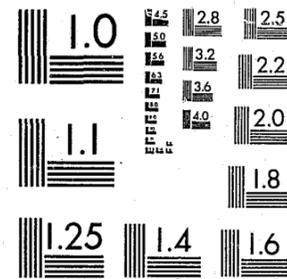


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FINAL REPORT

~~X~~ CONSUMERISM AND THE AGING:
THE ELDERLY AS VICTIMS OF FRAUD

PREPARED FOR THE ADMINISTRATION ON AGING
OFFICE OF HUMAN DEVELOPMENT
U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BATTELLE LAW AND JUSTICE STUDY CENTER

NOVEMBER, 1978

U.S. Department of Justice
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FINAL REPORT
CONSUMERISM AND THE AGING:
THE ELDERLY AS VICTIMS OF FRAUD

PREPARED BY

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ACQUISITIONS

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FOREWORD AND ACKNOWLEDGEMENTS

This research project was commissioned by the Administration on Aging of the Department of Health, Education, and Welfare as part of its broad research program addressing the needs of the elderly. Our task was to address one aspect of the elderly condition, that dealing with the elderly as potential or actual victims of fraud or consumer abuse.

The general objective of this research was to contribute to the development of improved preventive and remedial action in the area of fraud and consumer abuse committed against the elderly, and thereby to diminish the incidence and impact of such harm. This we have sought to do through examination of applicable and relevant literature, observation of the processes of consumer protection and anti-fraud agencies, interviewing of the clients of such agencies, community surveys, and by the analysis and integration of these research tasks into what we believe to be a body of information which will assist policy planners and agency administrators to better help the elderly to cope with such fraud and abuse through prevention and the provision of appropriate remedies.

We owe much to the many persons who contributed to our efforts. Dr. Fran Jacobs of the Administration on Aging was our project monitor; her interest in our work was persistent, encouraging, supportive--and she was a source of strength in keeping us informed of other work in this and related fields dealing with the elderly. John Conrad of the Academy of Contemporary Problems; Simon Dinitz of Ohio State University; Ezra Stotland of

the University of Washington; and Jack Goldsmith of California State College, Bakersfield, were members of our National Advisory Panel who critiqued our plans and gave us guidance at many points. We should also express our appreciation to Professor Gerald Zaltman and his colleagues at the University of Pittsburgh, who have simultaneously been engaged in research in this same area, albeit from a somewhat different perspective, under a parallel grant from the Administration on Aging; their cooperation was of great help to us.

A major part of this research was based upon collection of data in two agencies which serve the needs of consumers and victims of fraudulent practices. We owe much, therefore, to the leaders and staffs of these agencies: in the State of Washington to Attorney General Slade Gorton, to Assistant Attorney General Thomas L. Boeder, Chief of his Consumer Protection and Antitrust Division, and to Richard Hubbard, Mareatha Counts, and Marilyn Pederson and other members of the Division staff; in Genessee County (Flint), Michigan, to Prosecutor Robert F. Leonard, to his deputies Edwyna Anderson and George Steeth and the other members of the staff of his Consumer Protection Division.

It was most important to this research that it be firmly grounded in the practicalities of service delivery and the realities of the condition and needs of the elderly sector of our population. In this we were assisted beyond measure by local advisory panels in Flint, Michigan and Seattle, Washington. These local advisory panels represented public and private agencies and organizations serving the needs of consumers, the elderly, and more general segments of the public such as minority groups

and trade unions. Too numerous to mention here, the members of these panels helped us to gather our data and gave us a deeper understanding of their meaning. In this connection, special note should be made of the sage advice and counsel we received from Dr. Thomas Anderson of the Community Service Division of the Office of Aging in the Department of Social and Health Services of the State of Washington, and from members of his staff.

Telephone surveys in Seattle and Flint were carried out for us by Ms. Judith Fiedler of the Educational Assessment Center, University of Washington, and by Dr. Robin Widgery of the Systems Development Institute, respectively.

Though all members of the Battelle project staff were involved in some way in all aspects of this research, particular staff members carried major responsibility for discrete tasks or for the development and preparation of the reports which are the work products of this research. The design of our instruments was largely the work of Dr. Marilyn Walsh, a Battelle Research Scientist, and Ms. Deborah Berger, Research Specialist, and planning for our surveys benefitted from the advice of Professor Donovan Thompson of the University of Washington and Dr. Elizabeth Harkins, a Battelle Research Scientist. Ms. Berger was largely responsible for the literature reviews and the preparation of our glossary of terms and annotated bibliography, our first report, which in turn was built upon prior work of the Battelle Law and Justice Study Center, The Investigation of White-Collar Crime. Our work at the field site in Flint, Michigan, was carried out by Ms. Pepi Rosenthal, and Dr. Walsh supervised data collection at both the Seattle and Flint sites.

Our report, Communicating Consumer Protection and Anti-Fraud Information to the Elderly, was initially drafted by Ms. Berger; the final report was the responsibility of Bert H. Hoff, a Research Scientist in the Battelle Law and Justice Study Center. Our report, Providing Consumer Protection and Anti-Fraud Services to the Elderly, was primarily the work of Professor Michael Brintnall of Brown University, who participated in this research as a Battelle Visiting Scientist, and who was assisted in the final stages by Mr. Hoff.

Our Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience is a product of the joint efforts of Dr. Walsh, and Dr. Mary McGuire, Battelle Research Scientists. The Impact of Fraud and Consumer Abuse on the Elderly was prepared by Dr. Walsh, with assistance from Dr. McGuire.

Last but not at all least, we must acknowledge the major contribution of Ms. Ingrid McCormack, who kept track of everything throughout the course of our study, produced our multiple revisions uncomplainingly, prepared tables, and acted as guardian of our timetables. In this she was assisted by Ms. Cheryl Osborn and other members of our secretarial staff.

Herbert Edelhertz
Project Director

I. INTRODUCTION

This Final Report is, in essence, a document transmitting the individual reports which are the ultimate outputs of this effort. In this section of the Final Report, therefore, the overall thrust of our research will be briefly discussed, followed by an executive summary and some concluding comments.

This research was designed to address the scope, character, and incidence of frauds and consumer abuse committed against the elderly, and those factors which were believed to create, in the aged, some special susceptibility to fraudulent and exploitive market operations. Anecdotal literature and other sources reflected the common belief that the elderly are specially vulnerable to fraud and consumer abuse, and that they are particularly unable to deal with such exploitive behavior because of their physical condition or their social environment. Our inquiries were not designed to test the validity of this belief, but we should add that our data did not support it.

The specific objectives of this research were to:

1. to identify the range and distribution of fraud by classifying and describing the scope, incidence, and character of fraud offenses against the elderly;
2. to identify the conditions under which the elderly are most susceptible to fraud, along dimensions of their physical condition, economic condition, family relationships, neighborhood environment, etc;
3. to identify those types of quasi-legitimate businesses which are especially fertile ground for the perpetration of fraud against older people;
4. to develop a greater awareness among the aging, especially low income aging, of the sources of fraud and the manner in which frauds are perpetrated against them;

5. to develop guidelines and policy to make fraud less prevalent among aging populations;
6. to establish a body of information on the harm done to the elderly by fraud;
7. to establish a body of information on how selected federal, state and local government, and private organizations provide preventive and remedial actions directed against frauds committed against the elderly; and
8. to establish a body of information on methods which can be used by public and private agencies to alert and educate the elderly to the dangers of fraud, and to what they can do to help themselves if they are defrauded.

