

The Role of Forensic Accountants in the Elder Abuse Interventions and Enhanced Multidisciplinary Team (E-MDT) Initiative

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Acronyms

Acronym	Term
ACFE	Association of Certified Fraud Examiners
AICPA	American Institute of Certified Public Accountants
APS	Adult Protective Services
CFE	Certified Fraud Examiner
CIA	Certified Internal Auditor
CPA	Certified Public Accountant
DFTA	New York City Department for the Aging
E-MDT	Enhanced Multidisciplinary Team
FEIST	Financial Exploitation Investigation Suite of Tools
NYCEAC	New York City Elder Abuse Center
NYSOFA	New York State Office for the Aging
OVS	New York State Office of Victim Services
SAFTA	Senior Abuse Financial Tracking and Accounting Tool
VOCA	Victims of Crime Act

Introduction and Background

The Enhanced Multidisciplinary Team (E-MDT) model, an adaptation of the MDT in Brooklyn, NY, was piloted in New York State from 2012-2016. Funding was provided by a federal grant from the Administration for Community Living/Administration on Aging under the Prevention and Public Health Fund through the Affordable Care Act. The pilot was implemented in seven counties in the Finger Lakes region (Monroe, Ontario, Wayne, Livingston, Yates, Seneca, and Cayuga) and in Manhattan in New York City. During 2016-2017, New York State funded the program to sustain the original eight E-MDTs, expand the initiative to Western NY (Erie), Central NY (Onondaga), and the Southern Tier (Schuyler and Chemung), as well as enhance the Brooklyn MDT to become an E-MDT. A total of thirteen E-MDTs were sustained, enhanced, or newly established with state funds. Starting in 2017, the New York City Department for the Aging (DFTA) also began funding the New York City Elder Abuse Center (NYCEAC) at Weill Cornell Medicine to operate E-MDTs in all five boroughs in New York City.

Due to the effectiveness of the E-MDT model to address elder abuse and the recognized need for the E-MDT intervention to be available statewide, in 2017 the NYS Office of Victim Services (OVS) and New York State Office for the Aging (NYSOFA) partnered with each other and with Lifespan of Greater Rochester Inc. and NYCEAC at Weill Cornell Medicine to establish and implement the OVS/VOCA Elder Abuse Interventions and E-MDT Initiative. DFTA continues to also fund NYCEAC to operate E-MDTs in New York City. The purpose of the E-MDT Initiative is to support existing E-MDTs, expand E-MDTs statewide, and develop technical assistance and other supports for successful statewide implementation.

The E-MDT Initiative is implemented in New York State through a network of regional organizations that administer program implementation and provide E-MDT Coordinator services for each county. Eleven regions have been established for the E-MDT Initiative. County-based E-MDTs bring together professionals in that county to stop all forms of elder abuse - financial exploitation, physical abuse, psychological abuse, sexual abuse, and neglect by others - at the earliest possible juncture. E-MDTs include representatives from Adult Protective Services (APS), aging services, health and human services, financial/banking services, law enforcement, and others who meet under the facilitation of an E-MDT Coordinator. The enhancements provide access to forensic accountants, geriatric psychiatrists/mental health professionals, and civil legal services.

This document focuses on the role of the forensic accountant in the E-MDT Initiative. It includes information about forensic accounting; describes how the forensic accounting profession adds expertise and knowledge to the E-MDTs; and provides information about what a forensic accountant may be able to provide to an E-MDT Coordinator and team with respect to case reviews, participation, and feedback to E-MDTs.

The roles and functions of the E-MDT Coordinator as outlined in this document may be performed by one or more designated professional(s) from within his/her organization, depending on the organizational structure and local county needs.

The forensic accountant provides many benefits to the E-MDT Initiative, including:

- Strengthening case outcomes;
- Contributing to developing a holistic plan;
- Strengthening and sharpening team members' knowledge about financial exploitation;
- Analyzing financial records and reporting back to the E-MDT; and
- Providing expert testimony in court proceedings as needed.

