AG Request Legislation – 2009 Session

Protecting Vulnerable Adults

Background:

The Attorney General invited more than 100 professionals--law enforcement officials, health care providers, prosecutors, legislators, social workers, bankers and advocates--from around the state to participate in a Vulnerable Adult Summit on June 1, 2007. These professionals then joined work groups to continue to their work on vulnerable adult issues. These groups submitted final recommendations in May of 2008. Their reports suggest that:

- Punishments for the abuse of vulnerable adults need to be strengthened in order to protect a growing pool of potential victims and to address a clear increase in the number abuse cases.
- All too often, elders and dependent adults are targeted because of their vulnerability. Their ability to protect themselves may be compromised due to health issues, lack of mobility, memory loss, or their inability to communicate.
- Representatives of financial institutions are often the first to detect possible financial exploitation, so they should be required to report their concerns to DSHS or law enforcement.
- In order to prevent known abusers from continued access to victims, caregivers and family members need to have better access to information about those who have been found to have abused, abandoned, neglected or financially exploited minors or vulnerable adults.

The Problem:

According to the National Center on Elder Abuse, between 500,000 and 5 million seniors are abused every year in the United States. Many of these instances of abuse will not be reported to law enforcement or to the agencies responsible for protecting the state's vulnerable citizens. Experts suggest that only 1 in 5 — and possibly only 1 in 12 — abuse cases are ever reported. From 1986 to 1996, state and federal government data suggest that there has been a 150 percent increase in reports of elder abuse in domestic settings *(National Center on Elder Abuse National Incidence Summary, September 1998).*

The Washington State Department of Social and Health Services receives reports about possible abuse, abandonment, neglect, self-neglect or financial exploitation of vulnerable adults from "mandated reporters" - professionals who are legally required to report their concerns – and from family members and other concerned citizens. During 2007, DSHS's Adult Protective Services (APS) received 13, 551 reports of possible abuse, abandonment, neglect, self-neglect and financial exploitation. DSHS' Residential Care Services (RCS) received more than 29,000 reports, which included allegations of possible abuse, abandonment, neglect or financial exploitation of vulnerable adults as well as concerns about the quality of life or quality of care being provided in licensed and certified long-term care settings.

On Jan. 1, 2006, baby boomers began turning 60 at the rate of one boomer every 7.5 seconds. As they age, the number of individuals vulnerable to abuse, abandonment, neglect or financial exploitation will continue to grow.

Legislation: Enhanced Punishment For Crimes Committed Against Vulnerable Adults And Improved Protections for Them

The proposed legislation includes a number of measures designed to increase penalties imposed on individuals who commit crimes against vulnerable adults, strengthen laws involving vulnerable adults and increase the ability of DSHS and law enforcement to investigate share information about investigations with each other and the public, including:

- Adding mandatory enhancements to the standard sentencing ranges for crimes against victims who are (a) over age 65, (b) developmentally disabled, (c) residing in long-term care facilities, (d) receiving in-home services or (e) incapacitated under guardianship law.

  - For crimes against victims over the age of 70 or meeting the definition of vulnerable adult in RCW 74.34.020(15): 5 years for a class A felony or with a statutory maximum sentence of at least 20 years, or both; 3 years for a class B felony or with a statutory maximum sentence of 10 years, or both; and 18 months for a class C felony or with a statutory maximum sentence of 5 years, or both;

  - For crimes against victims over age 65 and up to age 70: three years for a class A felony or with a statutory maximum sentence of at least 20 years, or both; w years for a class B felony or with a statutory maximum sentence of 10 years, or both; 1 year for a class C felony or with a statutory maximum sentence of 5 years, or both.

- Adding employees of financial institutions to the list of individuals and entities that are required to make mandatory reports of abuse, neglect, abandonment and financial exploitation of vulnerable adults.