The approach taken was to collect information from a number of sources, all of which were to contribute to the preparation of a number of reports deemed useful to those serving the needs of the elderly, as policy planners, agency administrators, or agency personnel --- whether in agencies focusing on the needs of the aged or on the needs of consumers generally who are concerned with serving the elderly sector of a more general client population.

We therefore structured an approach to achieving these research objectives^{1/} which involved the collection of information from:

1. existing literature;
2. the experience of public and private agencies and organizations;
3. prior research conducted by Battelle which dealt with remedies and enforcement efforts against fraud and also organizational priority setting, planning, and evaluative efforts in this area;

^{1/} The details of our research methods are contained in the individual reports which accompany this Final Report, and the appendices thereto.

4. specific observations, interviews, and administration of questionnaires at two local consumers protection/anti-fraud agencies which were our research sites; and
5. telephone surveys of samples of the aged in the two communities served by the local consumer protection/anti-fraud agencies in which we were collecting data.

As originally envisioned, this information was to provide the basis for a series of designated reports. Our plans changed in the course of the research, as described below.

The original series of written work products was to have been:

- A bibliography of references relevant to the issue of fraud and consumer abuse directed against the elderly.

In the course of our work we quickly concluded that a conventional literature review and resulting bibliography would be of only limited use to the planners and agency personnel who would use it. We, therefore, elected to expand this effort and to prepare a document which would contain descriptions and definitions of various forms of consumer abuse which were considered likely to affect the elderly. These terms and descriptions were numerically cross-referenced to carefully annotated bibliographic references which direct the user to particular chapters and even page numbers of special interest. The bibliographic entities themselves include references back to the glossary to lead the user to related and relevant subject matter. This document, titled Consumer Fraud and Abuse: Problems of the Elderly in the Marketplace (a Glossary of Terms and Annotated Bibliography) is transmitted with, and incorporated by reference in this final report.

- A model brochure directed at the special needs of the elderly for information as to frauds or consumer abuses to be guarded against, and remedies to be involved.

As part of our data gathering effort we mailed questionnaires and requests for consumer education materials to agencies serving consumers and dealing with consumer fraud. Through this mailing, we made an extensive collection of consumer education materials in use throughout the United States, from agencies on every jurisdictional level (federal, state, local), and from agencies with different functional roles (consumer protection agencies, prosecutors' offices, regulatory agencies). As we studied this massive collection of materials actually in use, it rapidly became clear that there was no paucity of well written and attractively illustrated brochures; there was no need for one more prototype for a model brochure. At the same time it was also evident from our inquiries that agencies dealing with the elderly in their capacity as consumers or actual or potential fraud victims had little or no information available to assist them in reaching their target audience of elderly citizens. This was true not only for agencies providing other or general services to the elderly, but also for general consumer protection agencies which wished to provide special services to the elderly among their constituencies. For this reason it was decided to replace the planned model consumer protection brochure with another work product, a report on how consumer protection programs directed toward an audience of the elderly might best be implemented. The result was a report which examines the nature of the audience, the barriers to communication, the advantages and disadvantages of vehicles which can be used for such communication, and

provides guidelines and examples for the development of materials for use in such programs. This report is titled Communicating Consumer Protection and Anti-Fraud Information to the Elderly, and is transmitted with and incorporated by reference in this Final Report.

- A report on remedial options and cooperation among agencies; and
- A report on delivery of agency services to elderly victims of fraud and consumer abuse.

These two reports were designed to cover three areas: (1) legal rights and remedies available to those suffering abuse or to punish the abuser; (2) the ways in which agencies operated in restituting victims and/or disciplining abusers; and (3) how agencies cooperated with one another in the second area, a subject which we considered of utmost importance throughout our study. In the course of our work it became clear that there were other efforts in the first area, that of legal rights and technical remedies, which paralleled our own, though these other efforts did not focus specifically on the elderly as victims of fraud or consumer abuse. The broad focus of these other efforts in no way detracted from their usefulness and relevance to the requirements of the aged, since statutory and agency administrative sanctions or remedies were all of general application; that is, they can appropriately be invoked on behalf of the elderly as well as for the younger elements of our population. Two such documents are: Survey of Consumer Fraud Law^{2/} by Jonathan A. Sheldon and George J. Zweibel which was produced by the National Consumer Law Center in June, 1978 under a grant from the National Institute of Law Enforcement and Criminal Justice of the Law

^{2/} U.S. Government Printing Office (stock No. 027-000-00672-8).

Enforcement Assistance Administration (L.E.A.A.); and The Prosecutor's Manual on Economic Crime, a publication of the National District Attorneys Association's Economic Crime Project produced under an L.E.A.A. grant. These documents provide widely available and substantially comprehensive listings and explanations of available sanctions and remedies to meet the needs of consumers, young and old. In light of these documents, we decided that project resources could better be used to prepare a single report which would consider the issues involved in delivery of consumer protection and anti-fraud services and remedies to the elderly. In particular, it would focus on the issue which emerged as the most important one in our view --- whether the elderly are better served in the consumer protection/anti-fraud area by agencies focusing specifically on the needs of the elderly, or by the development of effective linkages between agencies which serve the elderly and those which specialize in generally serving victims of fraud and consumer abuse without reference to age. Our report, Providing Consumer Protection and Anti-Fraud Services to the Elderly, considers these issues and is transmitted with and incorporated by reference in this Final Report.

- A report describing specific abuses affecting the elderly.

Prior to this research project there was little but anecdotal information available on fraud or consumer abuse as it affected the aged. There were many news stories about individual frauds on the elderly, usually implying a higher than average level of gullibility. Even in law enforcement and consumer protection circles there were assumptions based on such stereotypes. Battelle, therefore, designed its inquiry to learn about such victimization, and

about agency ameliorative responsive action, from actual cases reported to two active and well-regarded consumer protection/anti-fraud agencies. One was the Seattle office of the Consumer Protection and Anti-Trust Division of the Office of the Attorney-General of the State of Washington; the second was the Consumer Protection Division of the Prosecutor's Office in Genessee County (Flint), Michigan. This inquiry addressed the modi operandi of the transactions complained of, possible elements of victim vulnerability, personal characteristics of complainants, and agency action to provide relief or restitution, or punish or discipline victimizers of the elderly. Interviews and questionnaires were employed, and the files of elderly complainants were monitored as part of this research. For comparison purposes Battelle also examined the cases of a matched sample of non-elderly complainants to these same agencies, to achieve a sense of possible differences between these two groups with respect to patterns of victimization, their comparative susceptibility to fraudulent practices, harm done to victims, and services provided by the agencies receiving the complaints. At the same time we recognized that there were likely to be significant differences between those who complained to consumer protection/anti-fraud agencies and those who did not, with respect to the profiles of victims and the patterns of fraud involved. We, therefore, commissioned telephone surveys of samples of the elderly in Flint and Seattle to compare their demographic characteristics, their experiences, and responses with respect to a selected group of consumer abuse situations. The results of these inquiries, and details as to the methods employed, are set forth in the Battelle report titled Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience. It

should be noted that preliminary drafts of separate reports were reviewed and commented upon by local advisory boards before they were combined in final form. This report is transmitted with and incorporated by references in this Final Report.