Defining “Forensic Accounting”

“Forensic accounting” is the practice of accountancy that uses auditing and other skills to produce evidence of financial matters for use in various legal proceedings and elder abuse interventions. Forensic accountants are employed in many capacities across various industries. A forensic accountant's experience may consist of internal audits, compliance audits, private investigation, litigation support, and business valuation, in addition to traditional financial statement auditing, bookkeeping, or tax work.

Education and Professional Standards

Education often includes a certificate or bachelor's degree in accounting, and possibly post-graduate education in business, accounting, forensic accounting, or even law. Forensic accountants are usually Certified Public Accountants (CPAs), Certified Fraud Examiners (CFEs), Certified in Financial Forensics (CFFs), Certified Internal Auditors (CIAs), or maintain other designations related to their area(s) of expertise.

CPAs and CFEs are guided by professional standards maintained by the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE), respectively. These professional standards require holders to adhere to a code of ethics or code of professional conduct in their practice. A code of professional conduct provides principles, rules, and interpretations governing member responsibilities, including protecting the public interest, maintaining integrity, keeping appropriate policies and procedures, and adequately supervising employees' work. AICPA and ACFE both prohibit accountants from disclosing confidential client information except in limited circumstances (e.g., with the client's permission or pursuant to a subpoena). Violation of a code of ethics or code of professional conduct may result in suspension or revocation of the license or certification.

Professional standards also require completion of continuing professional education requirements that are measured in credit hours. CPAs in New York State must earn 120 credit hours over a three-year period in certain subject areas, and CFEs must earn 20 credit hours per year in certain subject areas.

Most training of forensic accountants in general occurs post-graduation by obtaining certifications, continuing education, and, of course, fraud-related work experience. However, colleges and universities have begun incorporating forensic accounting classes, certificate programs, and even graduate degree programs into their curricula. Still, students graduating with a focus in forensic accounting are encouraged to obtain CPA licensure before pursuing more forensic accounting-specific certifications. A CPA license is the most desirable credential for an accountant acting as an expert witness in court proceedings, which any forensic accountant working with an E-MDT must be prepared to do. Obtaining CPA licensure requires 150 credit hours in undergraduate or graduate programs related to

business and accounting, passing grades on all four parts of the Uniform CPA Exam within an 18-month window, and at least one year of work supervised by a licensed CPA. Current CPAs may pursue certifications specific to forensic accounting in an attempt to enter the field but qualifying as a witness in court proceedings depends largely on experience. Some District Attorney's offices and/or police departments may also employ forensic accountants.

Role of Forensic Accountants on the E-MDTs

The forensic accountant under contract for the E-MDT Initiative is Webber CPA, PLLC in Rochester, NY. Webber CPA has been working with E-MDTs since 2013. The forensic accountants at Webber CPA are CPAs and/or CFEs.

Introducing Forensic Accounting

In cases with potential financial exploitation, the forensic accountant provides evidence of whether a victim's assets may have been stolen or misused and in many cases by whom. The forensic accountant analyzes financial documents and other information gathered in E-MDT meetings or case consultations to build a narrative that is useful to law enforcement, the court system, elder abuse professionals, and victims. The forensic accountant's concise compilation of fact-based evidence can aid elder abuse professionals in exploitation cases, determining service plans, and seeking justice for the victim. The forensic accountant is available at every phase of a financial exploitation case, including but not limited to identifying documents to request and suggesting questions to ask victims to help move a case forward, to providing expert witness testimony on their written reports.

Training for E-MDTs

The E-MDT Coordinator provides training and guidance to team members about the role of the forensic accountant, types of services available and referral procedures. Webber CPA is available to give a formal presentation for newly developed E-MDTs on what a forensic accountant is able to do for the team. Additional training and support regarding the use of the forensic accountant is available through the Technical Assistance providers.

Forensic Accounting and E-MDT Cases

Elder abuse cases are referred to the E-MDT by team members or other professionals in the community via the E-MDT Coordinator. If a qualifying potential financial exploitation case is brought to the attention of a forensic accountant from an external source, the forensic accountant may encourage the source to refer the case to the E-MDT Coordinator.

If during a team meeting, the team recommended or requested that a forensic accountant perform a forensic analysis for a particular purpose, this is included in the follow up steps or "action plan" resulting from the meeting.

