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Exploitation of elderly woman by a 'friend' is another chapter in an increasingly common story

BY ERIC ADLER - THE KANSAS CITY STAR

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At the former Independence home of her mother-in-law, Joyce Giaccetti of Raymore recalled the influence a female thief had on the late Erma Louise Giaccetti, who was bilked out of nearly all of her money — some \$350,000 — and her house.
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Story

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No one who knew Erma Louise Giaccetti would have ever taken her as someone capable of being conned.

At age 84 in 2008, the Independence woman was a presence. She stood 5 feet 10, a railroad engineer's widow with a sweep of coiffed white hair, a thin cigarette poised in her fingers and a gossipy tongue that, to the dismay even of her family, could turn as cold as it was more often kind.

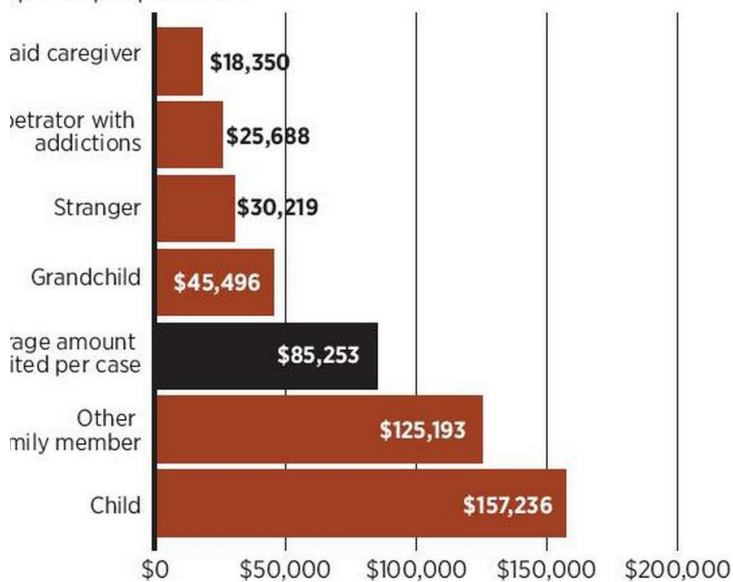
"She was very domineering," said daughter-in-law Joyce Giaccetti. "She would talk constantly about people. I think that's why she didn't have many friends."

But in the summer of 2008, she got one: Linda Gayle Scaife, a neighbor from decades ago who had returned to the Kansas City area, knocked on Louise Giaccetti's door and suddenly became what the widow called her "new best friend."

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STIMIZING THE ELDERLY

The absence of comprehensive national data, this 11-cited study was done by Utah to help discern the breadth and cost of elder financial exploitation in that state. It examined 80 cases involving individuals 60 and older. These are average amounts exploited by type of perpetrator.



© 2010 Utah Cost of Financial Exploitation study

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Giaccetti couldn't have been more wrong. Over the next three years, until her death, her family ties were destroyed. She lost her home and most of her life savings.

As revealed by family and court documents, the deceit and theft perpetrated by Linda Scaife could easily serve as a cautionary tale for all those concerned about financial exploitation of the rapidly growing number of elderly Americans.

No one knows precisely how many of the 60 million U.S. adults age 60 or older are victims of scammers. The few studies that exist estimate that up to 5 percent of seniors — 3 million people — are financially exploited each year.

The scams have a vast range: greedy children and paid caregivers writing checks on their elders' savings, identity and Medicaid fraud, unscrupulous financial advisers, and "sweetheart" scams that use romance to prey on people's affections and bank

accounts.

"The first thing I can tell you is that anyone who tells you they know how much of this is going on is blowing smoke. We don't know," said Doug Shadel, an expert on financial fraud with AARP in Washington state. "The reason we don't know is that people are embarrassed to admit they've been taken. There is a lot of suffering in silence."

What is more clear is that advocates for the elderly have been working to learn not only about the techniques scammers use but also to understand why some seniors are more vulnerable than others. Recent studies suggest that part of the problem may be biological — changes in the aging brain.

"One of the things we're learning about older adults is that they may be psychologically wired to be more trusting," said Pamela B. Teaster, the associate director for the Center for Gerontology at Virginia Tech University.

Red flags, great losses

Louise Giaccetti trusted Linda Scaife.

Scaife, 72, of Johnson County, did not return requests seeking comment, nor did her attorney. After two years of investigation by the FBI, Scaife pleaded guilty in February in U.S. District Court in Kansas City to the interstate transport of stolen property. Sentencing is scheduled for Oct. 15. Assistant U.S. Attorney Roseann Ketchmark has asked that Scaife serve no less than four years and nine months.