- Strengthening protections for vulnerable adults by amending RCW Chapter 74.34 to clarify definitions of terms such as abuse, neglect and financial exploitation, and by authorizing increased coordination between reporters of abuse, law enforcement and the Department of Social and Health Services.

- Allowing for greater public disclosure of information about reports of abuse, neglect, abandonment and financial exploitation. While still protecting the privacy of the victim and the person who made reported the allegation, the law would authorize DSHS to disclose that a report has been received, that an investigation is underway and the results of the investigation.

- Requiring DSHS to establish a publicly searchable database of adult protective services findings of abuse, abandonment, neglect and financially exploitation of vulnerable adults.

The Olympian
www.theolympian.com

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Elders deserve our protection

The stories that grab the headlines are heart wrenching.

There's the widow who is bilked out of thousands of dollars by a scam artist who knocks on her door and convinces her that she needs to replace every window in her home. He takes the money and skips town.

There's the elderly man who daily suffers physical and emotional abuse at the hands of his caregiver. Family members live in a distant state, so the abuse continues unabated.

As a society, we focus a lot of attention on vulnerable kids. It's time we devoted attention to those in the twilight of life and the most vulnerable among us.

The numbers are staggering.

According to statistics provided by the Adult Protective Services division of the Department of Social and Health Services, there was a steady increase in allegations of abuse, abandonment, neglect, self-neglect and financial exploitation from 2001 to 2006. In 2007 alone, the state agency received 13,551 allegations of abuse and neglect.

"Protecting the state's vulnerable people is the responsibility of each of us," said Kathy Leitch, assistant secretary for the Aging and Disability Services Administration, a division of DSHS. "Our goal is to help the general public recognize abuse, neglect and financial exploitation, and to advocate for safety on behalf of vulnerable adults."

Leitch joined Attorney General Rob McKenna and King County Prosecutor Dan Satterberg last week announcing a series of proposals to bring abusers to justice, prevent mistreatment and end financial exploitation.

"Vulnerable adults are often isolated and in poor health, making them easy targets for criminals," McKenna said. "As our population ages and the pool of potential victims grows, we have to find new ways to protect our loved ones and fellow citizens."

The legislative remedies were developed in consultation with a statewide coalition of law enforcement officers, social workers, caregivers and advocates for vulnerable adults, McKenna said. The proposal would:

• **Add** mandatory sentences for crimes against victims older than 65 or victims who meet the definition of a vulnerable adult.

• **Require** employees of financial institutions to report the financial exploitation of vulnerable adults. McKenna said many times those employees are the only witnesses to exploitation.

• **Strengthen** protections for vulnerable adults by improving coordination between reporters of abuse, law enforcement and Adult Protective Services.

• **Allow** for greater public disclosure of state reports about abuse, abandonment and other forms of abuse or neglect of vulnerable adults in hopes of better screening caregivers.

• **Create** a publicly searchable database of perpetrators of vulnerable adult abuse and neglect.

The legislative package is a good start, assuming, of course, that the costs are not prohibitive.

But lawmakers cannot solve this problem on their own. It's up to each individual to remain vigilant and report any case of suspected abuse or neglect. With an aging population, we owe it to those in the twilight of life to be vigilant.

The Olympian
www.theolympian.com

*This is a printer friendly version of an article from the **The Olympian.***

Published July 29, 2008

Vulnerable adults merit protection

The state Department of Social and Health Services is wrapping up Adult Abuse Prevention Month.

We often think about and react to abuse of children, but the sad fact is that frail and elderly adults are at equal risk. They, too, deserve our protection. But only one in five cases of abuse is reported.

"Protecting the state's vulnerable people is the responsibility of each of us," said Kathy Leitch, assistant secretary for the Aging and Disability Services Administration, a division of DSHS. "Our goal is to help the general public recognize abuse, neglect and financial exploitation, and to advocate for safety on behalf of vulnerable adults."