The E-MDT Coordinator will review the case information to determine whether a case is appropriate to refer to the forensic accountant. Any referrals to the forensic accountant will be made by the E-MDT Coordinator.

Referral of a case to the forensic accountant may be recommended or requested for several reasons, including:

- Case worker support;
- Determine the need for/enhance guardianship application;
- Law enforcement involvement desired;
- Law enforcement support;
- Engage/support the DA's Office; and
- Assist victim with understanding the nature and extent of exploitation.

The E-MDT Coordinator is responsible for informing the forensic accountant of information provided during the team meeting and facilitating communication between the forensic accountant and the referring party. This may include sharing contact information and any relevant documentation that existed at that time, such as bank records, etc.

The E-MDT Coordinator is copied in on all communication between the forensic accountant and referring party. In cases involving a potential criminal prosecution, the forensic accountant may not be able to include the E-MDT Coordinator on communications with law enforcement and/or the DA's office.

Providing Information to the Forensic Accountant

The Coordinator should provide the forensic accountant with pertinent financial records collected by the referring party. Relevant documents may include bank statements, Power of Attorney forms, credit card statements, credit reports, investment account statements, loan documents, real estate records, tax returns, estate documents, wills, and insurance policies.

When providing information to the Coordinator or Forensic Accountant, referring parties and other team members should follow the confidentiality, document sharing, and data security policies and protocols of their individual organizations.

The financial records should encompass a timespan, including prior to and during the period of suspected abuse. This helps to further understand the pattern and duration of the suspected exploitation. Webber CPA generally recommends six months prior to the approximate date of the suspected perpetrator's involvement. Alternate time periods are sometimes suggested by law enforcement based on the statute of limitations or other factors.

The forensic accountant cannot request documents from financial institutions directly. For criminal matters, the local DA's office may request the documents via a subpoena; in some counties, the DA's office will need to include a disclosure with its subpoena stating that the forensic accountant can have access to the records. Reliance on subpoenas is often necessary because even though New York State Social Services Law and Banking Law permit financial institutions to provide financial records to APS not all cases brought to the team are APS-eligible.

The E-MDT Coordinator should bring any questions to the Technical Assistance providers and Webber CPA, including if assistance is needed with referral procedures and determining the appropriate time span for financial records.

Role of Forensic Accountant at E-MDT Meetings

The forensic accountant's participation in E-MDT meetings is often based on availability and whether the forensic accountant has findings and recommendations to share with the team. Attendance by Webber CPA is conducted via teleconference, video conference, or in-person. Each employee of Webber CPA signs the E-MDT Confidentiality Agreement on an annual basis for each team whose meetings they participate in.

When Webber CPA attends an E-MDT meeting, responsibilities include, but are not limited to: advising team members on financial exploitation cases, including the specific documents needed to develop the case; determining an appropriate timespan for the documents to be collected or subpoenaed; and discerning elements of exploitation as each case is presented, pointing these elements out to the team during the case discussion.

For example:

- *Mrs. A's bank statement shows a \$500 payment to a credit card company. Has the client authorized a credit report to see what other debt might be outstanding?*
- *Mr. B's tax return is showing some dividends from an investment account. Do we know whether the suspected perpetrator had access to that account too?*

Role of the Forensic Accountant in Elder Abuse Case Consultations

To prepare for an E-MDT meeting involving the forensic accountant, the E-MDT Coordinator may consult with the forensic accountant for assistance in determining whether or how a new case should be efficiently and effectively presented to the E-MDT. Consultation would include a brief review of the facts of the case, a summary of the documents collected so far, and whether the case should be brought to the team before a forensic analysis was completed, or afterward so that the team may have more evidence for consideration.

For example:

- *An APS case worker is investigating a financial exploitation case and needs assistance identifying what documents and time periods to request from a client's bank.*
- *A law enforcement officer is investigating a financial exploitation case and requests that the forensic accountant review a credit report with her so that she understands it and can formulate the appropriate questions for a suspect interview.*

Please note that for case consults, the referral source needs to go through the E-MDT Coordinator to access the forensic accountant.

Review, Analysis, Findings, and Recommendations

Forensic Accountant Review and Analysis

A review of records consists of analyzing available account statements; documentation of regular expenses of the victim(s); Internet and public record search results; and other background information gathered on the victim(s), perpetrator(s), relatives, or other involved parties. Based on the initial review, the forensic accountant may request additional documentation from the E-MDT Coordinator or referring party deemed necessary. Documents may be requested by law enforcement via subpoena or by APS via a records request, or they may be provided by another professional involved with the case with the authorization of the victim and/or the victim’s agent or representative.

Once records are received, the forensic accountant analyzes financial data to reveal activity incongruous with the client’s normative spending patterns and lifestyle as observed in the data and/or otherwise described by individuals involved in the case.

Forensic Accountant Findings and Recommendations

Once Webber CPA has completed its review and analysis, they will provide their findings and recommendations to the Coordinator and referring party. In cases involving a potential criminal prosecution, the forensic accountant may provide the findings and recommendations directly to law enforcement and/or the DA’s office. Findings and recommendations may be communicated in any of the following forms, depending on the needs of the E-MDT relative to the specific case:

Deliverable	Description	Purpose
Draft Schedules/“Recs”	Draft versions of the supplemental schedules that would ultimately support a report or memo. Called “Recs”, these schedules show a reconciliation of the account’s beginning and ending balances by summarizing all activity into and out of the account over a period of time.	Illustrating activity in the account for the team and/or select participants. Often emailed to case workers or law enforcement to request additional information and/or documentation before a report or memo can be drafted.
Memo	Abbreviated narrative containing fact pattern, summary charts, select relevant findings, and supplemental schedules.	Briefing the team and/or select participants regarding findings when legal intervention is not yet decided upon/recommended.
Report	Full narrative containing fact pattern, accounts reviewed, summary charts, written findings, and supplemental schedules.	Grand Jury, trial, guardianship, and other legal proceedings.

The narrative section of the Memo and Report gives a brief overview of the facts of the case, the scope of the review and any limitations encountered, resultant findings, and any recommendations for further action. The findings may explain the victim's regular financial activity before the perpetrator's involvement and compare it to the financial activity observed in the bank records following the perpetrator's involvement. This comparison is often a crucial piece of evidence in a financial exploitation case.

When the forensic accountant makes recommendations for further action, there is a benefit to discussion with the referral source and/or E-MDT to determine if the recommendations should become action steps.

If the forensic accountant's report is used as part of a civil or criminal matter, the forensic accountant is at times required to testify on the contents of the report in a court of law, such as guardianship hearings, Grand Jury, or trial.

Appendices

Appendix A: Helpful Resources

There are a number of helpful resources available to assist E-MDT Coordinators and team members with financial exploitation cases. Some options are identified below:

- Consumer Financial Protection Bureau
 - Resources on several financial topics, including financial education, managing someone else's money, and working with older adults.
 - <https://www.consumerfinance.gov/>
- Federal Trade Commission
 - Information on scams, identify theft, the Do Not Call Registry, and other topics.
 - <https://www.consumer.ftc.gov/>
- Financial Exploitation Investigation Suite of Tools (FEIST)
 - An optional tool for caseworkers, the FEIST serves as a guide to help organize financial information before sending to Webber CPA.
- National Adult Protective Services Association
 - Fact sheets on senior financial exploitation, sample forms to request information from financial institutions, webinars, and other resources.
 - <https://www.napsa-now.org/get-informed/what-is-financial-exploitation/>
 - <https://www.napsa-now.org/get-informed/what-is-financial-exploitation/financial-services/>
 - <https://www.napsa-now.org/get-informed/exploitation-resources/>
- New York State Tips on Preventing Elder Financial Exploitation
 - Information on the risks and warning signs of financial exploitation, scams, trusted person abuse, and reporting financial exploitation.
 - <https://www.ny.gov/tips-preventing-elder-financial-exploitation>
- New York State Attorney General Smart Seniors Initiative
 - Tips on smart investments, how to protect against scams, and other resources.
 - <https://ag.ny.gov/smart-seniors>
- New York State Department of Financial Services
 - Resources on identifying elder financial exploitation and reporting suspected abuse
 - https://www.dfs.ny.gov/consumers/scams_schemes_frauds/tips_for_preventing_elder_financial_exploitation
- Senior Abuse Financial Tracking and Accounting Tool (SAFTA)
 - An optional tool to assist law enforcement investigating suspicious financial patterns and prosecuting cases of elder financial exploitation.
 - <https://www.justice.gov/elderjustice/safta-senior-abuse-financial-tracking-and-accounting-tool-toolkit>
- United States Department of Justice Elder Justice Initiative
 - Information about financial scams and an Elder Abuse Resource Roadmap.
 - <https://www.justice.gov/elderjustice/financial-exploitation>
- Webber CPA
 - The forensic accountant for the E-MDT Initiative.
 - <https://www.webbercpa.com/>
- Your E-MDT Initiative Technical Assistance Provider
 - For information on your E-MDT Initiative Technical Assistance Provider, contact Allison Granata, Assistant Director for E-MDT Initiatives, Upstate Elder Abuse Center at Lifespan, at (585) 244-8400 or agranata@lifespan-roch.org.