“Scaife manipulated an elderly woman ...,” Ketchmark argued in her sentencing request. “To achieve general deterrence, the public should see that those who steal from the elderly face a significant prison sentence. Scaife stole from Giaccetti month after month, year after year, and did not stop until she was caught.”

One tragic irony is that, at least initially, Louise Giaccetti’s family was somewhat gladdened when Scaife, then 66, showed up on the older woman’s doorstep in Independence. By the summer of 2008, Giaccetti was alone.

Her husband, Al, was a sweet-natured man who had received a Purple Heart as a Marine in World War II and worked for 40 years as an engineer for the Burlington Northern Railroad. He died in 1999 at age 73. The couple’s children at that time knew very little about about their finances, as it never seemed respectful to ask.

They knew Louise Giaccetti received her husband’s railroad pension of about \$2,200 a month. The couple had put money into savings and owned their house.

“They were not rich, but they were frugal,” said Joyce Giaccetti, 64.

Nine months after her husband died, Louise Giaccetti lost Larry, the younger of her two sons. He was only 46 when he died of a blood clot. From then on, her family would consist of older son Terry, a daughter-in-law, two former daughters-in-law and five grandchildren.

Then in July 2008, Linda Scaife arrived.

“She just showed up,” Joyce Giaccetti said.

Scaife, who had lived in the neighborhood decades earlier, was reintroduced to Louise Giaccetti by a cousin who had known the older woman for years. Terry and Joyce Giaccetti thought it was odd that a friendship would develop so quickly, but they were hardly concerned.

“I thought, ‘Well, that’s nice,’” Joyce Giaccetti recalled. “‘Louise will have someone to visit with instead of being alone all the time.’”

Soon, Louise Giaccetti was rarely alone. Before a month had passed, Linda Scaife was spending hours

every day at the older woman's house, Joyce Giaccetti said.

When relatives called, Scaife often picked up. On visits, she answered the door and rarely left Giaccetti's side, even during relatives' conversations. Meticulous about her hair, Louise Giaccetti had gone to the same stylist for years. Now Scaife was cutting her hair.

Before that summer was out, a phone call irrevocably broke the family.

"We got a call from Louise," Joyce Giaccetti recalled. "She said, 'If you ever call me again, I will get a restraining order on you.' We were totally blown away."

Like many families, the Giaccettis had had intense squabbles. After one, Terry Giaccetti and his mom didn't talk for close to two years. But nothing like that was happening in the summer of 2008, Joyce Giaccetti said, and even during the worst discord, all knew that family was family.

Now Louise Giaccetti was cutting all ties.

"We didn't know what was going on," said Joyce Giaccetti, who recalled hearing the call on speakerphone. "But we heard Linda in the background prompting her. That's when the red flags went up."

Before Joyce Giaccetti found authorities willing to help, three years would pass and the worst damage would be done. The financial ruin was only part of it.

In its sentencing recommendation, the U.S. attorney's office laid out that between July 2008 and September 2011, Scaife took nearly \$350,000 of Giaccetti's money.

The total included \$45,480 to buy and maintain a 2009 Cadillac CTS, \$119,793 to pay down credit cards, \$21,638 to pay down a student loan and \$20,000 to help buy a time-share property in Florida.

In short course, Scaife gained control of Louise Giaccetti's bank accounts. Scaife went to Giaccetti's family attorney to get the widow's will changed. When the lawyer wouldn't do it, Scaife found a different attorney who would. Scaife legally was made Giaccetti's "personal representative" and the will was amended.

In the old will, Terry Giaccetti was supposed to inherit his mother's home. In the new will, he got nothing.

But to Joyce Giaccetti, the most egregious exploitation went beyond money. Louise Giaccetti for years had told her family that she always wanted to remain at home.

"She told us over and over again, 'Don't ever send me to a nursing home. I want to die in my house. I want to live in my house until I pass away,'" Joyce Giaccetti said.

Only a few months after entering Louise Giaccetti's life, Scaife moved the older woman into Scaife's own home in Lenexa. Giaccetti's house and most of its contents were sold. Then in February 2010, Scaife placed Giaccetti in a Leawood nursing home, according to court documents.

Louise Giaccetti died on Sept. 11, 2011, and was buried near family in a cemetery in Miller, Mo. The family had become so estranged that Joyce Giaccetti did not learn of the death until a month after the funeral.

