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The Maryland House of Delegates

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Testimony of Delegate Dana Stein in Support of House Bill 745

Office of the Attorney General - Senior and Vulnerable

Adult Asset Recovery Unit

Chairman Clippinger, Vice-Chair Atterbeary, and members of the House Judiciary Committee:

House Bill 745 would create and fund a unit within Maryland's Office of the Attorney General called the Senior and Vulnerable Adult Asset Recovery Unit.

In 2016, the legislature gave the Attorney General the authority to file a civil suit on behalf of victims of financial exploitation who are seniors and vulnerable adults, with any recoveries going to the victims. This authority has been used to great success and has resulted in the return of several hundred thousand dollars to victims. In fact, the demand has been so great, that the Maryland Commission on Financial Education and Capability recommended that a unit be created within the Attorney General's office to handle these cases.

The purpose of this unit will be to protect seniors and vulnerable adults from financial crimes, which are defined under section 8-801 of the Criminal Law Article. ("A person may not knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is a vulnerable adult, . . . or is at least 68 years old" with intent to deprive the adult of his or her property.") The unit will be able to bring more civil actions for damages against individuals who commit financial crimes against seniors and vulnerable adults.

The money requested in this legislation to fund the unit is nominal when compared with the financial exploitation that seniors face. According to the Consumer

Financial Protection Bureau Report in February 2019, elder financial exploitation quadrupled from 2013 to 2017. Based in the CFPB's analysis of Suspicious Activity Reports that financial institutions are now required to submit to the federal government, since 2013, there have been over 180,000 suspicious activities targeting older adults involving a total of more than \$6 billion nationwide.

Nearly 80 percent of these involved a monetary loss to an older adult or the financial institution itself. A third of individuals who lost money were ages 80 and over.¹ The Executive Summary is attached.

Fraud at the hands of family members and caregivers and financial scams is extensive and growing. The CFPB reports that when an older adult knows the suspect, the loss is greater than when the suspect is a stranger.

According to the Maryland Department of Aging, the top financial scams for older adults in 2017 included (1) debt collection (2) identity theft (3) imposter scams, and (4) predatory financial institutions. Maryland ranks 4th in the U.S. in identity theft for older adults.

At the direction of the Attorney General, the unit would use these funds to hire new staff and investigate and assist prosecutions by the unit. As the Attorney General's office will testify, it needs these resources to bring actions on behalf of the older and vulnerable adults who are victimized.

An identical bill in the Senate, SB407, passed the Senate with one amendment which I've requested for my bill.

For these reasons, I respectfully ask that the Committee vote favorably on House Bill 745.

¹ Consumer Financial Protection Bureau, "Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends," February 2019. https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf