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### Institute of Gerontology director briefs Congress on seniors and fraud

October 23, 2014

DETROIT – Peter Lichtenberg, director of the Institute of Gerontology at Wayne State University, will brief members of the U.S. Senate and House of Representatives on Oct. 23 about the susceptibility of older adults to financial exploitation and fraud. Lichtenberg studied the problem in 4,440 older adults and found that severe depression and low social-status fulfillment increased fraud by 226 percent. “Psychological vulnerability can impact older adults’ lives in serious ways,” he said. Lichtenberg will also moderate a panel assembled by Florida congressman Ted Deutch and Minnesota senator Amy Klobuchar to bring attention to the Seniors Fraud Prevention Bill they recently introduced in Congress. He will be joined by representatives from the telecommunications industry and law enforcement.



One out of 20 older adults in the United States will be a victim of financial exploitation this year, with average losses ranging from \$79,000 to \$186,000. Guilt, fear and embarrassment often inhibit victims from reporting the crime and prosecuting the criminal. Prevention is the preferred defense, beginning with ways to identify older adults, who are most at risk.

In response to this growing problem, Lichtenberg created a set of scales and assessments to uncover whether a person is unable to make sound, rational financial decisions and/or be subject to undue influence. Initial studies confirm that the Lichtenberg Financial Decision-Making Screening and Rating Scales reliably profile an older adult’s vulnerability to exploitation and ability to make significant financial decisions. “We aren’t trying to usurp a person’s independence,” Lichtenberg said. “We want to balance autonomy with protection and determine how best to educate and support older adults most at risk of being exploited.”

Lichtenberg received a \$468,000 grant from the National Institute of Justice (beginning in January) to further validate the screenings and refine methods for wide-scale distribution of these tools across multiple professions. Financial planners, bank personnel, lawyers, law enforcement officers and adult protective services employees could benefit from reliable methods to determine an older adult’s capacity to make independent financial decisions. “This isn’t a judgment of the wisdom of these decisions,” Lichtenberg stressed. “Older adults, like all adults, have the right to make poor choices. We assess whether the decision was authentic, made with integrity. That’s the important part.”

Field testing of the Lichtenberg Screening and Comprehensive Scales will occur across socioeconomic and education levels. The screenings are also designed to isolate physical or mental health issues that could expose an older adult to financial predators. “If we know who is at risk, we can better educate and support them,” Lichtenberg said. The Seniors Fraud Prevention Act would make the Federal Trade Commission responsible for educating seniors about fraud schemes and the reporting of suspected crimes.

*The Institute of Gerontology researches the aging process, educates students in gerontology, and presents programs on aging issues relevant to professionals, caregivers and older adults in the community ([iog.wayne.edu](http://iog.wayne.edu)). The Institute is part of the Division of Research at Wayne State University, one of the nation’s preeminent public research institutions in an urban setting. For more information about research at Wayne State University, visit [research.wayne.edu](http://research.wayne.edu).*