The state agency is offering a free Adult Abuse Prevention Kit, available by calling 800-422-3263. The kit also can be downloaded at www.adsa.dshs.wa.gov/aps.

According to DSHS statistics, Adult Protective Services reported a steady increase in allegations of abuse, abandonment, neglect, self-neglect and financial exploitation from 2001 to 2006. In 2007, the state agency received 13,553 allegations.

To report cases of suspected elder abuse, call 866-363-4276. Children and vulnerable adults merit our attention and protection.

The Seattle Times

Friday, December 7, 2007 - Page updated at 12:07 PM

Part One | The fleecing of Frances Taylor

By Susan Kelleher
Seattle Times staff reporter

DEAN RUTZ / THE SEATTLE TIMES
Her assets drained, Frances Taylor, 96, has Alzheimer's disease, is now bankrupt and lives at an adult-care facility in Lake Forest Park. Her care is paid for largely by taxpayers.

Seven years ago, Frances Joy Taylor was living in her own house, singing in her church choir and baking apple pies for friends. The 89-year-old widow had about $2 million in assets — which she intended to leave to her church to help children in Africa.

Today, Frances lives at an adult-care home and spends her days napping in front of a television. Her care is paid for largely by taxpayers, because Frances is now bankrupt. Frances' memory is fading as fast as winter daylight, the result of a steady assault by Alzheimer's over the past eight years. Her financial demise began around the same time, when a businessman named Tyrone Dash took over her affairs.

DEAN RUTZ / THE SEATTLE TIMES
Frances and her late husband built this Northgate home that was lost to debt and a series of high-cost mortgages. The mortgage fees alone stripped away about $50,000 of her home equity.

Acting on what he says was Frances' behalf, Dash methodically liquidated or leveraged almost everything she owned: her bank accounts and securities, her insurance policies, her credit cards, her two apartment buildings and, ultimately, her home.

What didn't end up in Dash's pocket went to others: Contractors who worked on her apartments. A lawyer who rewrote her will. A business group that bought one of her properties at a bargain price.

And tens of thousands went to financial institutions: credit-card companies, mortgage lenders and others that were more than willing to extend credit, assess large fees for questionable transactions and, in one case, violate their own rules to sell Frances high-cost loans she had no hope of repaying.

DEAN RUTZ / THE SEATTLE TIMES
Frances Taylor does her best to recall events in her past as her legal guardian, Bob Forgrave, looks to her journals for clues about the business manager and financial institutions that profited from her decline.

The companies that fed off her decline are part of a financial-services industry that targets people, looking for potential borrowers with high debt and assets that can be tapped to pay off that debt.

Frances was an easy target for someone wanting to separate her from her money. And as she slid into debt, she was an even better target for eager lenders who knew what she owned, what she owed, and how fast her nest egg was disappearing.

Along the way, some people raised concerns about what they saw happening to Frances and her money.

Officials are now investigating filing criminal charges against Dash.

Some of Frances' lenders will be in court soon, too, waiting in line for the proceeds of her bankruptcy.

Uncovering reality

Two and a half years ago, during a quiet birthday celebration for Frances, her longtime friends Paul Robert "Bob" Forgrave Jr. and his wife, Kathy, asked her about her apartments. Frances furrowed her brow: "I'll have to ask Tyrone."

"What do you need to ask Tyrone?" Kathy asked, puzzled.

"Whether the apartments sold," Frances replied. "First they did, and then they didn't. I don't know anymore."

The Forgraves peppered Frances with questions about Dash, a business consultant and tax preparer she'd met in 2000. Vague answers followed.

The next day, Kathy Forgrave checked Frances' properties on King County's Web site. Both apartment buildings had been sold. Frances' house was in foreclosure, set to be auctioned off in 11 days.

Bob Forgrave drove to Frances' home with the news. She seemed shocked and confused.

The next day, he searched her papers. He found Dash's name on her accounts, on life insurance, mortgage correspondence, and on her checks.

