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## Report Highlights

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

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### Why We Conducted This Audit

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. 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. In Louisiana, multiple state agencies receive, investigate, and refer cases of elder financial exploitation, and each agency plays a different role.

### What We Found

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. Specifically, we found the following:

- **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.** There is currently no requirement that all relevant agencies and stakeholders coordinate their efforts to address this issue. Also, moving the elder protective service function to the Louisiana Department of Health from the Governor's Office of Elderly Affairs 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.
- **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.
- **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.
- **Enacting state laws related to uniform power of attorney and background checks could help Louisiana better prevent and identify cases of elder financial exploitation.** Although Louisiana recently enacted laws to allow financial institutions the ability to report potential 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.

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## What We Found (Cont.)

Role of State Agencies Involved in Addressing Elder Financial Exploitation and Examples of Cases Fiscal Year 2017		
Louisiana Agency	Agency Role	Example of Cases
<b>Cases where perpetrator is family member, friend, neighbor, stranger, etc.</b>		
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>		
<b>Cases involving consumer disputes and scams</b>		
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.
<b>Cases when elder is in a long-term care setting (includes institutions and home and community-based)</b>		
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.
<b>Cases where the accused is a seller of a security</b>		
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.		
<b>Source:</b> Prepared by legislative auditor’s staff using interviews and data from LDH, GOEA, DOJ, LDVA, and OFI.		