

Highlights of [GAO-10-1046](#), a report to the Chairman, Special Committee on Aging, U.S. Senate

Why GAO Did This Study

As individuals age, some become incapable of managing their personal and financial affairs. To protect these individuals, state laws provide for court appointment of guardians, who may be professionals or family members, to protect the incapacitated person's personal and/or financial welfare. State and local courts are responsible for overseeing guardians. In addition, federal agencies may appoint a representative payee, in some cases, the guardian, to manage federal benefits on behalf of incapacitated adults. Previous GAO reports have found that poor communication between state courts and federal agencies may allow guardians to continue abusing their victims.

GAO was asked to (1) verify whether allegations of abuse by guardians are widespread; (2) examine the facts in selected closed cases; and (3) proactively test state guardian certification processes. To verify whether allegations are widespread, GAO interviewed advocates for seniors and reviewed court documents. To examine closed criminal, civil or administrative cases with a finding of guilt or liability in the past 15 years, GAO reviewed court records, interviewed court officials, attorneys and victims, and reviewed records from federal agencies. To test state guardian certification, GAO used fictitious identities to apply for certification in four states. GAO's results cannot be projected to the overall population of guardians or state certification programs.

View [GAO-10-1046](#) or [key components](#). For more information, contact Gregory D. Kutzg at (202) 512-6722 or kutzg@gao.gov.

GUARDIANSHIPS

Cases of Financial Exploitation, Neglect, and Abuse of Seniors

What GAO Found

GAO could not determine whether allegations of abuse by guardians are widespread; however, GAO identified hundreds of allegations of physical abuse, neglect and financial exploitation by guardians in 45 states and the District of Columbia between 1990 and 2010. In 20 selected closed cases, GAO found that guardians stole or otherwise improperly obtained \$5.4 million in assets from 158 incapacitated victims, many of whom were seniors. In some instances, guardians also physically neglected and abused their victims. The guardians in these cases came from diverse professional backgrounds and were overseen by local courts in 15 states and the District of Columbia. GAO found several common themes. In 6 of 20 cases, the courts failed to adequately screen potential guardians, appointing individuals with criminal convictions or significant financial problems to manage high-dollar estates. In 12 of 20 cases, the courts failed to oversee guardians once they were appointed, allowing the abuse of vulnerable seniors and their assets to continue. Lastly, in 11 of 20 cases, courts and federal agencies did not communicate effectively or at all with each other about abusive guardians, allowing the guardian to continue the abuse of the victim and/or others. The table below provides examples of guardianship abuse cases.

Examples of Cases of Abuse by Guardians

Victim	Guardian/ state	Case details
87 year old man with Alzheimer's disease	Former taxi cab driver / Missouri	<ul style="list-style-type: none"> Guardian embezzled more than \$640,000, which included the purchase of a Hummer and checks written to exotic dancers. County workers found the victim living in the guardian's filthy basement wearing an old knit shirt and a diaper. Guardian was sentenced to 8 years in prison and ordered to pay \$640,000 in restitution.
At least 78 victims	Private agency / Alaska	<ul style="list-style-type: none"> Agency management stole at least \$454,000 over 4 years. Executive director used wards' funds to pay for his credit card bills, medical expenses, mortgage payments, and camp for his children. Victims received partial repayment, but no criminal charges were filed.
20 victims of various ages with mental incapacities	Licensed social worker, registered nurse / Kansas	<ul style="list-style-type: none"> Guardian and his wife sexually and physically abused residents of their unlicensed group home and billed Medicare for this "therapy." Residents lived in a house described by the prosecutor as "dirty and bug-infested" and were videotaped engaged in forced sexual activities. Guardian sentenced to 30 years in prison; wife sentenced to 15 years.

Source: GAO summary of closed cases of abuse, neglect and financial exploitation by guardians.

Using two fictitious identities—one with bad credit and one with the Social Security number of a deceased person—GAO obtained guardianship certification or met certification requirements in the four states where we applied: Illinois, Nevada, New York, and North Carolina. Though certification is intended to provide assurance that guardians are qualified to fulfill their role, none of the courts or certification organizations utilized by these states checked the credit history or validated the Social Security number of the fictitious applicants. An individual who is financially overextended is at a higher risk of engaging in illegal acts to generate funds. In addition, people with criminal convictions could easily conceal their pasts by stealing a deceased person's identity. The tests raise questions about the effectiveness of these four state certification programs.