



September 26, 2017

The Honorable Steve Wilson  
Senate Building  
1 Capitol Square, Ground Floor  
Columbus, OH 43215

**RE: SB 158, to Combat Elder Fraud and Exploitation**

Dear Senator Wilson,

Thank you for the opportunity to comment on SB 158, to combat elder fraud and exploitation, on behalf of SIFMA<sup>1</sup>. Senior financial exploitation is a serious and growing problem that will require the engagement of all stakeholders and jurisdictions to prevent, identify, and resolve. Legislation such as SB 158 is a notable step in that process.

SIFMA would be honored to work with you to better strengthen protections for one of the most targeted populations in America; toward that end, please accept the following brief comments on SB 158:

- Please consider including SIFMA in the group of financial services stakeholders working to develop practices for preventing elder fraud and financial exploitation and to provide education on the subject, listed in Section 1 of the bill (Sec.173.95CA). SIFMA is a long-time, national voice on preventing financial exploitation (see below for more detailed information) and ensuring productive practices regardless of firm size or business model.
- The restitution provisions of SB 158 could provide critically necessary funds for the investigation of elder abuse. Especially when mandating reporting of sensitive information, adequately resourcing the timely investigation of such reports is essential to the protection of senior investors and others.
- In addition, as reporting processes are developed, please consider the development of Single Portal Reporting: a streamlined, unified one-report system to remove complication and friction from the reporting process so resources can be more quickly directed toward investigation, hesitation and errors in directing reports can be eliminated, and accurate data can be compiled.

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<sup>1</sup> SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over \$2.4 trillion for businesses and municipalities in the U.S., serving retail clients with over \$16 trillion in assets and managing more than \$62 trillion in assets for individual and institutional clients including mutual funds and retirement plans. For more information, visit <http://www.sifma.org>.

As noted earlier, SIFMA has been actively engaged in the prevention of senior financial education for over a decade. Here are some of the things we've been doing:

According to a MetLife study, seniors lose at least \$2.9 billion annually in media-reported cases of financial exploitation - and the National Adult Protective Services Association estimates that only 1 in 44 cases of exploitation are ever reported to authorities. Also, a recent New York State study found that roughly two-thirds of confirmed cases of exploitation involved immediate family members, which often creates barriers to effective client protections. Beyond exploitation, as our aging population and life expectancy increases, so too does the risk of cognitive decline. As a result, SIFMA's members have undertaken several workstreams to better understand and address these risks, including implementing innovative policies and procedures, and advocating for targeted regulatory and legislative changes that would allow firms to better address this emerging issue.

Founded more than a decade ago, SIFMA's Senior Investor Protection Working Group (which includes more than 150 representatives from 50+ distinct and diverse member firms) has been working collaboratively with policymakers, academic experts, neurologists, and other key stakeholders to better understand the risks to senior investors, and the role that firms and advisers can and should play.

SIFMA regularly hosts senior investor protection events throughout the calendar year – including regional senior investor protection workshops, which bring together stakeholders from across the financial services industry, adult protective services, and law enforcement for a hands-on, half-day, intensive learning experience—and our larger fall events, held annually for the last five years, which engage a range of stakeholders, regulators and others to actively participate and connect on senior investor protection policy and rulemaking.

Additionally, SIFMA has worked with more than a dozen academic and scientific efforts to design educational presentations for the financial services industry and its partners (including the American Bar Association and the Gerontological Society of America), as well as to publish and disseminate articles from some of the field's top researchers.

Earlier this year, SIFMA also released the full version of its Senior Investor Protection Toolkit, which features a variety of tools to help firms protect their senior investors, including a “Red Flags” document designed in partnership with AARP, and a Playbook identifying the major warning signs of dozens of the most popular scams (which includes materials from the federal government, state securities regulators, leading consumer protection programs and other non-profits). A digital copy of the Toolkit is available for free at [www.sifma.org/seniorinvestors/toolkit](http://www.sifma.org/seniorinvestors/toolkit).

Over the past decade, we have also advocated for effective and efficient state laws that provide advisors with a reporting pathway to governmental agencies and the ability to temporarily hold suspicious transactions to permit those agencies to investigate – as well as increased resources and more efficient reporting mechanisms for our partners in adult protective services and other investigating agencies. SIFMA has worked closely with 15 states and FINRA – our industry's primary federal regulator – to get such laws enacted.

We have further advocated for federal legislation, such as the Senior Safe Act, that helps strike the right regulatory balance and allow financial professionals to have the tools they need to protect senior clients, while ensuring both transparency and regulatory oversight. We will continue to push for updated laws and regulations to get ahead of this emerging threat and better equip our members and their advisers to protect their aging client base.

For more information on our senior protection efforts, please visit [www.sifma.org/seniorinvestors](http://www.sifma.org/seniorinvestors).

As noted above, SIFMA would be pleased to work with you to further your efforts to protect senior Ohioans. If you have any questions, would like any additional information, or if you would like to speak with someone on this issue, please contact our Columbus counsel, Tony Fiore of Kegler Brown Hill + Ritter, at 614-462-5428, or contact me directly at 212-313-1317.

Sincerely,

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Marin E. Gibson  
Managing Director & Associate  
General Counsel  
SIFMA