Appendix B: Webber CPA Financial Record Request Tip Sheet



Financial Record Request Tip Sheet

Banking and consumer privacy laws require lawful consent for a third party to access an alleged victim's personal financial records, making it difficult for concerned parties to investigate financial exploitation against older adults who may not be capable of giving such consent. However, the following parties have legal authority to access this information when fraud is suspected:

- Power of Attorney or Guardian
- Adult Protective Services
- Law Enforcement

Requests for records from financial institutions must be made in writing and submitted through the appropriate channels. Check the financial institution's website or call its fraud investigations department to confirm specific procedures.

At minimum, you should request **monthly statements** for any and all accounts held individually or jointly by the alleged victim for at least two years. If you know approximately when the alleged perpetrator(s) became involved, request six months prior to that date.

In addition, you should also request the following **supporting documents** to provide a complete accounting of spending during the period of the alleged abuse:

- ✓ Account opening/change documents (sometimes called "signature cards")
- ✓ Deposit slips & items
- ✓ Withdrawal slips
- ✓ Copies of canceled checks (front and back)
- ✓ Teller notes
- ✓ Transfer details/offsets showing origin/destination account numbers & financial institutions
- ✓ Power of Attorney documents on record
- ✓ Bank checks
- ✓ Mortgage/loan statements/records
- ✓ Credit card statements

Appendix C: National Clearinghouse on Abuse in Later Life Financial Exploitation Investigation Checklist for Law Enforcement



Financial Exploitation Investigation Checklist: Sources of Evidence

Bank records

- Bank accounts
- Certificates of deposit
- Signature cards
- Account opening documents
- Bank surveillance footage
- Safe deposit box visitors' log
- Canceled checks (front and back)
- Cashiers' checks
- Deposit and withdrawal slips
- Cash log or teller journal
- Wire authorization forms
- Bank correspondence
- Suspicious Activity Reports (SARs)
- Currency Transaction Reports (CTRs)
- Mortgage/home equity loan records
- Direct deposit records
- ATM records
- Recurring bill payment history
- Credit reports

Brokerage account records

- Stocks
- Bonds
- Money Market accounts
- Annuities
- 401(k)/IRA account records

Social Security

- Payment records
- Representative payee information
- Disability income statements

IRS

- Tax returns
- W-2 forms

From the home

- Home furnishings
- Personal effects
- Vehicles
- Insurance policies
- Burial trusts
- POA documents
- Identification (passports, IDs)
- Credit card records
- Records of loans/gifts to friends/family
- Identity of accountant, tax preparer, any financial advisors
- Rental property records
- Alleged abuser's income source/amount
- Bills and unpaid bill notices

Register of deeds/court records

- Local property records
- Wills and/or trust documents
- Bankruptcy court records
- Letters of guardianship/conservatorship
- Civil litigation records

National Clearinghouse on Abuse in Later Life
A project of End Domestic Abuse Wisconsin: The Wisconsin Coalition Against Domestic Violence
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