He filed a police report, changed Frances' locks, installed a video camera and waited. Dash showed up later that day, and Forgrave met him on the driveway.

"Nice to put the face to the crime," he said as he shook Dash's hand.

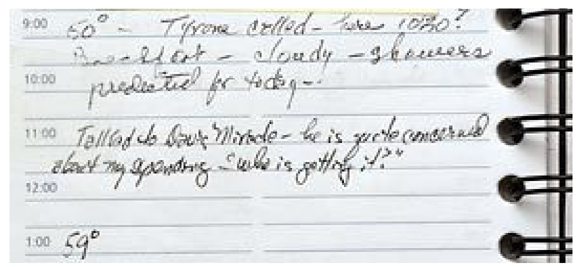
"What do you mean?" Dash asked.

"Buddy," Forgrave said, "you left a paper trail a mile wide."

Forgrave hired a lawyer to file Chapter 13 bankruptcy for Frances and stave off foreclosure. His kitchen became a command center as he and his wife assembled the pieces of Frances' financial collapse.

After two years of work, Forgrave is clear on one thing: The man alleged to have fleeced Frances had plenty of help.

SEE CAPTION
Frances as she looked in the 1950s. The smile is for her husband Sterling, who was sitting nearby



TOM REESE / THE SEATTLE TIMES
Frances' journal reflect how her business manager, Tyrone Dash, became a central part of her life, even as longtime associates — including her stockbroker — raised concerns that she was being exploited.

SEE CAPTION
Still going strong at 87, Frances blows out candles during a birthday celebration at one of her apartment buildings in 1998. One worker marveled that she could climb a ladder to the roof faster than he could.

A history of thrift

Frances was a frugal woman. She kept track of her weekly $1.50 donations to her church. She reused construction nails and pulled clothes from other people's garbage to wash and give to charity. For decades, she had just one credit card — a charge plate the Bon Marché issued in 1969.

Frances' thrift was born of faith and experience: During the Great Depression, she saw her family lose its Montana farm; and while attending nursing school, she ministered to the homeless on Spokane's streets.

There, she met and married Sterling Taylor, an attorney and polio survivor who was an advocate for people with disabilities. The couple moved to Seattle in the 1940s, helped establish the Green Lake Church of Seventh-day Adventists, and developed two apartment buildings on Capitol Hill. They eventually settled in a house they built in the Northgate area.

They had no children. And when Sterling died in 1972, Frances assumed management of the 13 apartments. She kept rents low, but the income helped support her for 30 years. Her only extravagances: traveling with her church and her sister Jennie, and giving to charity.

Over the years Frances described her trips and her busy life in daily journals. But as her Alzheimer's progressed in late 1999, her entries grew perfunctory, with notes about the weather, sports scores or the occasional visitor: "Snow in passes — washed my hair — very quiet day."

Fellow congregants noticed that her apple pies — popular at the potlucks after services — were missing ingredients. She showered infrequently, and choir members edged away from her during rehearsals. She had several fender benders but refused her friends' pleas to stop driving. She tersely answered questions rather than admit to memory gaps.

Today, Frances doesn't remember the businessman who spent much of her money, and she doesn't recall that she lost her home to debt.

"I don't believe in being in debt," she said in an interview. "If you have it, use it wisely, or you won't have it."

The drain begins

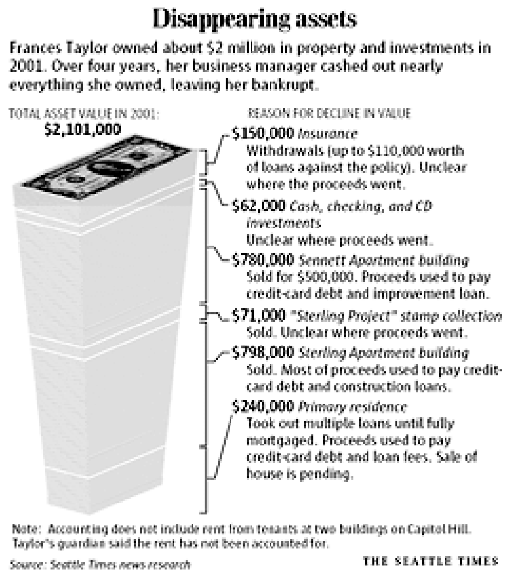
Frances first met Dash in 2000. He was working for Frances' contractor, helping him with billing and bookkeeping. The contractor was doing repairs on her apartments and needed Dash's help to get Frances a loan.

