

PENNSYLVANIA HOUSE  
AGING & OLDER ADULTS  
SERVICES COMMITTEE

**“FINANCIAL EXPLOITATION”**

DECEMBER 11, 2013

Testimony by:

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Good Morning. Thank you Representative Hennessey for your invitation to speak this morning. My name is Linda Mill and I am a Certified Fraud Examiner and the Investigations Manager for the Institute on Protective Services at Temple University. As contracted by the Pennsylvania Department of Aging my responsibilities include investigating complex financial exploitation cases, training social workers, banks and law enforcement and developing county based elder abuse task forces.

Attached to my remarks today, for your reference, are the comments I made here nearly two years ago. As a former bank senior vice president in loss prevention with 25 years experience I oversaw the investigation of more than 3,000 financial exploitation cases. Those experiences led to my current career and passion of helping abused and exploited older adults obtain justice and recover what was stolen from them.

Since I last appeared before this committee I have consulted on 140 elder cases and investigated 30 complex financial exploitation cases. For those 30 cases, Pennsylvania older adults lost more than \$6.4 million and had another \$4.7 million at risk. That is an average theft of \$213,000 per case. In 90% of the cases the theft occurred through regular checking and savings accounts and 75% of the time the theft was committed by the power of attorney.

Of the \$6.4 million stolen, so far we have been able to recover or obtain court ordered restitution of \$1.9 million but we need to do more. The resources and expertise at the Area Agencies on Aging (AAA) and in Law Enforcement to deal with these difficult investigations are inadequate. Several District Attorneys and police detectives have told me that cases would not be prosecuted without the investigative support I provide to them courtesy of the Department of Aging.

But it's not just about the dollars. Sadly many of the cases I work also involve some form of physical neglect or emotional abuse.

- It's the daughter we prosecuted in Lancaster County who spent all her mothers money going to the gym and shopping on QVC – all the while her mother was left upstairs alone in her bedroom, naked and lying on a bare mattress – so delusional she was found chewing on the curtains.
- It's the 91 year old woman in Northumberland County who was duped into believing a stranger wanted to be the son she never had and would take care of her in her declining years. He "took care of her" by taking her house, locking her in an apartment in his basement, isolating her from her friends and threatening to put her in a nursing home if she didn't sign checks to pay his \$10,000+ credit card bills.
- It's the daughter in Butler County who drugged her mother and then checked her into a nursing home dementia unit so she could steal her home and all her investments. Adult Protective Services rescued the older woman, who did not have dementia, once the nurses realized she didn't belong there.

In each of these cases there were red flags at the banks and investment companies. Some more obvious than others but they were there. I know from my prior banking experience that when a banker thinks they have detected elder abuse they are right more than 70% of the time. That's double the rate for reports from the general public.

I do believe we need mandatory reporting by banks because frankly they are in the best position to detect and prevent financial exploitation - they have the information and the expertise. But I do so with trepidation that those reports will flood the AAA's with unnecessary cases. We do need all banks reporting suspected abuse but we also need to provide training and specific guidelines on what to report and what not to report. The Department of Aging with assistance from Temple University could provide that training and a one-page reference guide that could easily augment the existing loss prevention training already delivered at financial institutions. We can't begin to put a

dent into this terrible problem without a partnership with the banks, credit unions and investment companies. Early detection and intervention is the key to making an impact.

In the last two years I have trained 550 bankers on how to detect and report elder abuse. Each time I conduct that training I ask the bankers if they have a customer they are thinking is being abused based on what they learned that day. Each time I do so more than half the room raises their hands. And every time I get phone calls and emails the next day asking for my advice on particular client situations. Just two weeks ago I worked with a bank to save \$50,000 for a Jefferson county woman and we did so in a manner that protected both the client and the bank.

I applaud the efforts of my former colleagues but urge them to do more to implement a program to train every employee. I also urge this committee to update the law to clearly give financial institutions the proper authority to share information and records with Adult Protective Services in order to respond quickly and help our most vulnerable citizens.

People ask me why I left a fairly high level job in banking to do this work. Instead of managing a staff of 300 I now spend hours creating spreadsheets on my computer in order to prove a crime has been committed. I tell them it is because of Betty.

Betty spent her last years sharing a small room in the nursing home with a stranger who screamed most nights due to advanced dementia. She should have been enjoying her final days in the spacious private room she had saved up for but she couldn't live there because her nephew had stolen the \$275,000 she had spent a lifetime saving.

Betty died last month without seeing final justice in her case. She deserved better and I thank you for convening these hearings so together we can make the changes necessary to better protect all the other Betty's out there.

