

**HB0332\_Elder\_Fraud\_Prevention\_Act\_MLC\_FAV.pdf**

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR HB0332**  
**Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025)**

**Bill Sponsor:** Delegate Stewart

**Committee:** Economic Matters

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in strong support of HB0332 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

We all get them – messages from our bank asking us if we’ve made a charge on our credit card because they are checking for fraud. The fraud monitoring for credit cards is generally top notch. However, for wire transfers, there are few questions asked. This weakness has become a favorite of scammers to exploit and many people, particularly seniors, have been manipulated by them into transferring money through a wire transfer. In some cases, the scammer pretends to be a relative that desperately needs money. In other cases, the scammer just gets the victim’s bank information and transfers money out of their account. Once the money has been transferred, the victim has no recourse.

This bill, if enacted, allows the victim to get all of their money back if the transaction was fraudulent. It holds the bank liable for the fraud and would create a private right of action for the victim to sue the bank. This will also cause the banks to increase their own security around the wire transfer process, and hopefully prevent fraud before it happens.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

**HB332\_AARP\_Morgan\_FAV.pdf**

Uploaded by: Karen Morgan

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475  
1-866-542-8163 | Fax: 410-837-0269  
aarp.org/md | md@aarp.org | twitter: @aarpm  
facebook.com/aarpm

**HB 332 – Consumer Protection – Electronic Funds Transfers – Regulation (Elder Fraud Prevention Act of 2025)**

**FAVORABLE**

**House Economic Matters Committee**

**January 28, 2025**

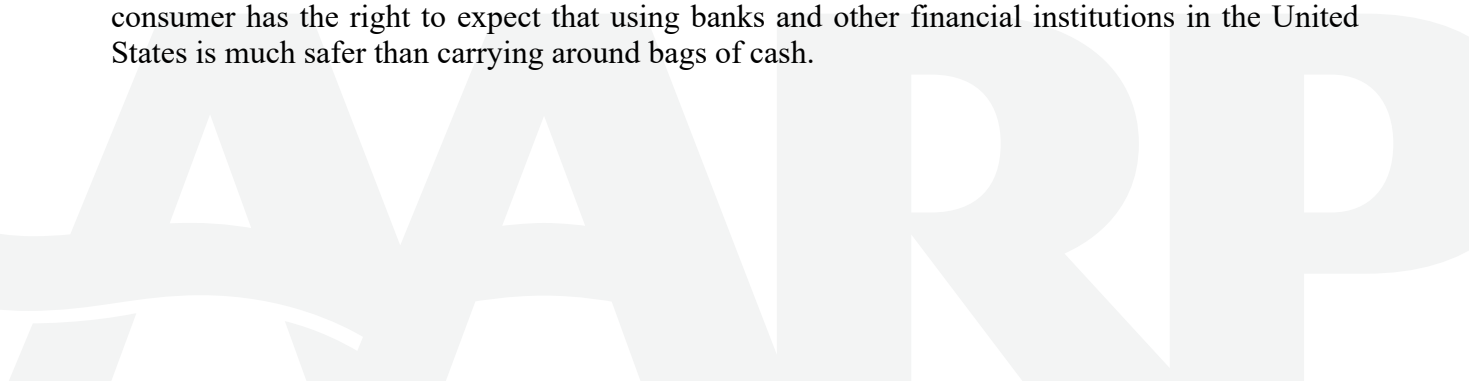
Good afternoon, Chairman Wilson, and Members of the House Economic Matters Committee. I am Karen Morgan, a member of the Executive Council for AARP Maryland. As you may know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 850,000 members. We thank Delegates Stewart and Griffith for sponsoring this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

HB 332 brings to the forefront a very serious problem regarding the security of financial transactions. We are here in support of HB 332 because state laws and regulations need to be substantially strengthened to protect consumers from fraud when they rely on their financial institutions to initiate an electronic funds transfer.

Criminals are increasingly targeting older adults for fraud using a variety of financial products and services such as gift cards, electronic payments, wire transfers, and cryptocurrencies. The Federal Bureau of Investigation found that in 2021, nearly 168,000 people ages 50 and older reported being victims of fraud, losing a total of nearly \$3 billion. The average amount lost by a person 50 and older was over \$17,500.

The federal Electronic Funds Transfer Act creates significant protections for consumers who transfer funds through automated means. The Act covers funds transfers initiated by telephone, automated teller machines, computers, and other electronic means. If a person finds a charge for \$100 on their credit card that they did not make, they most likely will get every penny of the bogus charge credited back to their account. A person who finds a charge against their debit card that they did not make will likely get all of that amount restored – maybe minus \$50, depending on the notification to the financial institution. However, the reality is that even if federal law authorizes financial institutions to refund all but \$50, that person will likely get all of their money back. A consumer has the right to expect that using banks and other financial institutions in the United States is much safer than carrying around bags of cash.



The bill leverages the significant federal protections for electronic funds transfers and specifically incorporates these protections into Maryland law. The bill provides specific authority for the Commissioner of Financial Regulation to require that financial institutions do more to protect consumers when they are initiating transfers of their hard-earned funds.

This is especially important with regard to wire transfers of money. If a person wants to buy a house, they will most likely have to use a wire transfer to complete the purchase. But wire transfers – the type of transaction most likely to involve thousands, or even hundreds of thousands of dollars -- are more at risk due to fraud than credit card and debit card transactions. How is it that there are more protections around transactions of relatively modest amounts – a hundred dollars, for example, but when that same person initiates a life-changing wire transfer for hundreds of thousands of dollars because they want to buy a house, all the protections supposedly afforded by these financial institutions suddenly fall away?