Dash, 58, is a wiry man with a broad smile and a disarming chuckle. But he prickles easily, especially regarding race.

"You know people make certain impressions about the way you look," said Dash, who is African American. "It's always, 'Oh, you're so articulate,' meaning I sound white, or I'm just a smooth-talking con man. I've been through all that."

The contractor, Abel Cordova, had worked for Frances for 15 years. In 1999, he had started renovating her properties. The work grew increasingly ambitious: redoing plumbing and electrical systems and replacing carpets, drapes and appliances.

DEAN RUTZ / THE SEATTLE TIMES
Frances' business manager, Tyrone Dash, is under criminal investigation in the draining of her estate. He says he did his best to help her.



COURTNEY BLETHEN / THE SEATTLE TIMES
Not even bankruptcy stopped lenders from soliciting Frances for high-priced debt. Among the more recent offers: a credit card with a $150 annual fee, a $300 credit limit and a 19.5 percent interest rate.

At first, Frances dipped into savings and investments to help pay for the renovations. As rental income dropped off, she borrowed more than $220,000 against her home, which she had owned free and clear.

It wasn't enough, and Cordova was recommending more extensive structural repairs. He asked Dash to negotiate construction loans on Frances' behalf from Frontier Bank.

Frontier approved two loans totaling $343,000 in July and required that Frances pay Cordova $100,000 from the proceeds, Dash said. Dash came up with that figure from looking over old billings and identifying work where Cordova had undercharged or not charged Frances.

The day Frances signed the first loan she also signed Dash to a five-year contract to manage her apartments. Dash's authority quickly expanded. He hired contractors, some of them businesses he had done work for, and within six months, fired Cordova, telling Frances he'd overbilled her.

Cordova said he relied on all of Dash's representations, and after he was fired, he warned Frances about Dash. She didn't listen.

By then, Frances had taken out another $301,000 loan from Frontier and had spent more than $750,000 for work on both buildings, according to Dash's records.

She also paid Dash at least $20,000. He had charged thousands more on credit cards he obtained for her, charges he says were on her behalf.

Frances represented a new sort of client for Dash — one who paid well and on time.

Dash had owned a highway-safety company, mostly installing guardrails, in the 1980s. But he declared bankruptcy in 1990 and settled into preparing tax returns. He got a few small contracts advising government agencies on minority-owned business issues and consulted for minority- and women-owned firms.

Dash and Frances became regular lunch and dinner companions. After sharing a meal with Dash, Frances would sometimes note in her journal: "We enjoy each other."

Frances called Dash nearly every night, said Stephanie Dash, his estranged wife. When she didn't call, Dash called her. If she didn't answer, he would drive to her home to check on her.

"I wasn't taking advantage of her," Dash said, adding that he "always discussed" his charges with her. He looked after her well-being; she appreciated it and paid him accordingly, he said. But he also acknowledged that he owes her around $25,000.

Dash learned that Frances' apartments belonged to the regional governing arm of her church. But the apartments were needed as collateral for the construction loans, so he and Frances negotiated with the church corporation to move the properties back into her name. The renovations stood to increase the buildings' values, and the church corporation expected to get them back.

Don Kellogg, the church trustee who oversaw Frances' planned gifts to the Western Washington Corporation of Seventh-day Adventists, agreed to the arrangement. He thought Frances was competent and Dash seemed to be a "straight-shooting guy," he said.

