



Guardianship Dollars

A White Paper by Americans Against Abusive Probate Guardianship

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May 2015 has been declared [Older Americans Month in Florida by Governor Rick Scott](#).

Huge numbers of older Americans are trapped in Guardianships which impoverish them under color of Law—as many as 100,000 of them Florida alone. Where does their money go?

The following is a brief fiscal examination of guardianship that "follows the money".

Social Security Payments

[According to USA Today, the average over age 65 social security recipient receives \\$15,936 per year of Social Security benefits.](#)

Example: Number of Active Guardianships in Dade County, Florida

For Dade County, Florida we know there are **7,000 currently active guardianships**. Nearly all of these individuals are senior citizens. When these recipients are taken into guardianship, their Social Security benefits are redirected to the guardian. The person under guardianship (victim/Ward) has no access whatsoever to that money. This means that in just one county in Florida on an annual basis, **\$111 million flows directly into the hands of the guardianship system**.

Extrapolation: State of Florida

If you extrapolate those numbers for the state of Florida, where it is estimated that the **number of guardianships is a minimum of 50,000 to as much as 100,000**, nearly all of which represent senior citizens, the amount of Social Security payments diverted from the legitimate recipients **into the hands of guardians annually equals nearly \$797 million and possibly as much as \$1.6 billion!** Just in Florida!

That \$797 million is transferred into the hands of 1000 guardians (for profit and not for profit combined) in Florida every year just in terms of Social Security payments. Therefore, **each Guardian on average is responsible for the disposition of \$797,000 a year** in just these payments. The actual realistic number is far higher.

These are very conservative estimates as many individuals taken into guardianship could easily have much higher Social Security monthly payments.

But these numbers represent only a tiny fraction of the amounts diverted from their true and rightful owners into the hands of the guardianship system. These numbers do not include private pension benefits, insurance proceeds, annuities, Veterans Administration benefits, interest on investment accounts, dividends, the value of real property, and appreciation of property held by guardians.

How much money does an average Florida Guardian control?

No one really knows how many guardians there are in the United States. In Florida, Department of Elder Affairs statistics show that of the 1000 certified guardians, 460 or approximately 46% of professional fee for service guardians.

Florida's 540 Public guardians deal essentially with destitute individuals who have little more than Social Security payments to sustain them and who have little or no assets from investments, but for-profit guardians deal with enormous amounts of assets and income. Because of the limitations of the statistical data it is impossible to get a handle on how much money passes through the hands of professional guardians in Florida or anywhere else. Court (Probate) records are (partially) sealed and the numbers simply don't exist.

But when one considers that professional guardians need not have any particular monetary skills, that they are not licensed, but their certification process is incredibly simplistic and superficial, it becomes readily apparent that the opportunity to improperly divert and dissipate assets is overwhelmingly easy. When the average Florida guardian holds about three quarters of \$1 million in assets collected from as many as 150 "cases" (there is no limit on how many "Wards" a Guardians can "own") the temptation to cheat and divert funds must be incredible.

Guardianship Across America

It is impossible to know the true number of guardianships across the United States, because the numbers are not collected or reported by State Courts, according to the national Center for State Courts. A best guess estimate is that 1.5 million adults are currently under guardianship across the USA. Using known statistics for Social Security payments, a very conservative estimate of the funds under control of guardians from Social Security payments alone is that **\$24 billion per year in federal Social Security payments** is diverted from seniors into the hands of guardians across the country annually.

Asset income

Admittedly, some of the persons under guardianship, in this theoretical construct, are poor and have no other significant assets.

On the other hand, large and increasing numbers of wealthy individuals have been taken into guardianship in the last decade. Their assets spin off income as well.

The median amount of asset income for households where either the householder or spouse was aged 65 or older was \$1,542 for those households who received any asset income. In 2008 59 percent of older households had income from assets. Asset income includes interest from savings accounts, Individual Retirement Accounts, Keogh plans, rents, dividends and royalties. Income from assets does not include savings held in retirement savings accounts or other accounts that are cashed out as lump sum payments.

The amount of income from assets varied according to the total household income. For the 27 percent of households with income less than \$10,000 in 2008, the median asset income was \$199. Older households with income greater than \$50,000 (78 percent) had a median income from assets of \$5,508.

Among individuals 65 or older, 54 percent had income from savings, investments, and other financial assets in 2008. The median amount of yearly asset income was \$1,054. Low-income persons were less likely than higher income persons to have income from assets. Only 36% of persons with annual income below \$10,000 had income from assets and the median amount of asset income was \$225. Among persons with income above \$50,000, 81% had asset income and the median amount of asset income was \$7,313.

Source: Patrick Purcell, "Income and Poverty Among Older Americans in 2008," Congressional Research Service, October 2, 2009, Tables 5 & 6.

So the median **asset-derived** annual income for seniors is \$1,054. Nationwide, this number amounts to nearly an additional \$1.6 billion.

Therefore, using extremely conservative estimates that address only annual income from Social Security and investments, **Guardianship is a \$3.2 billion passive income cash flow business in America.**

That is just the tip of the iceberg.

Net worth assets

In 2015, for senior citizens at the 50th percentile of household net worth was \$171,000.

Simple math of 1.5 million seniors in guardianship with a median net worth of \$171,000 reveals that **\$256,550,000,000 (\$256.5 Trillion) of hard assets** is known to be in the **hands of guardians** in addition to untold billions from other sources including jewelry, collections, cash, non-liquid assets, art, vehicles, and much more.

Experience of victims in for-profit professional guardianship cases is that sizable estates are drained on a routine basis with alarming speed. It is not uncommon for multi-million dollar legal bills to be paid from the estate of the Ward during and after the lifetime of the Ward. These funds are typically dissipated in staged litigation that benefits no one but the lawyers staging it. The fiduciary responsibility of the guardian to protect the

value of the ward's assets and to do what's in the best interest of the Ward are often just nuisance after thoughts. Instead an innocent individuals funds and a lifetime collection of assets is used for the benefit of the guardianship system and its stakeholders -- All at the agonizing expense of the legitimate heirs to those assets.

This analysis does not even begin to consider the **emotional harm done by guardians** that families and the torture that wards experience when trapped in the web of guardianship, which is **a far greater crime than merely stealing their money.**

Our current system of guardianship is fatally flawed. It serves no one's interests but the industries (industry's) stakeholders. It must end. Now.

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