Chairman Bacon, Vice Chair Dolan, Ranking Member Thomas, and members of the Senate Judiciary Committee, on behalf of the nearly 26,500 members of River Valley Credit Union, I want to thank you for the opportunity to provide interested party testimony for Senate Bill 158, to combat elder fraud and exploitation.

My name is Rene Gindelberger and I am the Compliance and Audit Specialist at River Valley Credit Union; a $330 million credit union with six locations, serving members throughout the following counties: Montgomery, Greene, Butler, Warren, Miami, Clark and Preble. As a compliance expert, I work to ensure the credit union’s operations adhere to the industry’s regulatory requirements.

Senate Bill 158 aims to broaden the reportable class for elder abuse and fraud to include employees of financial institutions, like credit unions. As many of you already know, credit unions are not-for-profit, member-owned, financial cooperatives that focus on the “people helping people” philosophy. As such, Ohio’s 287 credit unions continue to prioritize the best interests of the member when providing products and services, including protecting them from fraud.

The state’s population is aging and with that comes new challenges to the not-for-profit model, like properly addressing elder fraud. It’s no secret elder fraud cases are on the rise across the country and in Ohio. As frontline entities, credit unions play a critical role in recognizing and reporting potential cases of elder fraud. While serving members at River Valley, I have actively identified situations of elder fraud and have passionately advocated for justice on the member’s behalf.

The faces of fraud are very real for me. I've seen first-hand the devastation that can occur when an elderly person is a victim of fraud. For example, we have an older gentleman named Darrell who is 75 years old. Darrell fell prey to more than one scam. He fell for a home improvement grant scam where he was trying to help tenants that lived in a home he owned. They needed a handicapped accessible bathroom and he was duped into creating a business account on the promise of a grant; he sent several thousand dollars and no funds ever arrived. Next, he was convinced that he had won money but had to pay a fee to get those winnings. When he told the fraudsters that he had no money, they asked if he had a credit card. He did but it had a balance, so they offered to “over pay it” and then he could advance the funds and send it back to them. Within 2 days the payments they had made were returned as fraudulent, but he had already sent money to them via money transfers at Walmart and Kroger. When the folks at those stores became suspicious, the fraudsters encouraged him to send cash, and he did that via UPS and FedEx. No funds were ever recovered and he ended up losing over $22,000. When we assisted Darrell and tried to encourage him to file a police report, his small hometown police chief said there was nothing he could do and to file it in the city where our branch was. No fraud occurred at our branch but a lack of ability to get someone to assist in this case was frustrating. In the end, we did stop any additional losses and were able to get assistance for Darrell through his son and prevent any further losses.

Another case involved Ruth. Ruth is an 84 year old pastor's widow who is legally blind. Through special devices she does get online and had a Facebook profile, which listed her as a widow. This is like a beacon for the scammers who contacted her. She met “the love of her life” on Facebook. He told her that he was a general who had been deployed to Syria. He was going to come and create a dream life for them but he needed her to send money to a friend. Our software created alerts that indicated something was amiss. As we worked through the situation, and conversations with Ruth occurred, it was determined he was a fraudster and that she did send some money through another financial institution. So often, people talk about the family and caregivers taking advantage of elderly, but it was through the conversations with her daughter, the caregiver and I that we were able to get to the bottom of it. Again, since there was no “known person” to pursue, there was no assistance available to help within local law enforcement. Since she had family who were willing to help, we didn't have to attempt to get help from Adult Protective Services.

The last example I will provide is the one I had the least success with. Rosemary, a retired school teacher who is 88 years old, started having very large checks clear her account. Again the software identified items that are out of the normal pattern of business for our members. I called and spoke to Rosemary only to learn that she was sending checks to people who would be delivering her lottery winnings and two Mercedes vehicles. I worked on convincing her that she shouldn't have to pay to receive winnings. I asked if she had any family who could help her and she said she had a son but told me I had no right to contact him. In speaking with her, she was very confused and the people were threatening her on the phone. I actually spoke to the scammers and they had told her they would have her arrested. I knew this was a scam and they would never show up. However, Rosemary was convinced that this was normal and they would deliver cash and cars. I contacted Adult Protective Services and the local police department. They went out to speak with her and the answer that I got was “she is well enough to make bad decisions with her money”. The people at Adult Protective Services would love to help, I know that, but they have limited resources and probably not enough people to assist in cases like this. For more than 3 months, I worked with Rosemary and many agencies trying to convince her that she was a victim of scams. I called the FBI, IRS, FTC and spoke on many conference calls with Rosemary. In spite of all my efforts, she continued to want to send funds to these individuals. When I kept talking to her and trying to get her to stop participating in these fraudulent schemes, she became upset and decided to go to another financial institution. I know in my heart, she probably has sent off a majority of the funds she had in her account by now. And I know I did all I could, but I just feel strongly that law enforcement and other agencies need to work together to protect our elderly.

Hopefully, these examples provide a small illustration of how Ohio’s credit unions are already actively identifying and addressing elder fraud cases. More needs to be done, however, to continue educating the general public on the prevalence of elder fraud and finding additional resources that will help address the all-too-frequent criminal activity plaguing Ohio’s seniors.

In closing, credit unions remain focused on the financial well-being of Ohio’s nearly 3 million members, which includes protecting them from harmful activity. By taking further steps to protect Ohio’s vulnerable population from fraud, credit unions can continue serving the best interest of their members, your constituents.

Thank you again for the opportunity to provide interested party testimony today and I would be happy to answer any questions you may have at this time.