- A report on impact of consumer fraud and abuse directed against the elderly.

Accounts of individual incidents of victimization abound --- in newspaper accounts, in congressional testimony and in thoughtful accounts of the condition of the elderly. These accounts, however, do not reflect information systematically gathered, nor do they provide a basis for even a rough assessment of the impact of fraud or consumer abuse in the elderly victim. In our inquiries in Flint and Seattle we therefore sought to systematically assemble such information as part of the process described above in connection with the Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: the Flint and Seattle Experience. The results are set forth in our report titled The Impact of Fraud and Consumer Abuse on the Elderly, which is transmitted together with and incorporated by references in this Final Report. This report addresses not only primary economic losses of the aged associated with consumer and collateral impacts of fraud and abuse but also secondary impacts directly related to an abuse and going beyond that incident to affect the overall well-being of the aged consumer.

* * * * *

Each of these reports was written with the intent that they be of use to those who carry the responsibility for planning and administering agency services, in the public and in the private sectors. It is our hope that they can be

reproduced and disseminated through the agencies on aging in the states, through organizations with interests in the field such as the membership of the National Association of Attorneys General and the National District Attorneys Association, and the many organizations affiliated with the Consumer Federation of America. Local municipal consumer protection offices should also be audiences for these reports. When published, they can and should be incorporated into the mass mailings of the National Criminal Justice Information and Reference Service of the Law Enforcement Assistance Administration which distributes cards containing brief summaries to interested audiences. So that they can be used in this way, some of our reports were prepared in two parts, publishable summaries and background, supporting, and scientific back-up in appendices.

We will use these reports, or appropriate portions of these reports, in connection with our ongoing work in the field of white-collar crime enforcement which currently involves: (1) training, technical assistance, and development of operational guides for the L.E.A.A.-funded National Center on White-Collar Crime, which is a project in the Battelle Law and Justice Study Center; and (2) policy planning and technical assistance to the National District Attorneys Association's Economic Crime Project, a project which is coordinating the consumer protection and anti-fraud activities of prosecutors throughout the United States, and which is also engaged in the development of a national strategy to deal with white-collar crime.

In our discussions with the Administration on Aging Project Monitor for this research, we have already made arrangements for a conference to discuss the implementation of these and other possible uses for the results of our research.

* * * * *

In view of the many aspects of this research, an executive summary has been prepared. It is included herewith as an appendix to this Final Report.

Since each of the discrete reports has been prepared with a view to possible publication, a sense of the larger body of this research may be important to the reader of such individual reports. We, therefore, recommend that it be included as an appendix, or as a special introduction to the reports when published.

EXECUTIVE SUMMARY

Exploitation of the elderly in the marketplace is one part of a larger problem which has increasingly attracted the attention of policy makers and planners, and of the research community. This larger problem is that of white-collar crime and related abuses as it affects and has impact on the general population of which the elderly is only one part.

For so important an area of social concern there is remarkable little empirical data. Much of what we know is anecdotal in nature, or is based upon extraordinarily broad categories of enforcement activity and on undifferentiated turnstile-type counts of clients who come through agency doors. We have known little about what lies behind such numbers as we do have, in terms of such things as the economic impact on victims or the character of the schemes and abuses inflicted on them. Most important of all, we have known little or nothing about what such abuses mean in the lives of victims; in this important area we have been left to make speculations based on newspaper accounts or accounts of individual cases.

Notwithstanding the many agencies which provide consumer protection services in the United States, the evaluations which have been made of their activities have addressed questions such as the numbers of cases handled and the economic or racial composition of the clientele; these evaluations have not sought to or have not been able to get behind these numbers to find out why this clientele was victimized; how persons became aware of the fact that they had been victimized; and what recourse society offered after the fact. This paucity of information as to these

implications of white-collar crime and related abuses is, of course, even more marked in the case of the aged part of the general population which is affected.

It was in order to shed more light on such victimization that Battelle directed its attention to the elderly as victims of fraud and consumer abuse in a two-year research effort sponsored by the Administration on Aging, Office of Human Development, U.S. Department of Health, Education, and Welfare. The Battelle project was centrally based on field studies in two metropolitan areas, Flint-Genesee County, Michigan and Seattle-King County, Washington. In both Flint and Seattle, Battelle maintained a field presence in a public consumer protection agency for a six-month period, during which all cases involving elderly complainants were tagged and matched with an equal number of cases involving younger complainants. A total of 652 consumer complaints reported to public agencies (one-half involving persons 55 years of age and older, and one-half involving younger persons) thus became available for analysis. In addition to the information available for these cases, demographic information was obtained for 181 or 55.3% of the 327 older consumers identified through the public agencies studied in Flint and Seattle; and 77 or 23.6% of these older consumers were interviewed by project staff.

In both of the field sites, Battelle also commissioned telephone surveys of persons 55 years of age and older in the community. These were conducted in order to assess the level of consumer abuse victimization of the aged in the community that might not be reported to public agencies.^{3/}

^{3/} It should be noted that while Battelle was successful in generating data bases of reported and unreported victimization, one group of the elderly were omitted from our research design. These are the institutionalized elderly whose victimization could not be assessed through the data sources used.

The surveys focused on respondents' prior victimization from consumer abuse, their responses to such victimization, their knowledge of correct consumer practices, and their familiarity with community organizations. A total of 953 persons were interviewed in the community surveys, 467 persons in Seattle and 586 in Flint. Additional field studies of service delivery agencies were conducted in Minneapolis, Minnesota and Providence, Rhode Island.

Battelle supplemented and compared its research efforts in the two field sites with findings from earlier projects undertaken in conjunction with the National District Attorneys Association (NDAA). These projects, the NDAA Economic Crime Project and the NDAA Victim-Witness Project, were sponsored by the Law Enforcement Assistance Administration, U.S. Department of Justice.

The findings of the current Battelle project are contained in a series of research reports, under the following titles:

- I. Consumer Fraud and Abuse: Problems of the Elderly in the Marketplace; A Glossary of Terms and Annotated Bibliography
- II. Providing Consumer Protection and Anti-Fraud Services to the Elderly
- III. Communicating Consumer Protection and Anti-Fraud Information to the Elderly
- IV. Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience
- V. The Impact of Fraud and Consumer Abuse on the Elderly

What follows here is a summary of the findings of the Battelle research effort framed in terms of the project objectives and related research questions originally proposed. Each finding is keyed to the relevant research

report(s) (listed above) in which it is contained.

PROJECT OBJECTIVE - To identify the range and distribution of fraud against the elderly

Research question - What is the range of fraud offenses victimizing the elderly?

Research findings. Elderly persons filing complaints in the public agencies studied reported a wide variety of consumer abuses. A three-part classification characterized these abuses according to the type of product/service complained of; the type of transaction complained of; and the type of scheme/activity complained of.