If a consumer reasonably thinks that the hundreds of thousands of dollars that they are sending by wire transfer to buy a house is going to the correct settlement agent or company, and all that money ends up somewhere else – not through negligence on the part of the prospective homebuyer, but because they were deceived into believing that the money was going to the correct party – why is that consumer then told that nothing can be done? This, even though the person is earnestly trying to do the right thing by engaging with a complex, confusing, financial system where adherence to deadlines and attention to detail are paramount. This, when the deception can be truly life changing and devastating.

These criminals don't have to hack a consumer's email or cell phone account. For example, scammers can insert themselves into the email or text accounts of title companies, real estate agents, and real estate attorneys to spread their devastation. They can find a treasure-trove of information in public records and through social media. Scammers find it relatively easy to interfere in the chain of communications to misdirect a wire transfer. There are even wire fraud "as-a-service" software kits that scammers can buy on the Dark Web. So, the scammer doesn't even have to be a computer expert to perpetrate this crime.

It is not acceptable for the financial professionals involved in these complex transactions to just disengage and say that outside of a few feeble attempts to claw back a transfer, nothing can be done. *More must be done.* HB 332 would require the adoption of regulations to make sure that financial institutions act more proactively so that financial transactions may be conducted safely. Consumers are at an unacceptable disadvantage as they are whipsawed back and forth between financial institutions, attorneys, agents, and all kinds of other professionals, trying to make sense of confusing, complex information. The consequences of fraudulent financial transactions are all too real and can be life-changing, even devastating for consumers – especially those who are planning for retirement and are ages 50 and older – the core AARP constituency.

AARP believes that policymakers should conduct robust oversight and enforcement related to scams and fraud. They should also consider new protections on electronic payments to prevent fraud. Likewise, the private sector should establish policies and procedures to prevent scams and fraud.

AARP supports HB 332 and respectfully requests the House Economic Matters Committee to issue a favorable report. For questions, please contact Tammy Bresnahan, Director of Advocacy for AARP Maryland at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.

# **HB 332 Support in Concept.pdf**

Uploaded by: Karen Straughn

Position: FAV



**CAROLYN A. QUATTROCKI**  
*Chief Deputy Attorney General*

**LEONARD J. HOWIE III**  
*Deputy Attorney General*

**CARRIE J. WILLIAMS**  
*Deputy Attorney General*

**ZENITA WICKHAM HURLEY**  
*Chief, Equity, Policy, and Engagement*

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

**ANTHONY G. BROWN**  
*Attorney General*

**WILLIAM D. GRUHN**  
*Division Chief*

**PETER V. BERNS**  
*General Counsel*

**CHRISTIAN E. BARRERA**  
*Chief Operating Officer*

**KAREN S. STRAUGHN**  
*Assistant Attorney General*

410-576-7040

410-576-7942  
[kstraughn@oag.state.md.us](mailto:kstraughn@oag.state.md.us)

January 28, 2025

To: The Honorable C.T. Wilson  
Chair, Economic Matters Committee

From: Karen S. Straughn  
Consumer Protection Division.

Re: House Bill 332 – Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony to support House Bill 332 submitted by Delegates Vaughn Stewart and Mike Griffith. This bill limits the liability of an individual for unauthorized wire transfers and is intended to protect scam victims, including senior citizens and vulnerable adults, who are deceived or pressured into making electronic transfers of their hard-earned savings.

Wire transfer fraud includes any bank fraud that involves electronic communication mechanisms instead of face-to-face communication at a financial institution. It also involves the fraudulent attainment of banking information, by way of false pretense, to gain access to another person's bank account. Because wire transfers are nearly instantaneous and extremely difficult to reverse, they present a preferred payment method for scammers. By the time victims realize they've been scammed, the fraudster is gone along with their money.

This bill seeks to limit the responsibility of an innocent consumer for an unauthorized wire transfer. This safeguard places the onus on the financial institution to protect individuals who are less savvy to these potential scams, and to ensure that wire transfers are not inadvertently intercepted. Since, however, the bill places the responsibility on the Office of Financial Regulation (OFR) to promulgate regulations implementing the bill, the details on how the bill's goals will be achieved have yet to be defined. It is our understanding that this will result in a need for additional staffing by the attorneys as counsel to the OFR.



For the reasons set forth, the Consumer Protection Division requests that the Economic Matters Committee issue a favorable report on this bill.

cc: The Honorable Vaughn Stewart  
The Honorable Mike Griffith  
Members, Economic Matters Committee

# **NASW Maryland - 2025 HB 332 FAV - Elder Fraud Prev**

Uploaded by: Karessa Proctor

Position: FAV

**Testimony Before the House Economic Matters Committee**

**January 28, 2025**

**House Bill 332 - Consumer Protection – Electronic Funds Transfers – Regulations  
Elder Fraud Prevention Act of 2025**

**\*\* Support \*\***

The National Association of Social Workers is the largest professional association of social workers in the country, and the Maryland Chapter represents social workers across the state. On behalf of the National Association of Social Workers, Maryland Chapter (NASW-MD) Committee on Aging, we would like to express our support for House Bill 332 Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025).

As social workers who serve older adults, we are in favor of this bill because it would provide additional safeguards to prevent fraud against older adults that occurs through electronic funds transfers.

Electronic fund transfers are becoming an increasingly common way for elders to manage financial transactions, including bill payment, managing investments, and making purchases. Yet this greater reliance on electronic funds transfers comes with the risk of increasingly sophisticated scams.

