**Sponsor Testimony for House Bill 648**

**House Civil Justice Committee**

**November 28th, 2018**

Thank you once again to Chair Butler, Vice Chair Pelanda, and Ranking Member Boggs for allowing my co-sponsor and me the opportunity to provide sponsor testimony for House Bill 648. House Bill 648, or the Suspicious Wire Transfers Temporary Hold Act, is a bill that pairs with House Bill 647 in trying to prevent vulnerable adults from being taken advantage of by scammers.

Our bill defines a vulnerable adult as someone who is either (1) eighteen years or older and, due to a disability, is unable to manage their own finances or (2) is over the age of sixty. As we outlined in our previous testimony on House Bill 647, the elderly population, in addition to the disabled community, are at particular risk of being preyed upon by scammers.

While there is an obvious financial toll taken on the individual who is scammed, schemes such as the ones we have described can have a wider economic effect on our state as a whole. According to a recent Forbes report, fraud is now adversely affecting the housing market to the tune of $5.3 million dollars a month. As a community, we need to work together to find solutions to these problems because they do not just affect those who are scammed, but communities across our state are being robbed of dollars that would otherwise go into their local economies.

I believe that House Bill 648 is an important step that we can take toward ending the scamming problem that we have in our state and I urge my colleagues here in committee to consider this important legislation which Rep. Brown will now explain.

Thank you Rep. Scherer. As my co-sponsor just alluded to, House Bill 648 is designed to protect vulnerable adults from wire fraud by allowing employees of a financial institution to place a good-faith temporary hold on a wire transfer if they fear that a vulnerable adult is being defrauded and go through a process to get the hold approved. Similarly to House Bill 647, this legislation is intended to be a last line of defense against scammers at the financial institution itself.

Recently, there have been several incidents in which financial institution employees conducting wire transfers have stepped in because they felt that a vulnerable adult was being defrauded, including one incident at a Marc’s grocery store here in Ohio. In order to encourage more employees to act in good faith when they feel that a vulnerable adult is at risk, House Bill 648 would allow them and the institution that they work for to be free of legal liability for placing the hold in good faith if they go through the proper process. This process includes, quoting from the LSC analysis of the bill:

If a hold is placed on the transaction, the financial institution must notify (1) the vulnerable adult and any other authorized user on the account, (2) any trustee overseeing the account, and (3) a person with a power of attorney for, or legal guardian of, the vulnerable adult, if there is one on file with the financial institution…The financial institution must also notify the Attorney General's Office of Consumer Protection.

This common sense approach to creating a last line of defense against fraud could result in the protecting of thousands of dollars for vulnerable adults all across our state. A similar measure was passed in Texas by an overwhelming 128-10 vote in their House of Representative and was signed by their governor.

I urge the committee to pass this legislation and I want to thank Chair Butler, Vice Chair Pelanda and Ranking Member Boggs for allowing us to provide testimony. Rep. Scherer and I will now take any questions that the committee may have about this important legislation.