

Ohio Senate Judiciary Committee

SB 158 - Proponent Testimony

12 September 2017



Chairman Bacon, Vice Chair Dolan, Ranking Member Thomas and other members of the Senate Judiciary Committee, my name is Dustin Holfinger; I am Vice President of State Government Relations for the Ohio Bankers League. On behalf of the FDIC insured banks and thrifts doing business in Ohio, the OBL appreciates the opportunity to discuss with you today the importance of SB 158 and what role we believe financial institutions have in the fight against elder fraud.

Elder financial exploitation, the illegal or improper use of an older person's funds, property or assets, has emerged as one of the most prevalent forms of fraud in our state. Despite its growing prominence, however, only a small fraction of incidents are detected and reported. Older Americans are attractive targets in part because of their assets and regular sources of income, increasing the need for effective interventions. The elderly may also be particularly vulnerable due to factors such as isolation, cognitive decline, physical disability, and health issues. Thus, their ability to protect themselves from individuals seeking to exploit them may be limited.

Financial institutions are often well positioned to detect when older account holders have been targeted or victimized. In recognition of this, in 2011, the Financial Crimes Enforcement Network (FinCEN) issued an Advisory to Financial Institutions on Filing Suspicious Activity Reports Regarding Elder Financial Exploitation. In addition, in 2016 the Ohio Bankers League collaborated with the Attorney General's office and other organizations to create a comprehensive Tool Kit to assist our members' employees in identifying and reporting this type of abuse. Both provided potential "red flag" indicators and instructions on how to report EFE activity through Suspicious Activity Reports (SARs). Once such threats have been detected, financial institutions currently report to law enforcement and the state or local Adult Protective Service agency (APS).

The Ohio Bankers League believes that Senate Bill 158 will protect Ohio's elderly in the multi-faceted way that is required. By requiring vetted best practices and standards and increasing the opportunity for collaboration between the departments of job and family services, adult protective service agencies and other financial institution trade organizations, Senate Bill 158 will help facilitate the required ongoing education that is necessary for our employees to proactively protect the elderly in our community. In addition, we applaud Senator Wilson for including a requirement that services and resources be provided to victims to ensure they are not taken advantage of again.

Included within the bill, that was not a part of the recently passed elder fraud language in HB 49 that required bank employees to be a part of the mandatory reporters list, is a requirement that any perpetrator of elder fraud or abuse pay full restitution to the victim and fine of up to fifty thousand dollars. This money, rightfully, is to be used for the cost of reporting and investigation of elder abuse and exploitation.

Prevention and response to elder fraud is improved when financial institutions, law enforcement and APS develop collaborative relationships. Financial institutions and law enforcement can share information about each organization's policies and procedures for detecting, assessing, and reporting EFE. Such relationships created via this legislation can facilitate timely response to reports and ensure that staff at each stakeholder organization has appropriate points of contact when questions or challenges arise. When appropriate, financial

institutions can provide expert consultation on banking and finance documents, processes, and procedures to assist law enforcement and APS with case investigations.

We believe that this legislation will help to forge stronger relationships with our institutions and the departments at the state and local level tasked with enforcement and eventual incarceration of offenders. The Ohio Bankers League is looking forward to working with the other organizations listed in Section 173.95 (A) and the Attorney General's office