Elderly complainants to public agencies reported abuses most frequently in the following product/service categories: general merchandise; automobiles; construction (including home repair and improvement); financing; landlord/tenant disputes; mobile homes; and health care. The most frequent transactions complained of by older persons were repair services; general sales transactions; contractual matters; rental transactions; mail order purchases; and guarantee/warranty transactions. The most frequent schemes complained of by elderly consumers were failures of vendors to perform promised services; failure of vendors to deliver goods ordered or promised; false claims or misrepresentations on the part of vendors; failure to return deposits paid by consumers; and overcharging for goods or services.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 3-18.

Respondents to the community surveys also reported experiencing a wide variety of consumer abuses, though many of these abuses were never reported to a public agency.

The most frequent areas of abuse reported by these respondents were bait-and-switch advertising; television and household appliance repairs and servicing; and automobile-related repairs and servicing.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience. pp. 76-79.

Research question - Do frauds committed against the elderly differ from frauds directed at the public generally?

Research findings. When the complaints of older persons who reported abuses to public agencies were compared with a matched group of randomly selected complaints from younger consumers the two sets of complaints were strikingly similar. Thus, the complaints of the elderly do not appear to differ significantly from those of concern to their younger counterparts. In only three complaint categories did older consumers appear to have a higher rate of victimization. These were construction complaints (including home repair and improvement); mobile home sales and servicing complaints, and health care-related complaints. In general, however, the marketplace abuses afflicting older persons were no different from those affecting the population at large.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 8-9.

Research question - Does fraud victimization appear to be more frequent among elderly persons than among the general public? Is such victimization reported to authorities?

Research findings. The project was unable to establish conclusively the extent to which consumer abuse victimization rates for the aged differ from those of the general

public. It was found, however, that in both public consumer protection agencies studied, the elderly were underrepresented among complainants when compared with the prominence of the age group in the general population. Thus in the six months of the field studies only 7.7% of the complaints received in the Flint Consumer Protection Agency were from persons 55 years of age and older who comprise 13.6% of Flint-Genesee County population. In Seattle complaints from older persons made up only 2.7% of the consumer protection agencies caseload, whereas persons 55 years of age and older constitute 16.9% of the population in the Seattle-Everett SMSA.^{4/}

It is possible to draw two separate conclusions from these data. On the one hand, one could speculate that the underrepresentation of the elderly as complainants to public agencies is evidence of a lower rate of victimization among this age group than among the general public. The other conclusion is that such underrepresentation is evidence of the reporting behavior of the elderly and not of their rate of victimization. Two of our findings suggest that this latter conclusion may be the more accurate one.

First, respondents to the community surveys revealed a rate of victimization from consumer abuse equal to their rate of street crime victimization. The consumer abuse, however, was largely unreported to public agencies. Second, both in-office complainants and survey respondents indicated that they would be more likely to seek private redress for wrongs suffered in the marketplace than to report such abuse to a public agency. Thus, the victimization reported by older persons to consumer protection agencies is not likely to be a true reflection of

^{4/} Standard Metropolitan Statistical Area (SMSA)

the rate of abuse actually experienced.

We are not persuaded from our research that the elderly are any more or less likely to be victims of consumer abuse than are younger persons. Indeed we would speculate that their rates of victimization are similar. What we are persuaded to conclude, however, is that older people are somewhat less likely to report the abuses they experience and seek redress for them than are their younger counterparts.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 80-83, and Appendices C and F.

PROJECT OBJECTIVE - To identify the conditions under which the elderly are most susceptible to fraud

Research question - Is fraud victimization an offshoot of otherwise poor living conditions of the elderly or does it derive from other factors? What are those factors?

Research findings. Factors such as poverty, low educational attainment, social isolation, and poor health typically associated both with the living situations of older persons and with their susceptibility to consumer abuse, were not prominent characteristics of the sample of elderly complainants to the public agencies studied. In fact, members of the sample had achieved on the average a high level of educational attainment, reported few illnesses or handicaps, and were highly mobile, socially active older persons. We cannot, then, refute the proposition that such factors as poverty or illiteracy may contribute to fraud victimization among older persons, but we can suggest that these factors are not necessary preconditions for such victimization to occur. Nor should one conclude that older persons with comfortable incomes, who

are well-educated, active and in good health are immune to consumer abuse victimization.

Going one step further and given the kinds of abuses studied in our research, we have also concluded that much of the victimization experienced by the elderly (as well as their younger counterparts) results not from elaborate schemes targeted to defraud older people, but rather from widespread failure of the marketplace to perform according to acceptable standards. This type of victimization appears to be somewhat randomly distributed such that the greater a consumer's activity level in the marketplace, the greater also his/her likelihood of being abused. Secondly, engaging in marketplace transactions in which frequent abuses are reported, mail order purchasing, for example, would also appear to affect a consumer's likelihood of being victimized. Such factors, then, as the level and frequency of a consumers marketplace activity appear to have far more to do with the type of victimization studied here than do factors such as poor health or illiteracy.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 12-18.

Research question - Within the elderly population, are there definable groups relatively more susceptible to fraud than others?

Research finding. In general no discernible patterns of victimization, suggestive of enhanced susceptibility, could be established within the sample of elderly consumers studied. Personal characteristics of sample members investigated in this regard were consumers' advanced age;

sex; educational attainment; living/buying situations; mobility limitations; and handicaps. Each of these characteristics was examined according to the type of abuse reported; the amount of money in contention in the abuse; the nature and incidence of hardship associated with the abuse; and the nature and incidence of intimidation involved in the abuse. While no clearly definable groups of the elderly relatively more vulnerable than others emerged from this investigation, some weak patterns of victimization deserving of further systematic study were discerned. These are summarized below:

- The type of abuse reported appears to be slightly affected by the age of an older consumer. Thus, for example, among older consumers, persons aged 66-69 reported a greater number of construction and housing/land abuses than did those in other age groups. Whether this reflects a pattern of post-retirement expenditures or of special victimization, however, is not clear.
- The level of formal education attained by an older person had a surprising impact on reported abuses. As education increased the amount in contention in the reported abuse also increased. Reported intimidation involved in abuses also increased as the consumer's level of education increased. The incidence of hardships associated with an abuse decreased, however, as education increased.
- The sex of an older consumer appears to have some affect on the incidence of both hardships and intimidation involved in consumer abuse. Older women appeared to have a higher incidence of both these elements involved in their reported abuses.
- The importance of feedback in making satisfactory consumer decisions was not confirmed. Older consumers who were with someone (relative, friend, etc.) during the transaction complained of were also more likely to experience a hardship as a result of that transaction or to be intimidated during it. This was regardless of whether the older person lived alone or not.

- Older consumers who are limited in their mobility by illnesses or who are handicapped appear slightly more likely to experience hardships or to be intimidated in a consumer abuse.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 18-53.

Attempts to define subgroups of the aged with special vulnerabilities based upon the demographic characteristics of respondents to the community surveys were also unproductive. Neither income nor marital status nor work status of respondents was related to consumer abuse victimization in the direction predicted by theories of aging. For example, elderly respondents who were widowed and hence more alone (and perhaps more susceptible to fraud) had fewer reported instances of consumer abuse. Similarly, the higher a respondent's income the more likely he or she was to have been victimization by consumer abuse. Once again, then, few discernible patterns of victimization based upon the personal characteristics of survey respondents were established.