The church corporation took precautions, though, getting legal authority from Frances to make decisions on her behalf.

Warning signs

Frances' tenants were suspicious of Dash and Cordova, and thought many of the apartment renovations were unnecessary.

Tenant Barbara Ristagno, who'd known Frances for 10 years, said Frances was confused about the work and what it cost. Ristagno and another tenant confronted Dash and Cordova in mid-2000, accusing them of taking advantage of Frances.

At least eight tenants filed complaints with the state attorney general, the state's Adult Protective Services (APS) office, Seattle police and the city planning department.

APS social worker Catherine Baker interviewed Frances in August 2000 and concluded that Frances was confused about the renovation and her finances.

Others Baker interviewed agreed, including an attorney whom Frances consulted twice that year. He said that whenever he asked Frances a question, she turned to Dash to answer for her. According to Baker's report, the attorney said he was glad Baker was investigating, because Frances "may not be fully capable of handling her affairs and may need a limited guardianship."

But a Frontier Bank executive who set up Frances' loans praised Dash for his decisions to raise rents, collect back rent and monitor construction expenses, the report said.

Baker, a city inspector and a police detective met with Frances and warned her about Dash. She told them she trusted Dash but noted the session in her journal: "Tyrone ... they say — a con artist!"

She continued as before, arranging lunches and dinners with Dash. In September, the "sheriff's office" called Frances, "warning me against Tyrone." She noted the call in her journal, then ignored it.

Before completing her investigation, Baker told Kellogg, the church corporation trustee, that she had "continuing concerns" that Frances "was being taken advantage of," according to her report. Kellogg assured her the church was taking over Frances' affairs and would ensure the renovations were completed.

Baker wrote she was "unable to determine financial exploitation" and closed her case. So did the Seattle police and the Attorney General's Office.

Kellogg, on the verge of retiring, had one last meeting with Frances. She recorded it in her journal: "Kellogg here — he is not a lawyer — threatened to take over my properties." Later that night, she had dinner with Dash, "my treat."

Kellogg said he was shocked by her depiction of a meeting he doesn't remember. "I don't operate that way, and I never have," he said. "We were trying to protect her interests from other people, including Tyrone."

Vanishing assets

By early 2001, Dash had become a fixture in Frances' life, doting on her like a son and a suitor. He slipped just as easily into her accounts.

Frances was in a cash crunch, facing onerous repayments on construction loans and credit-card debts. She still had savings, stocks and bonds, and life-insurance policies, including one with a $150,000 cash value.

Kellogg was gone, but the church corporation offered to help: It would take the apartments she intended to leave it, pay off the debts and give her $100,000 cash and at least $4,000-a-month income for life.

She responded by hiring a new lawyer, Paul Oden, a partner in the offices of Miller Nash. He began to undo her 30-year-old plan to leave everything to her church. Eventually, on the eve of Frances' 92nd birthday, Oden would execute her new will, naming Dash as her chief beneficiary and trustee.

With church officials out of the picture, Dash liquidated more assets, sometimes accompanying Frances to banks to make withdrawals.

Her longtime stockbroker questioned Frances as she cashed out her stocks and bonds: "He is quite concerned about my spending — 'who is getting it?' " she wrote in her journal.

Frances agreed to a request from Dash to charge his son's funeral on her credit card and gave him his own card on her account, he said. After that, he charged her for his time, putting on credit cards whatever he thought she owed him. Among the charges: trips to Las Vegas, dinners out, ATM withdrawals for hundreds of dollars, even a $760 diamond ring for his wife.

With Frances' signed permission, Dash began borrowing against her life-insurance policy, taking out more than $100,000 over five months.

The agent who sold her the coverage was alarmed by the loans and called Frances to warn her that she was undermining the policy. She told him she trusted Dash's decisions.