Data from the FBI's Internet Crime Complaint Center (IC3), in 2023, showed that people over the age of 60 lost over \$3.4 billion to fraud, representing an 11% increase from the previous year, with the average loss per victim being around \$34,000.

Increased protection from online fraud is particularly important for older adults because they are disproportionately targeted by scammers. Seniors may be particularly vulnerable because they are less familiar with online transactions and because they may have health or cognitive challenges that affect their ability to detect and avoid fraudulent schemes.

In addition, we believe that the state oversight that this bill requires would allow older adults and other consumers quicker and easier avenues to report suspected fraud and recoup lost funds.

(over)

We believe that this bill is an important measure that will provide older adults and other Marylanders with more protections against fraud in electronic funds transfers and more effective means to report and resolve problems.

For these reasons, we ask that you give a favorable report on House Bill 332.

Respectfully,

Karessa Proctor, BSW, MSW  
Executive Director, NASW-MD

# **HB 332 Elder Fraud Prevention Act FULL Stmt - BD 0**

Uploaded by: Robert Doyle

Position: FAV



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**Statement of the Maryland Federation of  
National Active and Retired Federal Employees  
House Economic Matters Committee Hearing, January 28, 2025  
On HB 332 – Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Protection Act of 2025)**

**(Position – FAV)**

Good afternoon, Chair Wilson and Vice-Chair Crosby and members of the Economic Matters Committee. I am Robert M. Doyle testifying on behalf of the State Legislative Committee of the Maryland National and Active and Retired Federal Employees Association (NARFE), representing approximately 317,000 federal annuitants and employees in Maryland. For the continuing protection and benefit of all Maryland seniors – our members and all others -- we support and ask you for a favorable report on HB 332, Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025). We thank Delegate Vaughn Stewart, the primary sponsor, for his efforts today and in past years.

As laid out in the Fiscal and Policy Note, this bill requires the Maryland Commissioner of Financial Regulation (OFR) to adopt consumer protection regulations consistent with those afforded consumers by the Federal Electronic Funds Transfer Act (EFTA) of 1978 for financial institutions that initiate a domestic electronic funds transfer (EFT) as defined by EFTA. This bill has the basic goals that Delegate Stewart’s 2024 version of the EFPA, namely, to close two critical gaps in consumer protection laws. First, the bill would require a bank to follow the same rules under EFTA that apply to other forms of electronic payments when a consumer disputes an unauthorized wire transfer taken out of their account. Second, the bill would protect consumers who are defrauded by a criminal into sending money through wire transfers.<sup>1</sup>

The FPN also notes that the bill applies to all financial institutions operating in the State, but if it is found to be inapplicable to federally chartered financial institutions or financial institutions operating in the State that are chartered outside of the State, it abrogates and ceases to carry any force.

EFTA is the primary federal law that protects our bank accounts and payments. It provides a right to protection against unauthorized electronic fund transfers and errors and provides specific procedures that banks must follow when a consumer disputes a transfer as unauthorized or another error.

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<sup>1</sup> From Testimony on HB 1156, the EFPA of 2024, by Carla Sanchez-Adams, Senior Attorney, National Consumer Law Center, 2/23/2024, found on the MGA website.

But the EFTA does not cover electronic or wire transfers, other than ACH (Automated Clearing House) transfers, made “by means of a service that transfers funds held at either Federal Reserve banks or other depository institutions and which is not designed primarily to transfer funds on behalf of a consumer.”<sup>2</sup>

Wire transfers were not covered at the time the EFTA was written in 1978, because bank-to-bank wire transfer services were not viewed as a consumer payment system. That has clearly changed— bank-to-bank wire transfer services are now incorporated into consumer mobile and online banking services and electronic fund transfers are generally far more common among consumers today than in 1978. For large payments, bank-to-bank wire transfers are the primary way consumers can conduct electronic transfers.<sup>3</sup>

## **The Problem of Wire Fraud**

Wire transfer fraud includes any bank fraud that involves electronic communication mechanisms instead of face-to-face communication at a financial institution. It also involves the fraudulent attainment of banking information, by way of false pretense, to gain access to another person's bank account. Because wire transfers are nearly instantaneous and extremely difficult to reverse, they present a preferred payment method for scammers. By the time victims realize they've been scammed, the fraudster is gone along with their money.<sup>4</sup>

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<sup>2</sup> 15 U.S.C. §1693a(7)(B).

<sup>3</sup> From Testimony on HB 1156, the EFPA of 2024, by Carla Sanchez-Adams, Senior Attorney, National Consumer Law Center, 2/23/2024, found on the MGA website.

<sup>4</sup> From letter to Chair C.T. Wilson, Chair, Economic Matters, from Karen Straughn, Consumer Protection Division, State of Maryland – Office of the Attorney General, February 27, 2024, found in HB 1156 Hearing records.



The Federal Trade Commission’s (FTC) latest consumer fraud data show that, in terms of dollars lost, “Bank Transfer or Payment” is the largest payment method used by fraudsters. The data from the FTC Consumer Sentinel Database for 2024 show 29,505 reported cases of wire fraud with consumers losing \$208.4 million.<sup>5</sup> For 2023 (the most recent year of detailed data collection broken down by state), the FTC data for Maryland also shows total fraud cases numbering 84,533 with 18% of the cases involving imposter scams where wire fraud cases would show up. Clearly Maryland seniors are at risk for wire fraud schemes, among other financial crimes.

We support HB 332 as a means to protect all Maryland seniors and all consumers who have been victimized by unauthorized and fraudulently induced wire transfers by extending the core EFTA protections to wire transfers and provide remedies for fraudulently induced wire transfers sent to criminals.