Source - Battelle Research Report II: Providing Consumer Protection and Anti-Fraud Services to the Elderly, pp. 43-46.

PROJECT OBJECTIVE - To identify those types of quasi-legitimate businesses which are fertile ground for the perpetration of fraud against older people

Research question - What are the characteristics of those who commit frauds against elderly persons?
What types of goods and/or services do they purport to provide?

Research findings. The types of vendors most frequently complained of by the older consumers studied were retailers

of goods or services located in the consumer's community, followed next by mail order firms, home improvement/building contractors, private individuals, and rental agencies. In order to understand this finding, the nature of the abuses studied must again be stressed. Few of the complaints reported by older persons to the public agencies studied involved clear-cut fraudulent schemes. Rather, most cases involved failure on the part of the legitimate marketplace to perform properly either by failing totally or partially to deliver the goods or services promised, or by overcharging for same. Given the nature of these abuses, then, one should not be surprised to find the businesses listed above as those most frequently complained of. In addition because few of the reported abuses involved a clear intent to defraud, few clearly illegitimate business entities are contained in the sample.

The result of this finding, however, should not be a wholesale indictment of the business community. Indeed a large number of the complaints filed by older consumers were adjusted to their satisfaction because of widespread cooperation of the business community with the consumer protection agencies studied. Rather what should be highlighted and should be of concern both to consumers and to the business community is the general breakdown in marketplace performance illustrated by the cases studied.

This breakdown was apparent on two levels. First, there appeared to be a general lack of communication between buyers and sellers as to their mutual expectations in transactions. Second, there was an apparent lack of well-established procedures to remedy or ameliorate consumer dissatisfaction within the business community, without the involvement of a public consumer protection agency.

Thus in most cases complainants had approached the party complained of and attempted to seek a remedy, but with little success. Once the public agency entered as mediator, however, a remedy was achieved. Development of better private mechanisms to resolve such disputes would have prevented many abuses from being reported to public agencies.

Because of the nature of the abuses studied, no sinister picture of the shady con artist who defrauds older people is revealed. Rather the abusers depicted in our findings are a representative cross-section of the business establishments in most communities. This is a disturbing picture in its own right and suggests that the marketplace has much to do to improve performance for its customers.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 24-34.

Research question - What ploys do they use to dupe older persons?

Research findings. Given the findings discussed above, it is clear that most older consumers reporting to the public agencies studied were less likely to be "duped" than they were to be dissatisfied. Similarly it is difficult to characterize the transactions giving rise to their dissatisfaction as "ploys". Indeed most of these transactions were simple purchase and repair situations.

Nevertheless, there were evident in the cases studied several areas in which marketplace practices could be altered or improved in ways which would benefit not only the elderly but also the public generally. For example, it is clear that much consternation, dissatisfaction and

distress could be avoided to the extent that the mutual rights and responsibilities of landlords and tenants are clearly spelled out in an easy-to-read document available to all parties in a rental agreement. Whether this is done by public service agencies, landlord associations or tenants' groups is not important, but such a document should be developed and its use mandated in all rental situations.

Similarly, the increasing need for housing at moderate cost has created a burgeoning mobile and modular home industry with which state and local regulatory officials do not appear to have kept pace. As a result, widespread difficulties arise for consumers when they purchase, attempt to repair or try to find siting space for a mobile home. Perhaps minimum standards set at the federal level could be important first step in encouraging states and localities to undertake similar action to protect not only consumers but also the legitimate mobile home industry from the dishonest and fly-by-night vendors who have been attracted to and operate in that marketplace.

Finally, in mail order merchandising both buyers and sellers are at something of a disadvantage in that they both rely on third parties, the U.S. Postal Service or other delivery services, to satisfactorily complete a transaction. All too often slip-ups occur in which either vendors or consumers feel they have been wronged. In response to this, however, mail order firms generally revert to a computerized form letter style of communication, a practice only widening the gap between buyer and seller. What appears to be needed is a special point of contact within a mail order firm where complaints can be surfaced, investigated and adjusted. The rampant use of the face-

less, impersonal form letter while appearing to be "efficient", serves neither the consumer nor the mail order industry well.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 1-19.

Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 13-18.

PROJECT OBJECTIVE - To develop greater awareness among the aging, especially low income aging, of the sources of fraud

Research question - What is the general level of knowledge among elderly persons of activities fraudulent in nature?

Research finding. In general, the elderly persons studied in the project demonstrated a good working knowledge of marketplace activities that should be avoided because of their clearly abusive nature. As evidence of this, it should be noted once again that few of the cases reported to the public agencies studied involved situations in which the judgment of the elderly consumer could be called into question. Rather most of the abuses reported by elderly persons were situations in which either the consumer misunderstood the terms of a transaction because of a lack of communication on the part of the vendor, or the performance of the marketplace fell short of the reasonable expectations of the consumer, or where seller and consumer disputed the price, quality or content of the good or service promised.

In addition, a subset of these elderly complainants who had reported their abuses were asked a series of questions testing their knowledge about good and bad con-

sumer buying practices. Their responses showed a thorough understanding both of situations to be avoided and/or practices consistent with appropriate consumer behavior. Thus, these consumers were generally very cautious about mailed and door-to-door solicitations; and generally very positive of the benefits to derive from "shopping around" before undertaking a major purchase.

Respondents to the community surveys also showed considerable knowledge of correct consumer buying practices. In addition, when asked to respond to a series of hypothetical abuse situations, most correctly identified the fraudulent aspects of the described situations. The responses of complainants to the public agencies studied were substantially consistent with the community surveys in this regard.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 68-75.

Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 13-18.

Research question - What level of awareness do the elderly have about remedies available to them when they have been defrauded?

Research finding. In general both the elderly consumers who reported to public agencies and those responding to the community surveys showed considerable awareness of private remedial options available to them. In-office complainants who were interviewed, for example, indicated they would seek private remedies such as going back to the vendor who had displeased them, before going to a public agency for redress of a consumer abuse. About half (45%) of those interviewed had experienced at least one prior abuse and having sought private redress, were rewarded

most of the time for doing so. The presence of these persons in the public agencies studied, however, was not necessarily indicative of their familiarity with and confidence in available public remedies. Indeed many of those interviewed reported their general surprise at the assistance they received at the agencies to whom their abuses were reported. These persons did not apparently realize that their problems were important enough to warrant the attention of public agencies.

Community survey respondents who reported having been victimized by consumer abuse generally indicated that if they reported the abuse at all, it was to a private source, friend or neighbor, for example, or to the vendor which had dissatisfied them. Public agencies were only infrequently cited as sources sought after for redress.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 80-83.

Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 70-73.

Research question - How informed are older persons about how to identify suspicious activity and how to protect themselves from fraud?

