internet website design and promotion.
60	Inventions\Idea Promotions	Complaints about the quality, advertising, or sales of invention promotion or idea promotion. An invention or idea promotion company is a company who offers to develop an idea or patent an invention. These companies generally charge an upfront fee for any services.
61	Invest: Advice, Seminars	Complaints about companies that offer advice or seminars on investments. Often consumers are solicited advice regarding investments or they are invited to seminars built to promote investment opportunities.
62	Invest: Art\Gems\Rare Coins	Complaints about the quality, advertising, or sales of art, gems, or rare coins.
63	Invest: Other (note in comments)	Complaints about investment opportunities not covered by any other investment product/service code.
64	Invest: Stocks\Commodity Futures Trading	Complaints about the quality, advertising, or sales of investments such as stocks and commodity futures trading.

	PSC Description	PSC Explanation
65	Jewelry \ Watches	Complaints about the quality, advertising, or sales of any type of jewelry or watch.
66	Leasing: Business	Complaints about the leasing of products for business use. This would include items such as credit card processing equipment.
67	Lending: Auto Title Loans	Complaints about companies offering car title loans, or loans where the consumer's car was used as collateral. The consumer obtains the loan after handing over the title to the car.
68	Lending: Banks & Credit Unions	Complaints about the lending practices of a bank or credit union, a cooperative financial institution that its members own and control. <i>Note: this code does not include automotive financing.</i>
69	Lending: Finance Company	Complaints about the lending practices of a finance company, a financial institution that makes loans to individuals. <i>Note: this code does not include automotive financing.</i>
70	Lending: Mortgage	Complaints about the lending practices of a mortgage company, which transfers an interest in property to a lender as debt security. <i>Note: this code does not include complaints about mortgage modification or foreclosure relief services.</i>
71	Lending: Other Institutions	Complaints about the lending practices of a company that is not a bank, mortgage company, finance company, or credit union. <i>Note: this code does not include automotive financing.</i>
72	Lending: Payday Loans	Complaints about companies offering payday loans or about unwanted products or services received by consumers when applying for payday loans.
73	Lending: Student Loans	Complaints about the lending practices of a student loan provider.
74	Malware and Computer Exploits	Complaints about computer software that gathers consumer information without consumer knowledge and/or consent. Spyware receives information about consumers, including browsing and Internet usage habits. Adware displays advertising banners, re-directs consumers to websites, and conducts other forms of advertising. Malware is malicious software that harms consumers' computers or software. Malware includes viruses, Trojans, and worms, as well as ransomware, a specially-designed variant of malware that holds data hostage pending payment. This category also includes denial of service attacks that flood websites with connection requests, as well as botnets that control computers like puppets.
75	Mobile: Accessories, Devices, and Other	Complaints about mobile devices, defined as miniature computing devices. This category contains mobile device complaints that are not covered by any other product/service code. Examples are cell phones, pagers, tablets and smartphones. It also includes any devices that do not connect to the Internet but are accessories to an electronic or mobile device, such as 3D glasses or headphones.
76	Mobile: Applications \ Other Downloads	Complaints about the quality, advertising, or sales of mobile downloads (applications, ringtones, wallpapers, etc). Unauthorized charges are covered under a separate product/service code.
77	Mobile: Carrier Rates \ Plans	Complaints about the rates, advertising, or coverage plans for mobile devices.

	PSC Description	PSC Explanation
78	Mobile: Text Messages	Complaints about mobile text messages, including unsolicited text messages from advertisers and service providers.
79	Mobile: Unauthorized Charges or Debits	Complaints about unauthorized charges or debits to a mobile device account. This would include instances that a consumer unknowingly signs up for a recurring charge after downloading a free ringtone/wallpaper/etc.
80	Modeling Agencies\ Services	Complaints about companies which offer modeling agency services. Modeling agencies/services offer to help the consumer find work/book jobs in modeling for a fee.