We respectfully ask that you give a favorable report to HB 332. Thank you.

Robert M. Doyle, Co-Chair  
Maryland Federation – NARFE  
State Legislative Committee  
4226 Carvel Lane  
Edgewater, MD 21037  
[bdoyle47@verizon.net](mailto:bdoyle47@verizon.net)  
H (410) 798-0079  
C/Text (301) 693-1774

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<sup>5</sup> <https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/PaymentContactMethods> I was unable to find

# **HB332 - FAV - MSCAN Testimony.pdf**

Uploaded by: Sarah Miicke

Position: FAV



# Maryland Senior Citizens Action Network

## MSCAN

*AARP Maryland*

*Alzheimer's  
Association,  
Maryland Chapters*

*Baltimore Jewish  
Council*

*Catholic Charities*

*Central Maryland  
Ecumenical Council*

*Church of the Brethren*

*Episcopal Diocese of  
Maryland*

*Housing Opportunities  
Commission of  
Montgomery County*

*Jewish Community  
Relations Council of  
Greater Washington*

*Lutheran Office on  
Public Policy in  
Maryland*

*Maryland Association of  
Area Agencies on Aging*

*Maryland Catholic  
Conference*

*Mental Health  
Association of Maryland*

*Mid-Atlantic LifeSpan*

*National Association of  
Social Workers,  
Maryland Chapter*

*Presbytery of Baltimore*

*The Coordinating  
Center*

*MSCAN Co-Chairs:  
Carol Lienhard  
Sarah Mücke  
6102460075*

## HB 332 Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025) Economic Matters Committee January 28, 2025 Support

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing, health, and quality of care needs of Maryland's low and moderate-income seniors.

HB 332 would require the Commissioner of Financial Regulation to adopt consumer protection regulations for domestic electronic funds transfers (EFTs). This proposal is a vital step toward safeguarding Maryland's financial consumers and ensuring state regulations align with the federal Electronic Fund Transfer Act (EFTA).

**The Growing Importance of Electronic Funds Transfers:** Domestic electronic funds transfers have become a cornerstone of modern financial transactions. From paying bills to sending money to family members, EFTs offer unparalleled convenience and efficiency. However, as usage grows, so does the risk of fraud, errors, and consumer disputes. Robust regulations are needed to protect consumers and provide them with the confidence to use these services without fear of exploitation or financial harm.

**Importance of Protecting Elders:** Elderly individuals are among the most vulnerable members of our society when it comes to financial fraud and exploitation. Many elders rely heavily on EFTs to manage their finances, such as paying medical bills, handling retirement funds, and supporting family members. Unfortunately, they are also disproportionately targeted by scammers and are more likely to fall victim to fraudulent schemes due to:

1. **Limited Familiarity with Technology:** Elders may not be as familiar with modern electronic banking tools and their associated risks, making them more susceptible to errors or exploitation.
2. **Cognitive Decline:** Age-related cognitive challenges can make it harder for elders to identify fraudulent activities or understand complex financial terms and conditions.
3. **Dependency on Fixed Incomes:** Elders often live on fixed incomes, meaning that any financial loss—even a small one—can have devastating consequences on their quality of life and ability to meet essential needs.

By implementing strong consumer protection regulations, Maryland can provide elders with the safeguards they need to confidently and securely utilize EFTs. This will help ensure their financial well-being and reduce the prevalence of fraud targeting this vulnerable group.

For these reasons, MSCAN respectfully requests a favorable report for on HB 332.



# **HB 332\_Support.pdf**

Uploaded by: Tonaeya Moore

Position: FAV



**HB 332 - Consumer Protection – Electronic Funds Transfers – Regulations  
(Elder Fraud Prevention Act of 2025)  
House Economic Matters Committee  
January 28, 2025  
SUPPORT**

Chair Wilson, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 332. This bill requires the Commissioner of Financial Regulation to adopt regulations to protect consumers during domestic electronic funds transfers that apply to financial institutions in the State and are consistent with the federal Electronic Fund Transfer Act.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Older adults are often on fixed incomes and can experience greater financial hardship when confronted with fraud. The stress and anxiety caused by the loss of savings can erode their trust in others, leading to isolation. The emotional toll on their families, along with a decline in trust in the senior's ability to manage their own affairs, can result in reduced independence. All these factors contribute to negative health outcomes for individuals who are already vulnerable, severely impacting their well-being. We have a responsibility to ensure they receive the same level of protection as residents in states that have maintained up-to-date consumer safeguards.

Maryland's aging population is currently at risk due to the state not being in alignment with federal regulations on electronic funds transfers. Federal laws have addressed key loopholes that allow for fraudulent transactions, but these protections have not yet been enacted on the state level. This leaves our residents, particularly older residents who are often targeted by financial scams, especially vulnerable to unauthorized or deceptive transactions.

This bill seeks to address these loopholes by requiring all financial institutions operating in Maryland to follow the same rules for electronic funds transfers. This would ensure that protections are consistent, whether the financial institution is based within Maryland or not. House Bill 332 will modernize Maryland's consumer protection laws by establishing a uniform standard with consistent security and oversight across all financial institutions, ensuring that our most vulnerable populations are not left behind.

***Thus, we encourage you to return a favorable report for HB 332.***

*Creating Assets, Savings and Hope*

# **HB 332 FAV Del Stewart.pdf**

Uploaded by: Vaughn Stewart

Position: FAV

VAUGHN STEWART  
Legislative District 19  
Montgomery County

Environment and Transportation  
Committee

*Subcommittees*

Environment

Land Use and Ethics



The Maryland House of Delegates  
6 Bladen Street, Room 220  
Annapolis, Maryland 21401  
410-841-3528 · 301-858-3528  
800-492-7122 Ext. 3528  
Vaughn.Stewart@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB 332  
Elder Fraud Prevention Act of 2025**  
Testimony by Delegate Vaughn Stewart  
January 28, 2025 • Economic Matters Committee

**What the Bill Does**

HB 332 closes a loophole by extending existing consumer protections related to electronic transactions to consumer wire transfers. The federal Electronic Funds Transfer Act (EFTA) applies certain protections to most electronic transactions, including debit card transactions, electronic withdrawals, transfers, and deposits. The EFTA applies to foreign wire transfers but whether the EFTA applies to domestic wire transfers is unclear and is being resolved in court. This bill would ensure protections to consumers who use a wire transfer to transfer money within the United States.

The EFTA provides consumers with a process to dispute unauthorized transfers from their bank accounts. It also limits consumers' liability for an unauthorized transfer or stolen debit card. Under the EFTA, financial institutions are required to keep track of consumer agreements, establish error resolution procedures, and reimburse account fees incorrectly charged to a consumer. If a consumer reports a problem within two business days of discovering an issue, their losses are capped at \$50. If you notify the bank after two days before 60 days have passed, the losses are capped at \$500.

Last week, a federal court in New York rejected Citibank's motion to dismiss a case from the New York Attorney General on this matter. The Consumer Financial Protection Bureau stated in an amicus brief to the NY court that they believe wire transfers are already covered under EFTA<sup>1</sup>. The court's ruling has been submitted into the committee record. EFTA probably applies to wire transfers because they are on the internet or completed over the phone.

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<sup>1</sup><https://www.pymnts.com/fraud-prevention/2025/judge-rules-new-york-lawsuit-against-citibank-can-proceed/>



This could eventually be the law of the land per judicial decree. But the road to that outcome is long and uncertain, and hundreds if not thousands of seniors in Maryland will be scammed in the meantime. We should not wait for the court case to work its way through the system. We should act now to protect Maryland seniors.

### **Why the Bill is Important**

Our neighbors and constituents—especially senior citizens—are frequently scammed through unauthorized wire transfers. Scammers manipulate victims into sending them money in all kinds of ways. Sometimes they pretend to be the victim’s family member. Sometimes they use a phishing scheme with a fake link. Scammers are creative and are constantly inventing new ways to separate Marylanders from their money. But one common thread in many scams: the use of consumer wires.

Maryland has the fourth highest rate of fraud reports in the nation.<sup>2</sup> In 2023, Marylanders filed 43,000 fraud reports, almost 15,000 of which were from imposter scams (in which the fraudster impersonates a government official, a bank, or even a friend or family member of the victim). These scams resulted in reported losses of \$164.3 million,<sup>3</sup> a 16% increase from 2022. The median loss to Maryland households in 2023 was \$562 - a drop in the bucket to some, but several paychecks to others.

Most electronic transfers are covered under the federal Electronic Funds Transfers Act (EFTA). However, the EFTA is unclear as to whether it covers wire transfers. Because they’ve historically not been covered under the EFTA, electronic wire transfers are covered under the Uniform Commercial Code (UCC). The UCC is state law, but most states have very similar versions. The UCC’s consumer protections are much weaker than federal law.

### **Why the Committee Should Vote Favorably**

**HB 332 helps consumers get some of their money back if they have been the victim of wire fraud.** By taking certain provisions from the EFTA and inserting them into Maryland law to apply to consumer wire transfers, banks will beef up their procedures and work with consumers to prevent more fraud.

**I urge a favorable report.**

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<sup>2</sup> <https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/FraudFacts>

<sup>3</sup> [Fraud and scams cost Marylanders more than \\$164M last year - The Baltimore Banner](#)

# HB 332.pdf

Uploaded by: William Steinwedel

Position: FAV

**House Bill 332 – Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Prevention Act of 2025)  
Hearing on January 28, 2025 – Economic Matters Committee  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB 332 in response to a request from Delegate Vaughn Stewart.*

Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state’s largest nonprofit law firm, representing thousands of low-income Marylanders every year in matters from housing to family law to matters that focus on senior citizens including social security and Medicaid benefits. According to the U.S. Census July 2024 population estimates, 17.3 percent of the State’s population is over the age of 65 years of age<sup>1</sup>. Because HB 332 would protect seniors from possible financial exploitation, MLA testifies in strong support of this bill.

As technology has improved exponentially in the last few decades, financial scams have increasingly targeted seniors. A report from the Nation Credit Union Administration included a reference to a recent study finding that financial exploitation of seniors was estimated as high as \$28.3 billion<sup>2</sup>. Financial scams include instructions to seniors to electronically transfer funds to unknown accounts. This proposed legislation would direct the Commissioner of Financial Regulation to create a regulation to protect all Marylanders where an electronic fund transfer is involved. Maryland has the fifth-largest number of imposter scams, where a person poses as a younger relative or love interest to exploit a senior out of money, in the country, which is a common scam where electronic transfer is used<sup>3</sup>.

At MLA, we have seen clients who have fallen victim to electronic financial scams and have suffered financial hardship because of it. MLA represented a senior client whose sister had been instructed to transfer thousands of dollars each month to an unknown account. The client, seeking to help his sister, gave her money to pay this scammer because she asked him. This caused the client to go into foreclosure because he stopped paying his mortgage to support his sister’s request. MLA assisted the client and prevented a foreclosure, but this situation may have been avoided had the regulation this law seeks to create existed at the time.

Also, MLA has seen that the cost of these scams increasing every year as the perpetrators get more creative and aggressive with their scams. MLA had a person come into one of our

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<sup>1</sup> <https://www.census.gov/quickfacts/fact/table/MD/PST045224>

<sup>2</sup> <https://ncua.gov/newsroom/press-release/2024/agencies-issue-statement-elder-financial-exploitation/interagency-statement> at footnote 3.

<sup>3</sup> <https://marylandmatters.org/2024/06/10/state-officials-aarp-urge-older-adults-to-be-on-guard-against-financial-scams/>

outreach clinics who had given hundreds of thousands of dollars to a scammer who was pretending to be someone who was interested in dating the client. In addition, MLA represented a client who had a substantial inheritance, but who lost it to a financial scam, and almost no funds were returned, even after the financial fraud was discovered. This senior then had to go on public assistance, which resulted in a cost the State of Maryland. This proposed legislation is very timely, as every year, financial scams get more expensive for all Marylanders, including our low-income clients.

This bill strengthens regulatory efforts to prevent financial scams targeting all Marylanders, especially seniors. MLA strongly supports HB 332. If you need additional information in regard to this bill, please contact William Steinwedel at [wsteinwedel@mdlabor.org](mailto:wsteinwedel@mdlabor.org) and (410) 951-7643.

**HB332 2025 FAV Testimony.pdf**

Uploaded by: Zoe Gallagher

Position: FAV



## Testimony to the Economic Matters Committee

### HB332 Commercial Law - Consumer Wire Transfers - Liability (Elder Fraud Prevention Act of 2025)

Position: Favorable

01/28/2025

The Honorable C.T. Wilson, Chair  
House Economic Matters Committee  
Room 231, House Office Building  
Annapolis, Maryland 21401  
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As a part of our work, Economic Action's Securing Older Adult Resources program, or SOAR, works with older adults across the state to assist them in securing financial resources and provide educational tools for financial security and safety. Although in theory it is easy to teach older adults about the warning signs of online crypto scams, scammers are constantly changing their strategy and modernizing their techniques, making it difficult to keep up. Now, in the era of artificial intelligence and deep fakes, where a scammer can copy a loved-ones voice and use it to ask for money over the phone, it is important to ensure that older adults are protected from multiple angles, through education and through law.

According to the FTC, Americans lost \$343.7 million in 2023 on wire transfer fraud alone.<sup>1</sup> Most other types of electronic transfer are covered under the federal Electronic Funds Transfers Act (EFTA), which includes a private right of action against the banks, this allows fraud victims to sue their bank for not questioning/stopping the transaction. Because wire transfers are not currently covered by EFTA, victims of wire fraud can only get their money back if they can track down the scammer, which is a long process that is often fruitless, especially if that money has already been spent. This process also makes it difficult for older adults without the resources or ability to go after the scammer themselves. Banks have an obligation to protect their customers. HB332 would protect victims of wire fraud by holding banks adequately liable for the fraud and would create a private right of action for victims to sue their banks. This would ensure that banks are vigilant when it comes to wire transfers, hopefully preventing more of this fraud from occurring in the future.

For these reasons, we urge your favorable report on HB332

Sincerely,  
Zoe Gallagher, Policy Associate

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<sup>1</sup> [https://www.ftc.gov/system/files/ftc\\_gov/images/CSN-1pager-2023.png](https://www.ftc.gov/system/files/ftc_gov/images/CSN-1pager-2023.png)

**HB0332 - MBA - UNF - GR25.pdf**

Uploaded by: Evan Richards

Position: UNF



**HB 332 - Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Prevention Act of 2025)  
Committee:** House Economic Matters Committee  
**Date:** January 28, 2025  
**Position:** Unfavorable

The Maryland Bankers Association **OPPOSES** HB 332. This legislation, which requires the Commissioner of Financial Regulation to adopt regulations that apply provisions of the Electronic Funds Transfer Act (EFTA) to domestic wire transfers, applies different rules to wire transfers in Maryland compared to the rest of the country, and will put Maryland-chartered community banks at a disadvantage in the financial services marketplace.

Article 4A of the Uniform Commercial Code (UCC) governs wire transfers that are not subject to the EFTA. These wire transfers were not included in the EFTA as they are bank-to-bank transactions, and do not involve the same level of outside risk. Article 4A regulates every step of a domestic wire transfer, including how to handle erroneous and unauthorized payment orders, and is uniform across all 50 states. Passing HB 332 would create inconsistencies and confusion between financial institutions involved in wire transfer and could ultimately increase the costs of wire transfers in Maryland.

Additionally, HB 332 includes a provision that abrogates the legislation if it is found to not apply to federally chartered financial institutions. Similar legislation introduced last year, [HB 1156](#), would have applied specific provisions of the EFTA to domestic wire transfers. In the [Fiscal and Policy Note](#), the Small Business Effect states that **“the bill may place Maryland-chartered depository institutions at a competitive disadvantage with other state and national banks, as those institutions would not be subject to the bill’s requirements.”** MBA believes that this comment from the Office of Financial Regulation would hold true to HB 332 as well.

Accordingly, MBA strongly urges the issuance of an **UNFAVORABLE** report on HB 332.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*



# **HB 332\_MDCC\_Consumer Protection - Electronic Funds**

Uploaded by: Grason Wiggins

Position: UNF



## House Bill 332

Date: January 28, 2025

Committee: Economic Matters

**Position: Opposed**

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Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

House Bill 322 (HB 322) would authorize the Commissioner of Financial Regulation to adopt consumer protection regulations for financial institutions initiating domestic electronic funds transfers, consistent with protections outlined in 15 U.S.C. § 1693(a)(7). The Maryland Chamber is concerned that Maryland's financial institutions, which include small credit unions and banks, would be negatively impacted by the imposition of these new regulations.