Research finding. As noted above, the elderly we studied appeared on the average to be well-informed about good consumer behavior and well aware of marketplace situations that should be avoided. Similarly the elderly seem to be well aware of available remedies, although they seem more likely to seek out private rather than public sources for redress of abuses. Whether or not such

general knowledge on the part of the elderly serves to protect them from abuse, however, is not at all clear. Thus, despite the high level of knowledge with which those consumers who reported to public agencies were armed, they still had suffered abuses. Similarly, community survey respondents who were most knowledgeable about consumer protection and other community agencies available to assist them, also reported experiencing more abuses than those with less knowledge of such agencies.

On the basis of our research, then, we cannot conclude that a good general knowledge of marketplace pitfalls necessarily protects a consumer from abuse. It may be, however, that such knowledge does affect the nature and severity of abuse suffered, but this cannot be established from our data.

Sources - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 70-73.

Battelle Research Report II: Providing Consumer Protection and Anti-Fraud Information to the Elderly, pp. 31-32.

Battelle Research Report III: Communicating Consumer Protection and Anti-Fraud Information to the Elderly, pp. 25-34.

PROJECT OBJECTIVE - To develop guidelines and policy to make fraud less prevalent among aging populations

Research question - On the basis of carefully selected case studies, how could the fraud have been prevented in each case? What information could the victim have used to avoid his or her victimization?

Research finding. Because of the character of most of the abuses studied in the field sites, it is difficult to suggest specific steps that might have prevented them. Indeed, those elderly victims interviewed generally came to this same conclusion when asked what might have prevented their abuse from occurring. Only 15.5% of those

interviewed, for example, could identify a different course of conduct on their part that would have prevented the abuse. For most, the only information that would have helped was the ability to predict ahead of time a vendor's honesty, reliability and/or superior performance. We are inclined to agree with these respondents. Few of the cases studied in detail revealed an obvious gap in the knowledge available to older consumers. By the same token, few involved foolish or imprudent behavior on their part. The portrait painted by our data of a marketplace which frequently performs poorly and refuses to adjust consumer complaints resulting from poor performance, however, suggests that the best protection for older as well as younger consumers would be a general upgrading of marketplace practices.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 77-80.

Research questions - What service systems or other elements in the person's environment could have prevented the fraud from occurring? Did these systems or elements break down in this case or were they equally uninformed? What guidelines or information materials are needed by those dealing with the elderly? What new policies, if any, are needed to protect the elderly from fraud or to assist them in protecting themselves?

Research findings. See the addendum to this summary related to the service delivery findings of the Battelle project.

PROJECT OBJECTIVE - To establish a body of information on the harm done to the elderly by fraud

Research question - What is the scope of the loss suffered by the elderly fraud victim?

Research findings. The median amount of money (or its equivalent in lost services or benefits) involved in the abuses reported by older persons to the public agencies studied in this research was in the range of \$100 - \$250. Of those victims with known losses, 38.6% made recoveries through the efforts of these consumer protection agencies in the same monetary ranges as had been their losses. For these consumers the direct economic loss of the abuse, then, was a short-term one that was recompensed. Approximately three percent of older victims had partial recoveries of their losses with the amount of remaining loss averaging around \$125. Finally, 53% of those with known losses made no recoveries, thereby sustaining losses which ranged on the average from \$100 - \$250.

In addition to economic losses directly involved in their complaints, about 14 percent of the older consumers queried indicated that they had spent money replacing the item or service complained of. The median amount spent for replacement was in the \$100 - \$250 range. Elderly victims in the Michigan field site were also asked about costs incurred while attempting to remedy the reported abuse (for example, mailing costs, transportation costs, etc.) Most (53.8%) reported no additional expenses. Those reporting such costs, however, spent a median amount of about \$25.00 in remedial expenses. An older consumer, then, reporting an abuse where the initial economic loss was in the range of \$100 - \$250 could have incurred additional costs exceeding that amount in replacement and remedial expenditures.

Harm, in the sense of secondary impacts, is discussed immediately below.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 55-60.

Research question - What are the secondary impacts of fraud on the elderly victim?

Research findings. On the basis of our research, the two most important secondary impacts of consumer abuse on elderly victims found were the attendant hardships and inconveniences associated with and the level of intimidation involved in their abuses. About half (50.4%) of the elderly consumers who reported abuses to the public agencies studied suffered hardships as a result of those abuses. In many cases these "hardships" are more accurately characterized as inconveniences, but in others very severe hardships had been suffered.

Nearly one-fifth (18.1%) of the elderly consumers reporting to public agencies had been intimidated by the vendor or his agent(s) either in the course of the transaction complained of or thereafter. Direct physical intimidation was not prevalent in the sample; rather, psychological forms of intimidation appeared most frequently. This level of intimidation is a particularly disturbing finding since fraud and consumer abuse are generally regarded as non-violent and non-intimidating forms of conduct.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse, pp. 61-69.

Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 40-48.

Research questions - How changed is the life style of an older person after experiencing fraud victimization?
How able are older persons to recoup losses and redirect their lives following the experience of fraud victimization?

Research findings. By far the least tractable and perhaps the most serious impacts of consumer abuse on elderly persons appear to us to be those subtle changes

in the victim's outlook and sense of security and well-being. In general the elderly consumers who reported abuses to the public agencies studied were a highly competent, self-assured and self-confident group of older persons. Many, however, came away from their victimization experience with a faith in the future that was severely shaken and little assurance or comfort that such an experience would not be repeated again.

When objective measures of harm such as the extent of monetary losses and the suffering of hardships of older persons are compared with their younger counterparts, the two groups of consumers appear to have similar experiences with respect to consumer abuse. In interpreting such a finding, however, it must be kept in mind that objective measures do not control for the substantially different economic and social circumstances in which the old and young find themselves. Keeping these circumstances in mind, we conclude that even substantively similar abuses involving similar amounts of monetary loss and other attributes of seriousness will have a differential and more harmful impact on an elderly victim than on his/her more youthful counterpart.

Source - Battelle Research Report V: The Impact of Fraud and Consumer Abuse on the Elderly, pp. 70-80.

PROJECT OBJECTIVE - To establish a body of information on preventive and remedial actions directed at frauds committed against the elderly

Research questions - What sanctions have been used to remedy the plight of elderly fraud victims?
How effective are these?
Have older persons been satisfied with the remedy or redress they received?

Research findings. The consumer protection agencies studied employed mediation between consumer and vendor most frequently to achieve remedies for older victims of consumer abuse. Referrals to other agencies for redress was also frequently utilized. In only a very few cases was litigation resorted to in order to achieve a remedy. In general, the tactics used by these agencies were successful and elderly consumers reported themselves to be satisfied with the outcomes achieved by or through these agencies.

In general such remedial activity does fall short of achieving agency objectives for provision of remedies for elderly victims suffering from fraud or consumer abuse. The fault for this shortcoming does not lie with these agencies, but rather stems from the fact that they do not deal with the plight of those who do not or cannot report abuses. These and other issues for delivering services to elderly victims of consumer abuse are discussed in the service delivery addendum to this summary.

Source - Battelle Research Report IV: Descriptive Report on the Elderly as Victims of Fraud and Consumer Abuse: The Flint and Seattle Experience, pp. 55-59.

Research questions - How cumbersome and difficult was it for them to secure a remedy?
How could remedial processes be improved?
What preventive measures have proven effective in protecting the elderly from fraud?
What additional measures are needed?

