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Iowa Department on Aging Response:
Chairman Chuck Grassley
U.S. Senate Committee on Judiciary
Questions for the Record
Ms. Donna K. Harvey

1. Many communities have begun developing multi-disciplinary teams to assist in cases of elder financial exploitation. These teams help bring together expertise from various fields, including financial institutions, law enforcement, adult protective services, and others. I'd like to know more about what the Iowa Department on Aging is doing to support the development of multi-disciplinary teams. How is the Iowa Department on Aging working with other Iowa state entities, stakeholders, community organizations, or advocacy groups to help prevent and combat elder financial exploitation?

The Iowa Department on Aging (IDA) is working in conjunction with the Iowa Area Agencies on Aging and the Iowa Department of Human Services on strengthening existing multi-disciplinary teams. These teams coordinate local service providers, law enforcement, and other mental health providers as needed.

Additionally, IDA is a partner in the *Abuse in Later Life Violence Against Women Act (VAWA)* grant being implemented in Iowa. As part of this grant the Department on Aging will be integrally involved in the creation and oversight of Coordinated Community Response teams which bring together state entities, stakeholders, community organizations, and advocacy groups to design, recommend, and ultimately implement systemic changes and resources necessary to prevent and combat elder abuse, including financial exploitation, in Iowa.

2. I want to hear more about the specific types of scams and exploitation schemes that are threatening Iowans.
 - a. What types of trends are you seeing in Iowa in regard to elder financial exploitation? What is your Department doing to stay ahead of the curve on these ever-evolving crimes?

The Department on Aging (IDA) reached out to the Senior Medicare Patrol National Resource Center, the Iowa Insurance Division, and Iowa's Attorney General's office and compiled the following list of elder exploitations. To stay ahead of these ever evolving fraud and scams, the IDA is working closely with other executive branch agencies, law enforcement, the financial services industry, and victim services providers to understand what types of crimes they are most commonly encountering at the local level and to determine how best we can collaborate to address the challenges.

Common Elder Financial Exploitation Scams in Iowa

Although approximately 90%¹ of elder financial exploitation in Iowa is perpetrated by a family member or someone the older adult knows, there are a number of scams in Iowa that are perpetrated by strangers online, over the phone or by mail. A recent study by the AARP² highlighted characteristics of people over the age of 50 that make them easy targets for these types of scams, including the fact that they expect honesty in the marketplace, are less likely to take action when defrauded, and are less knowledgeable of their rights. Common scams in Iowa include:

- **Back/Knee Brace Scam:** The victim receives a call that says Medicare will pay for a back or knee brace. The victim receives a poor-quality product that cannot be used and is charged several times over what was initially quoted by the caller, with Medicare approving/paying just a portion of the claim.
- **IRS Phone Scam:** The victim receives a call that the IRS is going to sue him/her unless immediate action is taken and payment is made.
- **Lottery/Sweepstakes Scam:** The victim receives notification that he/she has won a substantial prize from a contest or lottery, but to claim the prize, must first pay a fee (for insurance costs, taxes, bank fees, etc.). Victims may be asked for bank account information (so money can be wired) and are often advised to keep their winnings private to “maintain security” or keep others from getting their prize by mistake.
- **Grandparent Scam:** The victim receives an urgent call that his/her grandchild has an emergency need for cash. The victim is convinced to immediately wire a large amount of money or provide a credit, debit or prepaid card number to help pay for a sudden personal crisis, such as a car accident, medical emergency or even bail money.
- **Tech Support Scam:** In this scam, a caller poses as a computer technical support employee, perhaps even falsely identifying him/herself as a Microsoft or "Windows support" representative. The caller seeks remote access to the victim's computer and/or requests personal information.
- **Utility Scam:** The caller claims they represent the victim's local power/utility company and threatens to shut off service unless an immediate payment is made. The caller may direct the victim to go to a local store that sells reloadable debit cards and then call back to get the card number and obtain the funds.
- **Caller ID Spoofing:** Callers manipulate phone displays to hide their identity or pretend to be someone else. The technique, called spoofing, can make it impossible to know for sure who is really calling, and callers may use the caller ID display to impersonate agencies or organizations to request or demand money.

b. Are there any specific challenges in regard to protecting seniors who live in rural communities?

One major challenge is finding ways to reach older rural Iowans so they can be educated about scams and about the resources available to them if they have been a victim of a scam. Rural older Iowans are often geographically isolated, which can lead to low social support.³ Low social support has been shown to be a prime factor in increasing vulnerability to financial exploitation.⁴

3. We've heard how important it is to educate the public about scams and other forms of elder financial exploitation.

- a. Can you speak more about the importance of consumer education and awareness as a way to prevent older Americans from becoming victims of financial exploitation in the first place?

Educating older adults about common scams is a critical component in the prevention of financial exploitation.⁵ Scammers frequently prey on older adults' vulnerabilities, frequently pressuring through fear tactics.⁶ Educating older adults via a statewide public awareness campaign with the knowledge that someone is trying to "pull the wool over their eyes" goes a long way towards equipping them with the knowledge they need to walk away from the scam before the pressure begins.

Knowing that others have been scammed, and that older adults from all walks of life have been targeted or financially exploited, can be reassuring to an older adult who may be concerned that they have been contacted by a scammer or have fallen victim to one. It may give them the courage to reach out for assistance by lessening their feelings of shame or guilt.⁶

- b. What advice do you have for family members, friends, and others trying to protect their loved ones from financial exploitation?

Stay involved. The most important advice we can give is for friends and family to have open communication and an active relationship. Studies have shown that older adults with a strong social network are at a much lower risk for victimization.⁷ If something seems awry or if there is a change in the older adult's activities or demeanor, a close friend or family member should ask the older adult about it.

Family can assist older adults in getting on the Do Not Call registry and help them learn how to monitor their credit rating. Encourage older adults to never give out their credit card numbers or social security number over the phone unless they initiated the call, and to tell solicitors: "I never buy from (or give to) anyone who calls or visits me unannounced. Send me something in writing."⁸

4. Is there anything you wish to add to, or correct for, the record? If so, please take this opportunity to provide any additional remarks or commentary.

As we have learned in Iowa, there are many entities involved in reducing financial exploitation for elders; however, very few are mandated to collaborate, communicate, or coordinate. It may be beneficial to take an inventory of how many federal departments are working on this issue and their focus to determine efficiencies and consistencies.

As once stated in an Iowa meeting "elder abuse is where child abuse was 30 years ago". We have many opportunities to improve the quality of life of those affected.

- 1- <https://www.iowaattorneygeneral.gov/for-consumers/for-older-iowans/>
- 2- AARP (2011). *AARP Foundation National Fraud Victim Study*. AARP Foundation.
- 3- Baernholdt M, Yan G, Hinton I, Rose K, Mattos M. Quality of life in rural and urban adults 65 years and older: findings from the national health and nutrition examination survey. *The Journal of rural health: official journal of the American Rural Health Association and the National Rural Health Care Association*. Sep 2012;28(4):339-347.
- 4- <https://www.ncoa.org/public-policy-action/elder-justice/elder-abuse-facts/>
- 5- http://www.aoa.acl.gov/AoA_Programs/Elder_Rights/EJCC/docs/Smocer_White_Paper.pdf
- 6- http://files.consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf
- 7- <https://www.metlife.com/assets/cao/mmi/publications/studies/2011/mmi-elder-financial-abuse.pdf>
- 8- <https://www.ncoa.org/economic-security/money-management/scams-security/protection-from-scams/>