HB 332 vests broad regulatory authority in the Office of the Commissioner of Financial Regulation to enact consumer protections that are "consistent with" those afforded to consumers who initiate an electronic funds transfer under 15 U.S.C. § 1693(a)(7). The Maryland Chamber is concerned that the "consistent with" requirement in the bill could create broad regulatory authority that leads to more stringent regulations that misalign Maryland with other states and subsequently limit the provision of critical financial services to Maryland residents.

Additionally, please note that the question of whether U.S.C. § 1693 or UCC Article 4 should regulate electronic funds transfers is currently being litigated in the United States District Court for the Southern District of New York (SDNY). See *The People of the State of New York ex rel. James v. Citibank, N.A., No. 24-CV-659 (JPO)*. Federal court cases in New York are not dispositive in Maryland, but decisions in the Second Circuit can be utilized as persuasive authority. As such, the Maryland Chamber respectfully requests the committee at least allow the New York case to reach a definitive resolution before considering changes to current law.

Efforts to increase consumer protection for electronic fund transfers should foster compliance and ensure that financial institutions don't limit the provision of critical services in the state. For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **HB 332**.

**2025 - House Bill 332- MDDCCUA- .pdf**

Uploaded by: Rory Murray

Position: UNF



January 28, 2025

The Honorable C.T. Wilson, Chair  
House Economic Matters Committee  
231 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

**Organization** – MD|DC Credit Union Association

**Bill** – House Bill 332 -Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2025)

**Position** – Oppose

Chair Wilson, Vice Chair Crosby, and members of the Committee:

The MD|DC Credit Union Association is a trade association representing over 120 credit unions in Maryland, Delaware, and the District of Columbia, along with their more than 2.2 million members. While the Association greatly appreciates the goals of HB 322, we must respectfully oppose the bill, as it is likely to create a unique standard for Maryland financial institutions that differs from any other state.

Credit unions consistently go above and beyond to safeguard their members from fraud and provide critical support to those affected. By prioritizing personalized service and fostering trust within their communities, credit unions implement robust fraud prevention measures, including advanced security technologies, continuous monitoring, and proactive education programs to help members recognize and avoid scams. When fraud occurs, credit unions act swiftly to assist affected members, offering tailored guidance, efficient resolution processes to the extent possible, and a compassionate approach to ensure members feel supported and protected. This commitment to member-centric service positions credit unions as leaders in fraud prevention and consumer advocacy.

Fraud remains one of the most pressing issues for credit unions. They absorb significant fraud-related losses to the extent feasible while maintaining safety and soundness for all members.

**However, credit unions cannot fully insure against all fraud, as the associated costs would be unsustainable.**

HB 322 would authorize the Commissioner of Financial Regulation to adopt consumer protection regulations for financial institutions initiating domestic electronic funds transfers, consistent with protections outlined in 15 U.S.C. § 1693(a)(7). Notably, the application of 15 U.S.C. § 1693 versus UCC Article 4 in these transactions is currently being litigated in the United States District Court for the Southern District of New York (SDNY) in *The People of the State of New York ex rel. James v. Citibank, N.A.*, No. 24-CV-659 (JPO).



If the State of New York prevails in this case, it will provide the most recent interpretation of the law, potentially rendering this bill unnecessary. While we recognize that New York court decisions do not bind Maryland law and that Maryland falls under a different federal circuit, such a ruling would still set a significant precedent. However, the fact remains that credit unions would not be able to absorb these costs, and this precedent would be highly problematic.

While we fully support efforts to increase consumer protection for electronic fund transfers, however, it must be done in a way in which credit unions are able to comply, and are not disadvantaged for operating in Maryland. At the very least, we urge the Committee to delay this proposal until the courts clarify the current legal framework. For these reasons, we respectfully request an unfavorable report on HB 322.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Bratsakis  
President/CEO  
MD|DC Credit Union Association

**HB0332\_MCPD\_Det.Petty\_FCS - PSA Gold Bar Scam.pdf**

Uploaded by: Sean Petty

Position: INFO



# MONTGOMERY COUNTY DEPARTMENT OF POLICE

## FINANCIAL CRIMES SECTION

### NEW VERSION OF THE “PHANTOM HACKER” SCAM – GOLD BAR SCAMS

#### Phantom Hacker Scam



##### Tech Support Imposter

- Pretends to be technical support
- Directs you to install software on your computer to allow them remote access
- Can observe overall finances



##### Financial Institution Imposter

- States your computer and financial accounts have been hacked
- Directs you to move your money to a US Government entity, such as the Federal Reserve, for “safety”



##### US Government Imposter

- Poses as US government employee
- May provide official-looking letterhead to appear legitimate

#### GOLD BAR VERSION



#### Main Targets: Older Adult Population

- Scammers are still posing as Federal Agents but are now asking victims to turn their assets into **GOLD BARS**.
- Once the victim purchases gold bars, they are contacted and told an agent acting as a courier will meet them and pick up the gold to take it to a secure location.
- Once the handoff is made, couriers take the gold, and the victim never sees the gold again.

#### REMEMBER: S.T.O.P.

**S: STOP** – Scrutinize the correspondence and look for red flags that may indicate a scam.

**T: TIME** – Scammers will focus on this action being time-sensitive, so take your time to verify the legitimacy of the request.