Research findings. These findings are discussed in the service delivery addendum to this summary.

PROJECT OBJECTIVE - To establish a body of information on methods to alert and educate the elderly to the dangers of fraud

Research question - What public education programs have proven effective in informing the elderly about fraud?

Research finding. Battelle staff addressed this question through a national survey of 154 consumer protection organizations, and a series of questions asked of respondents in the community surveys in Flint and Seattle. Consumer protection agencies responding to Battelle's national survey expressed the view that speakers before groups (listed in 38.7% of the responses), press coverage (listed in 12.1%), public service announcements on the radio (listed in 12.1%), television or radio appearances by staff (listed in 11.6%), and television public service announcements (listed in 11.0%) were the most effective means. No significant difference in views was found, among the various types of agencies polled. The public education strategies most frequently used by these agencies were speakers before groups (used by 94.8% of the agencies polled), written materials (used by 91.6%), press coverage (used by 88.3%) and television or radio appearances by staff (used by 81.8%).

A small sample of elderly complainants to the Flint, Michigan consumer protection office (N = 32) were asked their views as to the most effective way to reach the elderly. They indicated that radio messages (listed by 34.4% of the respondents), having a well-publicized telephone number (listed by 21.9%) and items in the newspaper (listed by 18.8%) were the most effective means. Of the 181 elderly complainants to the Flint and Seattle consumer protection offices, 30 indicated they had heard of the office through other agencies, 28 through friends, 28 through newspapers, 15 through relatives, ten through

radio alone, and ten through the radio and newspapers. Knowledge of a consumer protection agency, however, was found not to be related to elderly consumers' willingness to report consumer fraud or abuse to a consumer protection agency, according to data from the Flint and Seattle community surveys.

Source - Battelle Research Report III: Communicating Consumer Protection and Anti-Fraud Information to the Elderly, pp. 10-35.

Research question - How widely available are the public education programs and materials?

Research finding. Battelle research staff analyzed a number of indirect indicators as to the availability of public education materials. As indicated above, 94.8 percent of the consumer protection agencies polled in Battelle's national survey used speakers before groups, 91.6 percent used written materials, 88.3 percent relied on press coverage, and 81.8 percent had staff members appear on radio or television. The agencies polled used an average of 4.9 public education strategies per agency. When asked where their written materials were placed, the 154 respondents listed 383 placement settings, or an average of 2.5 settings per agency. These included the consumer protection office itself (listed 118 times), mailings (113 times), handouts at meetings at which staff members spoke (99 times), stores (19 times), hospital human service facilities (18 times), and other settings. Agencies polled sent Battelle staff samples of a large number of consumer education pamphlets, reflecting a broad spectrum of sound -- and not-so-sound -- approaches. Quite clearly there is much good public education material in existence, and available for distribution.

Source - Battelle Research Report III: Communicating Consumer Protection and Anti-Fraud Information to the Elderly, pp. 10-35.

Research question - How can the elderly be better reached by public education programs?

Research finding. Because consumer problems of the elderly did not differ significantly from those of their younger counterparts, except for increased vulnerability to health care, construction (including home repair) and mobile home frauds and abuses, one conclusion of our research is that consumer protection efforts for the elderly need not be different in content from other consumer education efforts, but should be directed at making the consumer protection message more accessible to and more effective for the elderly population. In this regard special attention should be given to what are obvious, though frequently overlooked considerations in communicating with the elderly public. For example, there should be materials in larger type for those with reading impairments, written materials and speakers should be made available in places where the elderly are likely to congregate and through their organizations, telephone access lines should be made available, and senior citizens should be enlisted as experts and volunteers to reach their counterparts in the community.

Source - Battelle Research Report III: Communicating Consumer Fraud and Anti-Fraud Information to the Elderly, pp. 34-61.

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A number of the objectives of this research and related research questions were addressed through Battelle's examination of the ways in which agencies do and can deliver consumer protection and anti-fraud services to the elderly, particularly with respect to providing after-the-fact remedies to deal with the consequences of victimization.

In our view it is more appropriate to address this one as a unified whole in this summary rather than to segment it.^{5/}

Once a policy decision is made that consumer abuse and fraud directed against the elderly is worthy of special attention, the development of a strategy to deal with this problem becomes of paramount importance. It is not the kind of problem which should be left to uncoordinated and scattergun approaches; the absence of a clear strategy will inevitably mean that resources will be wasted on unhelpful duplication of services and that many problems which badly need attention will fall between the cracks.

The development of such a strategy requires, in the first instance, that there be some sense of the character and dimensions of the problem both at the national level and in the local jurisdictions which are the subject of the planner's special concern. For such a sense of the dimensions of the problem, a good starting point is to be found in the descriptive and impact reports developed as part of this project, set against the backdrop of the national scene as described in the literature discussed in this project's annotated bibliography. Following this, policy planners must examine the characteristics of agency structure which bear upon their ability to respond to the problems of the elderly in this finding. They must then go on to determine what agency structures and remedies will meet the needs of the elderly for protection from fraud and consumer abuse, and for remedies if they are defrauded or suffer from other abuse in the marketplace.

The constituent elements in the service delivery process are several. These elements include the agencies which provide a multitude of preventive or enforcement/remedial services; the ways in which the offenses or

^{5/} This portion of the Executive Summary is based upon Battelle Research Report II: Providing Consumer Protection and Anti-Fraud Services to the Elderly.

abusive behavior with which they must deal come to the agencies' attention, and the remedies or tools which agencies employ for ameliorative or enforcement purposes. Constituent elements also include the characteristics of the elderly who are the victim-clients of the agencies, how they are affected by and affect the operations of the agencies which serve them, the environmental settings in which the elderly are victimized, and the sources of collateral support for the victim service process which can derive from sources external to the consumer protection/anti-fraud agency spectrum.

The agencies which deal with fraud and consumer abuse directed against the elderly are, in practically all instances, those which protect and respond to such offenses and abuses against the population as a whole. They consist of a broad spectrum of agencies beginning with municipal bureaus which inspect the weighing of scales in food stores, going on to agencies which prescribe the character (quality and weight) of goods and services which should be allowed to reach the marketplace, and ending with essentially reactive agencies which deal with consumer and fraud problems that arise notwithstanding preventive measures -- consumer protection offices, and prosecuting/litigating offices. These agencies are to be found at all levels of government (local, state and federal), and in the private sector (for example, trade associations, Better Business Bureaus). In addition, there are a number of agencies which do not now, in the main, offer assistance with consumer problems of the elderly, but which should be considered a vital part of any comprehensive service-delivery network in this area. These include neighborhood senior citizen centers, meals-on-wheel programs, and other programs coming into direct and regular contact with the elderly.