Finally, Dash told Jackson National Life Insurance of Michigan to liquidate the account. The company charged a $42,482 penalty and sent a check for what was left: $71.96.

Dash acknowledges today that he charged or collected from Frances as much as $80,000 in cash and credit in 2002 alone. The amount that year was “excessive,” he said, and there was likely “no excuse” for it. But he said he earned the rest.

Frontier Bank noticed the velocity of her spending and put a hold on her accounts but lifted it after Frances vouched for Dash, Frances’ guardian later said.

A US Bank representative also questioned Frances about withdrawals after she obtained $100,000 in cashier’s checks made out to Dash and various creditors. Dash responded with an angry letter to the bank president, and a bank representative apologized.

On rare occasions, credit-card companies notified Frances of unusual activity, Dash said. She would tell them everything was fine.

The only other challenge to Dash came when he used Frances’ Citi card to buy tires for his 1984 Thunderbird, he said. Citi initially declined the charge, and a customer-service representative told him over the phone: “You’re ruining her credit.”

Dash said he pushed back and was allowed to charge the tires.

Buildings sold

Dash assumed more authority and conducted more business in Frances’ stead.

In early 2001, a buyer offering $780,000 for one of her buildings was rebuffed. Then, in November, that same buyer came back, this time offering $840,000. He got no response, according to the agent who prepared the offer.

But that same month, another buyer, Patrick Hester, of Seattle, began visiting Dash at the apartments. He persuaded him to bring Frances to lunch at his house.

Frances agreed to sell to Hester, who brought the deal to one of his partners, attorney Kevin Keefe.

Keefe said he was concerned about the sale, given Frances’ age, but he proceeded once he learned Frances had a lawyer. He, Dash and her lawyer, Oden, hammered out the terms of the deal and the price: $500,000. It was scarcely more than she’d spent fixing it up.

Why would Frances sell to Hester when the other offer was for $340,000 more? Dash’s explanation: “She liked his cat.”

Hester declined to comment.

The terms, as reflected in county records, were terrible for someone with so little cash flow. The buyers offered Frances just a fifth of the sales price in cash and she financed the rest, charging the buyers 4.5 percent interest, well below commercial rates at that time, the records show.

Oden says the rate was actually 8 percent, with more cash upfront, but records showing that weren’t filed with the county. A copy he provided to Forgrave said the original had been lost or destroyed. His e-mail said he didn’t know there was another written offer for the building.

Oden deemed Frances “mentally competent and able to act adequately in her own interests” during the “six or seven” times he met with her over a period of two or three years.

“She lived independently, her memory was excellent and she exhibited and verbalized a sense of independence, if not orneriness,” he wrote.

Hester and his partners sold the building 2 ½ years later for more than twice what they paid for it — $1.05 million.

Dash also arranged for the sale of Frances' second apartment building for $798,600. The sale of the heavily mortgaged building freed up less than $100,000, he said.

Mortgaging her future

Before she met Dash, Frances was a "prime borrower," a consumer who could borrow money on the best terms from many sources. By the summer of 2002, with mounting debt and dwindling assets, Frances was considered "subprime."

The difference became clear that summer when Dash began tapping the equity in her house, obtaining the first of three high-cost, high-interest refinances. The fees alone stripped away about $50,000 of Frances' home equity.

The first mortgage — a $217,500, 30-year, adjustable loan with World Savings Bank — included a payment option so risky 25 states outlaw it. Called negative amortization, it allowed borrowers to pay only part of their monthly interest. The rest was to be repaid later at a higher rate. The option carried less risk in markets such as Seattle where homes had appreciated.

World Savings funded the loan after it was arranged by a broker with Pacifica Mortgage. It paid him a higher commission for selling Frances a loan with a "prepayment penalty" and a higher interest rate than she otherwise qualified for. The broker, Gene Halsey, said he was trying to find a loan with the lowest payments and that Frances could have shopped around for a better deal.

