

# THE ELDER JUSTICE COALITION

A NATIONAL ADVOCACY VOICE FOR ELDER JUSTICE IN AMERICA  
JOHN B. BREAUX, HONORARY CHAIR ♦ ROBERT B. BLANCATO, NATIONAL COORDINATOR

## Hearing-House Judiciary Committee-Subcommittee on Crime, Terrorism and Homeland Security

May 25, 2010

Bob Blancato, National Coordinator, Elder Justice Coalition

Mr. Chairman and Members of the Subcommittee:

It is an honor to once again appear before you in my capacity as National Coordinator of the Elder Justice Coalition, a non partisan 640 member organization working to promote elder justice in the United States. Let me begin Mr. Chairman by commending your leadership on behalf of elder justice. In the last Congress this same Subcommittee held a hearing on the Elder Abuse Victims Act and soon thereafter reported it out of the Committee and the House both in 2008 and 2009 passed this crucial legislation. We remain hopeful that the Senate beginning with the Judiciary Committee will also pass this bill this year. Your leadership and dedication to the issue of elder abuse prevention is most commendable.

It is also a pleasure today to testify in support of H.R.3040 sponsored by another distinct champion of elder justice, Representative Baldwin. In addition to her leadership on this Committee with respect to elder abuse prevention, she was one of the leaders in the House that helped pass the Elder Justice Act which was part of the health care reform legislation signed into law this past March.

Passage of H.R.3040 is necessary in order to improve our capacity to prevent seniors from falling prey to another form of elder abuse, financial exploitation which involves mail, telemarketing and Internet fraud.

A review of the findings section of this legislation is sobering. Several points are worth emphasizing. The first and most obvious that you all see in your Districts and States, the population is aging right before our eyes. We know the numbers today, 34 million persons over 65 but come next year the first wave of boomers will turn 65 and by the time they all do we will have a doubling of our elderly population.

It also references the Senate Special Committee on Aging estimate that there could be as many as 5 million cases of elder abuse each year in this nation. Financial abuse for the past several years has been one of the fastest rising forms of elder abuse.

The MetLife Mature Market Institute, the Center for Gerontology at Virginia Tech and the National Committee for the Prevention of Elder Abuse report mentioned in the bill was a real eye opener. Its main finding is that the annual financial loss by victims of senior financial abuse is a very conservative estimate of \$2.6 billion lost per year. In addition, Internet scams were one particular type of elder financial abuse examined in the report. Internet scams included:

- \*Social networks
- \*Email
- \*Medications
- \*Assistive devices/medical equipment

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- \*Clothing
- \*Make up and anti-aging remedies
- \*Property and information solicitation

Another Justice Department study released earlier indicated that with respect to internet fraud data, the study shows that those 60 and over lose more money per incident of financial abuse than any other age group.

The sad reality is that the wonders of modern technology can be offset by their use in the horror of elder financial abuse. The New York Times in an article on May 20<sup>th</sup> entitled “Keeping Online Criminals at Bay” noted that, “The Web is a fountain of information, a busy marketplace, a thriving social scene and a den of criminal activity.”

The Baldwin bill is comprehensive and proactive in its approach to this growing problem as it affects seniors. It will help to stop abusive mail, telemarketing and internet fraud targeting seniors. It will join with the Elder Justice Act in helping to raise public awareness of the impact of these crimes on the lives of seniors and the need to educate individuals, families and caregivers on how to detect, report and combat financial elder abuse.

We do need to involve the Federal Trade Commission more in this prevention work. The Baldwin bill would have them be the centralized service providing consumer education on mail, telemarketing and internet fraud targeting seniors. Here we must use technology as a tool of help by having as the bill calls for, a centralized website to serve as a resource for seniors on financial fraud and abuse prevention.

We support the creation of new grant program to state and local organizations to do locally focused public awareness prevention campaigns. In some instances, there are communities already doing this kind of service and these grants could make them stronger and into national models.

Finally, designating a week in May to coincide both with Older Americans Month and Elder Abuse Awareness Month would be helpful to the overall public awareness raising efforts.

Financial abuse and exploitation of seniors is as close as a family member or as far away as an international phone call from a scam artist. No matter the perpetrator, the elderly victim is never the same. They in many cases are never able to recoup what they lose financially. Add the psychological harm and it is an especially cruel form of victimization.

And if there is any doubt that this is both a local and a current problem, let me share and enter into the Record some recent news stories about the kind of financial abuse addressed in this legislation:

“Sweepstakes Cafes Thrive, Despite Police Misgivings.”-May 6, 2010- Casselberry, Florida. ‘Rick Massa was spending this Friday afternoon as he does every week sitting at a computer on the lonely end of a strip mall here inside Jack’s Business Center and Internet Café. He was not checking his email messages or sending a fax and he was not interested in coffee. Mr. Massa 73 wanted to win money.’ The story goes on to identify a game called Lucky Sevens, an online

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sweepstakes game that mimics a slot machine. The article describes how officials in 4 other states (California, North Carolina, Utah and Virginia) are grappling with the legality of gaming cafes.

From the Connecticut Post May 3<sup>rd</sup> headline, “Nigerian scams still net victims.” Happily this story begins with a conviction of a scam artist involved in the so-called Nigerian scam where promises of money moving from African banks into your bank as long as you pay a few thousand dollars up front in so-called “document fees.” In this one case, 52 people were scammed out of \$1.3 million.

And from San Jose, California, “South Bay elderly warned on Financial Scams.” This article focused on the so-called Canadian lottery scheme where victims receive notification by email or a letter that they have won prize money but are then required to send a fee.

I know members of this Subcommittee deserve credit for the fact that the Elder Justice Act is now law. We must work to fund it adequately and implement it properly. But there is more to do. We have this legislation as an example and it should move quickly through this Subcommittee, full Committee and the House and the Senate should follow. It will demonstrate to our seniors that the concerns about elder abuse are being heard and addressed. We must treat elder abuse as the crime it is; ensure we are applying all necessary resources to achieve prosecution and use education, training and raise public awareness to prevent future victimization.

Thank you for providing me the opportunity to testify on behalf of this crucial piece of legislation today.