*"I always trusted him and thought he was a good nephew, but today I wouldn't trust him at all. When I gave him Power of Attorney, I never thought he would do this to me. He took all the money I had."* - ExploreVenango 10/24/12





## **PA Aging and Older Adult Services Committee**

### **"Older Adults & Protective Services"**

**February 15, 2012**

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Attachment:

*"Protecting the Elderly and Vulnerable from Financial Fraud and Exploitation"*

Good Morning. My name is Linda Mill and I am in independent consultant and Certified Fraud Examiner. Previously I worked for 25 years at one of the top 5 financial institutions in the country, most recently as Senior Vice President of Deposit Risk Operations. In that capacity I created and managed the bank's financial exploitation prevention, training and investigations group.

My introduction to the issue of financial exploitation of senior citizens came in 2002 when the Director of Older Adult Protective Services in Philadelphia approached me for assistance. I didn't know what I could do to help but I agreed to listen, as I knew nothing about Adult Protective Services (APS). I did know that senior citizens were often victims of fraud and our ability to help them as a bank was limited. His request was simple – help him protect senior citizens from financial exploitation. That meeting developed into a pilot project to train all of our branch personnel in Philadelphia to detect and report suspected elder abuse. As we delivered that initial training in the Spring of 2003, we heard over and over again from our tellers “thank goodness we can finally do something”. They knew the problem existed but felt restrained by regulations protecting the privacy of their customers.

That pilot project yielded results right away as we partnered with Adult Protective Services to protect victims' bank accounts and provide the services they needed. The city pilot became a statewide pilot and eventually the program was deployed across the entire company's footprint, which included 13 states. With the support of senior management we trained all branch personnel, call center representatives and back office staff to identify and report suspected elder abuse and financial exploitation to my elder abuse investigations team. What we found was that 70% of the time when a teller thinks something is wrong, it is. That is compared to 30% for reports made by the general public.

Between 2004 and 2008, we investigated nearly 3,000 cases and prevented more than \$2.2 million in losses for our senior customers. But more importantly we protected \$62.5 million in deposits. That \$62.5 million was the amount of money elderly victims had on deposit in our bank when Adult Protective Services substantiated abuse. If we had not worked with APS to intervene, the \$62.5 million

would likely have been stolen. And since most seniors keep money in multiple banks the real number was likely much higher.

As our work with the Adult Protective Services industry grew I had the opportunity to work with Dr. Ron Costen at the Institute on Protective Services at Temple University, Kathleen Quinn of the National Adult Protective Services Association and Barbara Dieker of the US Administration on Aging. Together we spoke to APS investigators, law enforcement and bankers across the country about the importance of a partnership in preventing financial exploitation and elder abuse. That work led to a project sponsored by the BITS group of the Financial Services Roundtable. Using my bank's training program as the foundation, we published a toolkit for banks in February 2006. This free resource is available to all financial institutions as a model to use to frame their own prevention and training programs. I have provided a copy of that training program to you.

Since leaving the bank I have been consulting with the Institute on Protective Services and the Philadelphia Corporation for Aging on financial exploitation cases. In that capacity I train APS investigators on the basics of financial fraud analysis and I also investigate the large dollars cases – some as high as \$500,000. Working with APS and state and local law enforcement I have observed a system of dedicated individuals who are under resourced and inadequately trained for the tidal wave of financial exploitation cases impacting this state today.

Financial fraud investigations require a unique skill set and a large investment of time. My investigations to date have averaged more than 50 hours each and I have more than 10 years of experience. That 50 hours also does not include the hours of work APS has done to interview the victim and gather the financial records and other evidence.

I'm not a social worker, I'm not a police officer and I am not an attorney. I can't do their jobs and they can't do mine. But together we each bring the skill set necessary to investigate and prosecute the perpetrators who are not only stealing money from our seniors but also their dignity and sense of security.



But it is not enough. We need a statewide coordinated effort to prevent the exploitation and abuse before it robs someone of their life savings and they become reliant on state funded services for their health and well being. After 15 years in the fraud prevention business I can assure you that it is much easier and cheaper to prevent financial fraud than trying to recover it after the fact. We need financial institutions and the skill and resources they bring to the table to help us fight this exploding problem. I have met many bankers who are passionate about protecting their senior customers but the institutions they work for are not moving fast enough to make it a priority.

#### RECOMMENDATION

In my opinion Pennsylvania should launch a statewide coordinated initiative to protect our most vulnerable citizens and our limited state resources. That effort must start with prevention. I urge this General Assembly to pass legislation to mandate financial institution training, prevention and reporting programs. The law should also allow APS investigators access to the bank records they need to complete their investigation.

Banks already have the skill set, technology and infrastructure to detect financial exploitation early and dramatically reduce its impact and cost. It's also good business for them as they reduce their own fraud losses and operating costs, retain valuable deposits and foster good will in the communities they serve. It's proven. If one financial institution can protect \$62.5 million what could the combined resources of all financial institutions accomplish?

I thank you for the opportunity to address you this morning and I am happy to answer any questions you may have.