81	Mortgage Modification\ Foreclosure Relief	Complaints about mortgage modification or foreclosure relief services. A mortgage loan modification, or "loan mod" is a re-negotiation of the terms of an existing mortgage. It is not a new loan or a refinance loan.
82	Multi-Level Marketing\ Pyramids\ Chain Letters	Complaints about multi-level marketing, pyramid, or chain letters which involve a company signing a consumer up to sell memberships to make money, often with no products sold.
83	Negative Online Reviews	Complaints about businesses trying to prevent people from giving honest reviews about products or services they received. This includes things like contract provisions and online terms and conditions that allow companies to sue or penalize consumers for posting negative reviews.
84	Nigerian\ Other Foreign Money Offers (not prizes)	Complaints about Nigerian scams and other foreign money offers, which involve offers consumers receive from someone out of the country. This usually involves consumers being informed that the scammer is due unclaimed funds from a deceased relative or bank president/country official and is requesting consumer assistance in transferring funds to the U.S.
85	Office Supplies and Services	Complaints about the quality, advertising, or sales of office supplies or office supply services. Office supplies and services would be any supplies that could be used in an office (paper, cleaning supplies, toner, etc).
86	Office: Ad Space\ Directory Listings	Complaints about companies that offer ad space and directory listing services. Consumer/companies are charged an up-front fee for ad space or directory listings. Later the consumer/company finds out that the offer was not legitimate.
87	Online Payment Services	An electronic payment system that completes a regulated electronic commerce transaction performed from or completed via a mobile device, such as Apple Pay and Android Pay. Such a payment mechanism may use mobile payment technology to allow users to send money via email, telephone number, or online payment network such as PayPal. These transactions may use credit cards, debit cards, mobile wallets, bank accounts, or alternate/virtual currencies, such as Bitcoin. This category is about the payment system itself, not the product being purchased. This category excludes credit card transactions outside of an online payment system, such as purchasing something from a website using a credit card.
88	Other (Note in Comments)	Complaints that are not covered by any other product/service code listed.
89	Personal Care Products	Complaints about the quality, advertising, or sales of toiletries marketed for personal care, including cosmetic and hygienic products.
90	Prizes\ Sweepstakes\ Lotteries	Complaints about offers of purported prizes, sweepstakes, or lotteries. Often consumers are solicited via telephone, mail, or email, and informed that they have won a prize, sweepstakes, or a lottery. Consumers often are asked to wire an up-front fee in order to receive their winnings, allegedly to cover insurance, shipment, taxes, etc.

	PSC Description	PSC Explanation
91	Property \ Inheritance Tracers	Complaints about companies that offer property or inheritance tracing services. Companies inform consumers that they can trace their inheritance or property history for an up-front fee.
92	Real Estate (not Timeshares)	Complaints about real estate sales and advertising (timeshares excluded).
93	Recovery \ Refund Companies	Complaints about companies which offer the services of recovering government refunds/unclaimed funds for consumers. These companies often target former victims of scams. The scammer tells the victim that they can track and apprehend the scammer and recover the money lost by the victim, for a price.
94	Romance Scams	Complaints about a scammer who establishes an online relationship with a consumer under the guise of romance or companionship, but then uses this trust to trick the victim into sending money for different reasons. Variations on this scam include needing money for a plane ticket, requiring assistance for a financial hardship, needing funds to help a sick relative, etc. <i>Note: this code does not include social engineering attempts involving counterfeit checks.</i>
95	Scholarships \ Educational Grants	Complaints about companies that offer to assist consumers in obtaining a scholarship or educational grant, or researching what grants they may be eligible for.
96	Shop-at-Home \ Catalog Sales	Complaints about product sales via catalog or home shopping. These transactions can take place online, or by fax, mail, or phone.
97	Social Networking Service	Complaints about social networking websites such as Facebook, Google+, LinkedIn, or Twitter.