"My job is to make as much money as I can within limits," Halsey said.

A year later, Frances paid the prepayment penalty of $4,350 to refinance her home again, this time with Ameriquest Mortgage, then the nation's largest private subprime lender. A 26-year-old salesman in Tukwila collected Frances' information and set up the loan. He then sent it to the company's underwriting department for approval.

The salesman, Laughton Dean Fisher, had a technical-school degree in electronics. He earned a monthly salary of $2,000 but made most of his income in commissions.

In a handwritten application, Frances' age is listed correctly, but the Ameriquest records repeatedly showed her as 30 years younger — at 62 years old. Fisher, who no longer works for Ameriquest, couldn't explain the error. He said, however, that the company forbade selling adjustable loans to anyone older than 65.

The company listed Frances' income for the previous year at $32,000 a month — treating transfers between her accounts as income.

Frances paid Ameriquest $18,000 in fees for the loan, a $297,500 adjustable-rate mortgage, in July 2003.

Nine months later, Frances applied for another refinance from Ameriquest. The timing violated a rule Ameriquest had adopted in 2000 to stop a Federal Trade Commission investigation into allegations of predatory lending. That rule required Ameriquest to wait at least two years before refinancing one of its customers' loans.

By then, Frances no longer owned any rental property, was behind on eight credit-card bills, had been late on several mortgage payments and had monthly income from Social Security of $761.

But in its paperwork, Ameriquest listed her occupation as landlord. It also used altered tax returns that whited out her business losses. Ameriquest lent her $324,000. It charged her more than $19,000 in fees and added an $8,424 penalty if she paid off the adjustable note within three years.

Diane Haugsvar of Seattle notarized the loan papers. She said she still can see Frances sitting at her dining-room table, nodding and saying "OK, OK," in a singsong voice as she signed the documents. She remembered Frances, and her house, because the situation seemed chaotic.

Haugsvar noticed clutter everywhere, and much of it seemed to belong to Dash. She remembers thinking: He's supposed to be taking care of her, yet he's making it worse.

She didn't think the situation rose to the level of a 911 call, but she now wishes she had called someone to investigate.

Frances' new mortgage payment was $2,047, nearly three times her monthly Social Security check.

She missed the first five payments, and Ameriquest filed to foreclose. Dash said he broke the news to her.

She replied, "Not my house, not my house."

Epilogue

Bob Forgrave, her longtime friend, took over in March 2005. He found Frances a new lawyer and became her court-appointed guardian. In May, he moved her into an adult-care facility in Lake Forest Park.

Frances' bankruptcy attorney, William Linton, tried to block Ameriquest from getting any of its funds, arguing that Frances was not competent when she signed the mortgage.

The mortgage company has declined to comment. It stopped accepting business in August and is closing. Frances' loan is now being serviced by Citi Residential Lending.

In October, Citi informed Frances her interest rate had increased again, and, with it, her payment. By year's end, it wanted her to pay $900 more a month.

But 12 days ago, a federal bankruptcy court judge approved a settlement: Frances' home will be sold for $420,000. Ameriquest gets half.

Linton may challenge claims by the other creditors but, for now, what's left after legal fees is up for grabs.

Dash also filed bankruptcy in 2005. He and his wife separated last July after he beat her unconscious, and he went to jail for 52 days on an assault conviction. Today, he lives in a one-bedroom apartment in White Center. He collects disability payments after losing sight in one eye. A King County prosecutor, in a letter, told Dash he would be criminally charged and offered him a plea bargain in October. Dash ignored him.

Dash said he was naive about his ability to help Frances. He mostly regrets that he got involved at all.

Cordova continues to work construction, and Oden is still practicing law at Miller Nash.

Frances attends church when she can and is fond of her caretaker's banana bread.

She no longer has a home of her own, but she does have a mailbox full of offers for new mortgages and credit cards.

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Seattle Times researchers Gene Balk and David Turin contributed to this report.