She was grieving another loss. Terry, her husband, had died earlier that year.

A big guy with a big laugh, Terry Giaccetti "loved life," his wife said. He liked to smoke, he liked to drink when the occasion was right and he liked to eat foods that, if not good for his health, made life seem good. A railroad man like his father, he retired as a Union Pacific conductor after 37 years.

The same summer that Scaife came on the scene, Terry Giaccetti had back surgery and soon fell ill because of an enlarged heart. He went into gradual organ failure. On March 22, 2011, he died at home in the arms of his wife at age 61.

Throughout her son's illness, Louise Giaccetti never called, never sent a card, never visited. It was utterly out of character, Joyce Giaccetti said. No matter what kind of squabbles the family had, when Terry had been sick in years past, his mother had stayed by his side. He was heartbroken, Joyce Giaccetti said.

His mother didn't attend his funeral.

"It was because of Linda. I know it was," Joyce Giaccetti said. "Louise never would have done this to Terry."

Increased vulnerability

Much has been written about how scammers manipulate the minds and emotions of older victims. Increasing focus is being placed on what makes certain individuals vulnerable.

As a group, the elderly tend to be in the crosshairs of scammers not just because they're older, but because they are relatively richer.

"If you're a thief, you go where the money is," said Teaster of Virginia Tech.

Households led by people 65 and older have more money than any other age group. The median worth of their assets is about \$175,000, according to the U.S. Census Bureau. That's five times the median assets held by debt-laden households of those age 44 and younger.

Giaccetti was conned by a woman who pretended to be her friend. The friend-as-perpetrator is just one type among many.

In 2010, for example, a review of 80 financial exploitation cases referred to the Utah Division of Aging supported what other studies and surveys have shown: Most perpetrators are family members.

Some 40 percent of victims were exploited by their own children, who did everything from play on family guilt and love to steal from and strong-arm their own parents. Thirteen percent were victimized by grandchildren and 4 percent by other relatives. Paid caregivers accounted for 14 percent and friends 5 percent. Strangers and companies and various others made up the rest.

Stacey Wood, a neuropsychologist at Scripps College in California, is studying why some older adults tend to be more vulnerable. Her goal is to give a battery of psychological tests to some 400 older adults who have been targets of exploitation.

Of little surprise is that victims tend to be less comfortable with dealing with numbers. They also score lower on tests of “executive functioning” — the ability to connect past experiences to present — which helps people plan, organize, solve problems and remember details.

“You go to their house and they are just less organized and it’s hard for them to keep things organized,” Wood said.

This increases vulnerability.

“They become more dependent on others,” she said. “That is a risk factor for all.”

Social isolation long has been known as a major risk factor for exploitation. Without trusted relatives or peers, impressionable and needy adults can more easily fall prey to self-serving people.

“What we have is a group of people, especially as they get into their 80s, who often have to give up driving, become widowed,” said Peter Lichtenberg, a geriatric neuropsychologist who is director of the Institute of Gerontology at Wayne State University in Detroit. “Their worlds become smaller. Loneliness is a factor. They become targets.”

Lichtenberg is one of a number of researchers nationwide who is placing increasing attention on the role conditions such as mild dementia or depression play in exploitation. He studied some 4,400 people age 60 and older.

In research published last year, Lichtenberg found that while about 4.5 percent had been victims of fraud, the rate of victimization was three times as great among those who reported being the most depressed and the least socially connected.

Another factor might be trust and how the aging brain perceives, or mistakenly perceives, who is trustworthy.

In a 2012 study, Shelley Taylor and her colleagues at the Social Neuroscience Laboratory at the

University of California, Los Angeles, presented 30 facial photographs to 119 adults in their 50s to 80s, with an average age of 68. They showed the same photographs to younger adults, average age 23.

The photographs were of faces with expressions that intentionally looked trustworthy, untrustworthy or neutral. Younger and older subjects viewed the neutral and trustworthy faces the same, but the older subjects tended to judge the untrustworthy faces as more trustworthy than did the younger subjects.

“They missed facial cues that were pretty easily distinguished,” Taylor told the university’s news service.

A second UCLA study mapped brain activity in older and younger subjects as they looked at the faces. In younger subjects, the brain’s anterior insula lit up when viewing untrustworthy faces. In older adults, it also lit up, but much more weakly.

The conclusion: Older people might be more easily scammed because the older brain has become less able to visually spot those who are untrustworthy.