98	Tax Preparers	Complaints about companies that engage in "skimming" consumer tax refunds or charging inflated fees while promising substantial refunds. Also, companies aiding consumers in willfully and intentionally falsifying information on a tax return to limit the amount of tax liability. Complaints include entities pretending to be tax preparers or the IRS in order to obtain funds or information from consumers.
99	Tech Support Scams	Complaints about a scammer who claims to be a computer technician associated with a well-known company or its products. This individual will say viruses or other malware have been detected on consumers' computers and that remote access is needed for diagnosis/repair; ultimately, the "tech" will give a sales pitch for unnecessary software services, like virus removal. The scammer might also steal any personal information on the victim's computer.
100	Telemarketing, Other	Complaints about telephone calls in which the consumer is offered a product or service for purchase, or more generally, any unwanted call in which the message is recorded or the entity has ignored the consumer's prior request to opt-out of telemarketing. <i>Note: this code does not include pretexting by phone.</i>
101	Telephone: Carrier Switching	Complaints about carrier switching by a telephone service provider often without the consumer's knowledge.
102	Telephone: Other	Complaints about landline telephone products/services not covered by any other telephone product/service codes.
103	Telephone: Prepaid Phone Cards	Complaints about the quality, advertising, or sales of prepaid phone cards. A prepaid phone card offers the buyer an opportunity to pay for telephone service fees in advance. Some calling cards come with fees that can take a big bite out of the calling time you've bought. As a result, the cards don't deliver the call time they advertise.

	PSC Description	PSC Explanation
104	Telephone: Unauthorized Charges or Debits	Complaints about unauthorized charges or debits to a landline telephone account. This could include unauthorized voicemail services, call forwarding services, etc.
105	Telephone: VoIP Services	Complaints about Voice Over Internet Protocol (VoIP) products/services. VoIP is a phone/Internet service that uses a broadband Internet connection rather than a regular phone line. VoIP converts your phone call — actually, the voice signal from your phone — into a digital signal that travels through the Internet to the person you are calling.
106	Television (Programming and Advertisements)	Complaints about the general programming or advertising on television. This includes content of programming or advertising.
107	Television: Satellite & Cable	Complaints about the quality, advertising, or sales of satellite or cable services.
108	Third Party Debt Collection	Complaints about debt collection practices by a third-party company. A third-party debt collector is someone who regularly collects debts owed to others. This includes collection agencies, lawyers who collect debts on a regular basis, and companies that buy delinquent debts and then try to collect them.
109	Timeshare Resales	Complaints about the resale of timeshares. A timeshare is a property that a consumer co-owns with other individuals and is allotted a pre-determined amount of time to reside there. A reseller is a company that offers to sell the consumer's stake in that property for a fee.
110	Timeshare Sales	Complaints about timeshare sales. A timeshare is a property that a consumer co-owns with other individuals and is allotted a pre-determined amount of time to reside there. A seller is a company that offers a consumer the opportunity to buy into this type of property.
111	Tobacco Products	Complaints about the quality, advertising, or sales of tobacco products. This includes cigarettes and smokeless tobacco.
112	Travel\ Vacations	Complaints about the advertising or sales of travel/vacation services. This would include hotels, cruises, and airlines.
113	Unauthorized Debits or Charges for Unknown Products	Complaints about unauthorized debits or charges to consumers for unknown products or services, typically on consumers' credit card bills. The consumer may or may not know the origin of these charges. <i>Note: unknown charges on telephone bills are covered under the telephone billing codes.</i>
114	Unsolicited Email	Complaints about receiving spam (unsolicited commercial emails).
115	Utilities	Complaints about utility services (e.g., water, gas, electric). This could include billing or lack of service.
116	Video and Internet Gaming/Virtual Reality	Complaints about the quality, advertising, or sales of electronic video games and equipment, including software for PC games, an app, consoles, and handheld devices. It also includes virtual reality experiences as well as electronic sports competitions. Complaints regarding objectionable content would also fall under this code, as would games that are not fully functional upon purchase.
Source: Prepared by legislative auditor's staff using information from the Federal Trade Commission's Consumer Sentinel Network.		