

New York Attorney General Launches Investigation of Guardianship Providers,
[Jake Pearson](#), (January 15th, 2025)

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New York Attorney General Launches Investigation of Guardianship Providers

Investigators for the state's top law enforcement official have begun probing the practices of several organizations that serve as guardians to hundreds of New York's most vulnerable residents. The inquiry follows a ProPublica investigation.



New York Attorney General Letitia James is investigating about a half dozen guardianship organizations and how they manage the health and financial affairs of hundreds of elderly and infirm New Yorkers deemed incapable of looking after themselves, according to people familiar with the matter.

The inquiry, which is being conducted by lawyers in the office's charities bureau, follows [a yearlong series by ProPublica](#) that revealed how some guardians neglected the vulnerable clients entrusted to their care, while others used their court-appointed positions to enrich themselves at their wards' expense.

Judges often rely on guardianship companies to care for the so-called unbefriended, people who don't have friends or family able to look after them. Oversight of these guardians, however, is scant, with officials rarely visiting wards to check on their care. Meanwhile, the courts that appoint the guardians rely largely on financial paperwork to determine a person's well-being. That dynamic, the news organization found, has resulted in fraud, abuse and neglect of the state's most vulnerable.

Among the groups investigators are scrutinizing is New York Guardianship Services, which was featured in ProPublica's work, said one of the people familiar with the state probe, who, like others, spoke on the condition of anonymity to discuss a sensitive law enforcement action.

ProPublica found NYGS had [failed to meet the needs of more than a dozen people](#) entrusted to its care, including an elderly woman whom the company placed in a dilapidated home with rats, bedbugs and a lack of heat. NYGS collected \$450 a month in compensation from the woman's limited income while stating in reports to the court that her living situation was "appropriate" — even as internal company records and her own emails showed that she'd repeatedly complained about the conditions.

After ProPublica's first story was published, a judge ordered NYGS to pay back that ward \$5,400, representing about a year's worth of fees, writing that the company had provided ["minimal services, if any" during that time](#).

[In another instance](#), ProPublica reported that the company collected monthly fees from an elderly man even after he'd left the country — and also after he died.

Company executives have declined to answer questions about specific clients but previously told ProPublica that NYGS was accountable to the court and that its work was scrutinized by examiners, who are empowered to raise any issues.

But ProPublica's investigation found that there are too few examiners in the system to provide timely and thorough oversight. There are just 157 examiners responsible for reviewing the reports of 17,411 New York City wards, according to the court's most recent data. And there are roughly a dozen judges to check their work. As a result, ProPublica found that annual assessments detailing wards' finances and care can take years to complete, depriving judges of critical information about people's welfare.

The courts have similarly taken a light touch to vetting guardianship providers. ProPublica found that though NYGS presented itself as a nonprofit, it hadn't registered as such with state and federal authorities.

The attorney general's investigation is not the office's first foray into the guardianship world. A decade ago, the same unit investigated a nonprofit guardian called Integral Guardianship Services, ultimately finding the group had improperly loaned its top

officials hundreds of thousands of dollars while its wards unnecessarily sat in nursing homes, according to court records. To settle the case, Integral agreed to various reforms, paid back the loans and brought on a management consultant, the Harvard Business School Club of New York, to review its systems, operations and finances.

Even so, Integral shut down just a few years later, stranding hundreds of wards whose cases were absorbed by other nonprofit groups and private lawyers. Among them was NYGS, which was founded, in part, by Integral's former director of judicial compliance, Sam Blau, who wasn't named in the attorney general's lawsuit. Other Integral employees also remained in the guardianship business, starting their own groups or working as court-appointed fiduciaries, court and tax records show.

Some of those successor businesses are now among the entities state investigators are examining, the people familiar with the attorney general's investigation said.

NYGS executives Sam and David Blau did not respond to an email seeking comment. Neither did the attorney general's office.

News of the attorney general's investigation comes as court administrators and Albany legislators face increased pressure to fix the guardianship system. Court officials have said they need more money to address the problems and announced last fall that they were [appointing a dedicated special counsel, as well as a statewide coordinating judge, to oversee reforms.](#)

Advocacy groups have mounted their own lobbying campaign, pressing Gov. Kathy Hochul and legislative leaders to commit \$15 million annually to support a statewide network of nonprofits experienced in handling government contracts to serve the unbefriended. Another proposal, put forth by an advisory committee to the state court system, has advocated for the creation of a \$72 million independent statewide agency to serve as a public guardian.

It's not clear what Hochul, a Democrat, foresees for guardianship ahead of the upcoming legislative session. She'll present the executive budget later this month. Last year's \$229 billion spending plan included just \$1 million to fund a statewide guardianship hotline. A spokesperson for her office did not respond to questions about her funding plans or for comment on the AG's probe.

Guillermo Kiuhan, an attorney for the former NYGS ward who has since died, said he was encouraged to hear the company may have to answer for what he said was outright theft. He has been trying to get NYGS to reimburse the ward's heirs for the thousands of dollars the company took as compensation while his family provided for his care in Colombia. So far, the efforts have been unsuccessful. The Blaus didn't respond to questions about Kiuhan's claims.

“We are very frustrated,” he said in an interview. “Hopefully this is an opportunity to get the authorities involved ... and not have more people with the same problem.”