Wood, the Scripps College researcher, cautioned that so much exploitation has to do with betrayal and relationships that it’s important not to overgeneralize about who is fooled, why and by whom.

“There are just a lot of gray areas in this area,” she said. “There are a lot of ways to steal from older people.”

Eucalyptus trees in Bolivia

Gina Fox of St. Joseph can only wish that it weren’t so gray.

Her husband, Lowell Fox, had been a smart and successful businessman and investor all his adult life. He built and ran nursing homes.

When he died at age 67 in 2012, it would be without the satisfaction of seeing the man who conned him out of more than \$500,000 sent to federal prison. In January 2013, Danny Meredith of Excelsior Springs, then 51, was sentenced to 11 years in prison without parole.

Not only had Meredith bilked Fox, he had duped 11 other Kansas and Missouri investors out of more than \$3 million, using two schemes. One had to do with investing in a coffee shop franchise. The other was an outlandish development deal that included harvesting eucalyptus trees in Bolivia.

By the time the fraud would be discovered, the lie that the charming and handsome Meredith spun would include calls to Bill Clinton and trips to George W. Bush’s ranch in Texas. It would involve the CIA, the National Security Agency and the Mafia.

Fox would be fooled into holding what he was told were suitcases full of money with locks rigged to explode. Only later would the contents be revealed: bricks wrapped in paper.

Fox was far from the only savvy person fooled. The former president of a food company lost \$200,000 to Meredith's cons. An accountant who had invested and acted conservatively his entire life lost more than \$2 million.

The five-year con so affected the accountant that his children took him to the Mayo Clinic in Arizona for his health. He had lost weight and couldn't sleep.

"We don't completely understand how this all happened ...," the man's son said at Meredith's sentencing. "We suspect that the deceit and everything involved had to be incredible. Simply because that was not the father that we knew all these years."

Gina Fox said she thought it was crazy from the beginning and had tried to convince her husband. But what began as an investment, she said, grew into a close, friendly but ultimately false relationship that Meredith formed with his victims.

Lowell Fox was a trusting man of deep faith who often would say he felt more blessed than he deserved.

Meredith, Gina Fox said, used her husband's goodwill against him. When Meredith purported to be in trouble, she said her husband would tell her, "Honey, we have to help Danny."

Meredith fooled him by surrounding himself with other investors who made him seem legitimate. When Gina Fox raised questions, her husband would point to them.

"He'd say, 'Honey, all these people can't be wrong,'" Gina Fox recalled.

But they were. There was no Bolivian land deal. Instead, there was Danny Meredith spending everyone's money gambling in casinos, going on luxurious trips and renting a well-appointed home in Excelsior Springs with horses and stables.

Now he lives in a low-security prison in Forrest City, Ark. — release date: November 2022.

Getting authorities to help

Halting financial exploitation of the elderly is hardly easy.

Even advocates for the elderly acknowledge that finding just the right legal authority to address a problem that might be civil or criminal, a state matter or federal, can be frustrating.

Joyce Giaccetti said that even as her husband lay sick, she struggled to get someone to stop Linda Scaife. She said she called police and politicians, AARP and an elder abuse hotline. One call led to the next, she said, but the result was "nothing."

Then her husband died. Joyce Giaccetti said she hid herself away and grieved. When she emerged, she thought of the FBI. She made an appointment and spoke to an agent.

"I was being listened to," Joyce Giaccetti recalled, but hardly felt hopeful.

"When I left there, I really thought that nothing was going to come of it. I had been shut down so many times, I thought, "They're not going to be interested in this."

But they were. The FBI worked the case for more than two years. The theft by Linda Scaife would have amounted to more than \$450,000, but the FBI was able to recover just over \$100,000 in one account that still remained.

Other than a handful of mementos, nearly everything else from the estate was gone.

"We got nothing else out of that house," Joyce Giaccetti said. "No pictures. No family memories."

Because of the FBI, what money Linda Scaife didn't steal might at least go to where it was always meant.

"One thing Louise had specifically told us," Joyce Giaccetti said, "is that she wanted each of the grandchildren to get \$20,000 at the time of her death. ... They still might."

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2.9

billion dollars each year estimated to be exploited from older Americans

10

cases of elder financial exploitation estimated to go unreported for each case reported

57

percent of financial exploitation perpetrated by family members

Sources: 2011 Metlife Mature Market Institute study, National Elder Abuse Incidence Study, 2010 Utah Cost of Financial Exploitation report

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