In assessing the coverage provided to elderly victims of fraud in a given geographical jurisdiction, the agencies in this field should be examined along nine dimensions, a synthesis of which can give the policy planner a sense of whether agency coverage is coextensive with the abuses to be dealt with and the elderly population to be served. These dimensions, and some briefly stated implications, are:

1. Formal mission, which addresses the question of agency role; that is, preventive, remedial, or punitive, and the broad, general choice of agency clientele; for example, by geography, special or general character of agency needs.
2. Horizontal laterality, which pertains to the range of agency services compared to the total needs of a client at the particular time when they are in contact with one another. An agency operating to help a client with respect to one abusive transaction would not, along this dimension, continue to work with that client to address his or her long-range needs in other areas.
3. Vertical laterality, which pertains to the duration of the time over which the agency will continue to be involved in the life of the client.
4. Size of agencies, which will affect their intelligence-gathering capability for action on behalf of clients, and their ability to mount multiple efforts to cope with the needs of different clients.
5. Constituency, which relates to the choice of agency clientele, and to the measures adopted to encourage client access to the agency. This would include selection criteria for agency "customers" and cases.
6. Liaison among consumer protection and anti-fraud agencies, and between such agencies and those which focus on other needs of the elderly client, which will largely determine the effectiveness with which all agency and non-agency resources are brought to bear on identified problems.

7. Intra-agency status, which pertains to the position of a unit which addresses consumer protection or anti-fraud problems within a larger agency or which it is a part. It will affect the ability of the unit to deliver services, as well as to obtain the resources necessary to do so.
8. Political and policy motivation, which pertains to the underlying rationale to agency action. Is the agency's primary concern with the welfare of clients, or with adjudicating the fairness of transactions or vindication of laws?
9. Authority and expertise, which pertain to the powers possessed by the agency, and the capability with which it uses these powers.

Where there is some optimum pattern of agency or multi-agency organization along these dimensions, policy makers must go on to search out ways in which these facilities and capabilities will be brought to the attention of potential or actual victims of fraud and consumer abuse. Unlike street crime, white-collar crimes and related abuses are often concealed, even from the victims themselves. Further, the elderly, especially, appear reluctant to report such abuse even when it is perceived. Agencies must, therefore, plan for detection, which includes both a proactive searching out of abuses, and efforts to educate the elderly and those who advise them as to the true nature and character of what may have befallen them. Policy planners must consider the many factors which cause non-reporting of such offenses; these include victim questioning of the availability and practicality of remedies, and assessment of costs versus benefits of reporting. Last, and particularly important in the case of elderly victims, the policy planner must consider whether the elderly have diminished capabilities to apprehend the fact of their victimization or to take advantage of available remedies.

The remedies provided by agencies will also differ widely. They can be measured along a reactive-proactive

continuum, which relates to whether agency action must await complaints or searches for possible patterns of abuse directed against the elderly; or along the related preventive-remedial continuum which relates to what an agency will do which specifically affects the victim, for example, by influencing the conditions of the marketplace through education/regulation/deterrence, or by mediating the disputed outcomes of transactions. They can also be measured along a punitive-restorative continuum which pertains to the use of compulsory civil or criminal process to punish offenses against the law, or to complete (for example by civil judgement or as a condition of a probationary sentence) restitution to victims.

Agency planning must also consider the nature of the elderly victim of fraud, addressing such issues as the relationship between age and vulnerability, and the general capability of the elderly to avail themselves of remedies. Our research does not indicate that the elderly who in fact manage their own affairs are disproportionately vulnerable to fraud or consumer abuse, that they have identifiable characteristics as victims, that they are specially vulnerable to particular frauds, or that they have a lower levels of awareness of available remedies in comparison with their younger counterparts.

Examination of the elderly condition with respect to fraud and consumer abuse must also take into account environmental conditions, including economic conditions which affect the senior citizens' motivations for entering into questionable transactions, and also the family, community, and social service structures to which he or she can turn for advice before or after the fact.

Viewing all of the above as a complex matrix of needs and services, it is quite clear that no one agency or kind of agency can broadly confront and deal with all of the problems in this field. Beyond this, there appears to be nothing in the nature of the relationship between consumer abuse and fraud on the one hand, and the age of victims on the other which would justify the development of special agencies or units to service elderly victims as a group separate and apart from their younger counterparts. What is clearly called for, however, is the development of linkages between agencies which service victims along the different continuums discussed above, and those which address other and more general needs of our elderly population.

Agencies which deal with consumer fraud and related abuses can profitably follow three basic models or prototypes, or combinations thereof. Two of these models afford special benefits in that they increase the access of the elderly (and other potential victims) to services provided. The first is the "911" model which is based on the police emergency call number, which makes available a well-publicized number which the elderly can call if they suspect that they are about to be or have been victimized by a consumer or other fraud scheme. The second is the street-level service delivery model, which uses neighborhood storefronts, for example, to make it easier for such victims to avail themselves of agency services. The third model is that which focuses on prosecution and other litigation, and which must depend on linkages with other agencies for referral of cases and for intelligence on which to base proactive investigative efforts.

Though there is no reason for structuring special organizations to protect the elderly against fraud and consumer abuse, there are ways to encourage the avail-

ability and enhance the effectiveness of general consumer protection and anti-fraud services for the elderly. These ways involve, once again, linkages between agencies which serve the medical, social or economic needs of the aged and those which are trained and expert in the provision of remedies in the consumer and fraud field. The staffs of agencies which relate directly to the elderly should be aware of the various forms of fraud and consumer abuse, of the nature of remedies available in their communities, and of the advantages and disadvantages inherent in particular forms of remedies, so that they can advise their agency clients as to where to go to get the kind of help they need. Thus, agencies which concentrate on health services, or manage meal sites, can be a major source of assistance to their clients while at the same time helping consumer protection and anti-fraud offices to achieve their own agency objectives.

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The aged should not be regarded as particularly helpless prey for those who would exploit them in the marketplace. Our findings suggest that they share those susceptibilities which are to be found in their younger counterparts in the same marketplaces, and to no greater a degree. At the same time our findings also suggest that the aged may be more loath to complain and seek redress, and that the secondary impacts of these abuses do rest more heavily on the aged when they do occur. The issue of fraud and consumer abuse thus warrants close and careful attention on the part of policy makers, planners, and administrators, with particular attention paid to the development of linkages within and among agencies which will make it possible to marshal their resources most effectively in this area.

II. CONCLUSION

In the course of this two-year study we collected much information on the nature and character of fraud and consumer abuse as it affects the aged and the mechanisms which exist to provide remedies. Our many findings are contained in the individual reports which are the written products of this study, but we would be remiss if we were not to take this opportunity to strongly urge consideration of the implications of our conclusion that many older persons who become victims of consumer fraud and abuse are self-reliant individuals, relatively as well informed as any other part of our population, and perhaps no more susceptible to abusive situations than their younger fellow citizens. At the same time our research has indicated that the aged may differ from their younger counterparts in two important respects: in the overall impact of such an abuse on their lives; and in a relatively greater reluctance to come forward for redress when an abuse occurs. This latter difference may well be the result of stereotypes of the elderly so widespread that they are accepted even by the aged, who may fear that if they complain they will be unfairly judged by these stereotypes --- all of which add up to some degree of diminished competence. Approaches, outside the purview of this study, to counter such stereotypes on the part of the elderly and the non-elderly, and on the part of those who plan and implement agency operations, may well be more important in this area than any technical improvements in dealing with fraud and consumer protection issues. It is our hope that this study will provide some impetus in this direction.

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