**O: OBJECT** – No law enforcement agent, whether Federal, State, or Local, will contact you and tell you to convert assets for safekeeping.

**P: PAUSE** – Before committing to anything suspicious, contact your local law enforcement agency to verify all information.

#### Are you a VICTIM?

If you feel you have been victimized by this scam, contact Montgomery County Police Non-Emergency at **301-279-8000**.



Montgomery County Police Department  
Financial Crimes Section  
100 Edison Park Drive, Gaithersburg, Maryland 20878

**HB0332\_MCPD\_Det.Petty\_INFO.pdf**

Uploaded by: Sean Petty

Position: INFO



Chairman Wilson, Vice Chairman Crosby, and Committee Members,

Thank you for the opportunity to provide you with information so that you can make an informed decision about House Bill 0332, the Elder Fraud Prevention Act of 2025, introduced by Delegates Stewart and Griffith.

I am Detective Petty with the Montgomery County Police Department and am currently assigned to the Financial Crimes Section (FCS). I am a Certified Financial Crimes Investigator (CFCI) and a Certified Economic Crime Forensic Examiner (CECFE). I am one of six detectives in the unit, which includes our Sergeant, and we investigate complex financial crimes that occur in or have a nexus to Montgomery County, Maryland.

Beginning in July 2023, MCPD - FCS began seeing cases where elderly individuals were being contacted by scammers who would pose as United States government officials from agencies such as the Department of Treasury, Federal Bureau of Investigations (FBI), Department of Justice (DOJ), Federal Trade Commission (FTC), and others. These scammers would advise elderly residents that they were victims of a crime and the government was going to assist in resolving the issues. The scammers instructed victims to liquidate their bank accounts, IRAs, 401(k)s, or any other account where their money was stored. In some instances, victims were directed to wire money domestically or internationally to an account they believed was controlled by the government. The scammers would then direct victims to purchase gold bars or place the cash in a box. They would then arrange for a courier, who is allegedly an agent of the specified government agency "helping" the victim, to come pick up the box and place it into the Department of Treasury's vault for safekeeping<sup>1</sup>. The scammers instruct the victims not to discuss this with anyone, for if they do, it will be detrimental to the investigation. In reality, there is no investigation, and the victims never hear back from the scammers and lose all their money/gold. Due to the frequency of these crimes, in January 2024, the FBI issued an alert (Number: I-012924-PSA) warning the public.

From March 2024 through November 2024, I and the other detectives in FCS worked to arrest seven government imposter scam couriers who targeted nine victims across seven cases in Montgomery County. The victims ranged in age from 61 to 94 and included a mother/daughter victimized pair, a husband/wife victimized pair, victims of varying education levels, and retired professionals. While these victims have lost over \$6.2 million, our office successfully prevented them from losing an additional \$3.7 million through targeted operations. This is from just seven of the cases we've been able to work on thus far and doesn't represent all the cases we've received. I expect and intend to charge additional suspects in the coming months, and I foresee the same for any new cases we receive.

Investigation of the arrested couriers has confirmed that although they were engaged in the same scam, none of them were in direct contact with one another and were working with conspirators around the US and outside the US in call centers - this is an international scam. Because of that, we have since partnered with agents from the Department of Homeland Security Investigations (HSI) and the Federal Bureau of Investigations (FBI) to focus on identifying and shutting down criminal call centers.

Due to this scam's secrecy, none of the victims we've worked with have been able to recover any of the \$6.2 million. We have only been able to stop transactions in progress, preventing additional losses. The time between the victim wiring money to another account or to a gold company and notifying law

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<sup>1</sup> Today, money is not stored in the Treasury Building located at 1500 Pennsylvania Avenue, NW, in Washington, D.C.

enforcement of the scam has always been too long for us to recover assets unless it's frozen by the financial institution.

The challenge with financial crimes against aging individuals is that they are typically retired and living off a fixed income or their savings. When a scammer targets them and depletes their assets, there is almost always a domino effect on the victim, not just financially but also mentally, emotionally, and sometimes physically. Therefore, any effort to assist victims in recovering any or all their assets lost due to a scam is worthy of consideration. I appreciate the opportunity to share these insights and look forward to supporting the committee in advancing this important issue. I am happy to answer any questions or provide additional details.

Respectfully,

Detective S. Petty #2627, *CFCI, CECFE*  
Montgomery County Police Department  
Financial Crimes Section  
100 Edison Park Drive, 5th Floor,  
Gaithersburg, Maryland 20878  
[sean.petty@montgomerycountymd.gov](mailto:sean.petty@montgomerycountymd.gov)

**HB0332\_MCPD\_Det.Petty\_SUN PRESS RELEASE.pdf**

Uploaded by: Sean Petty

Position: INFO



## Press Releases

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# Thirty-Four-Year-Old Arrested in Near Million Dollar Gold-Bar Scam

For Immediate Release: Friday, March 22, 2024

**Gaithersburg, MD** – 34-year-old, Wenhui Sun, of Lake Forest, California has been arrested for allegedly targeting elderly individuals through a government-imposter related gold bar scam.

In early March of 2024, a victim reported that she had been contacted by an individual who identified himself as being with the Office of the Inspector General – Federal Trade Commission. The victim was advised that she had been the victim of an identity theft which led to a federal investigation involving drugs and money laundering. The victim was then directed to transfer all assets into gold bars, which would then be retrieved by a courier who is an “FBI Agent” to take to the US Department of Treasury for safekeeping.

The victim complied with the suspect’s demands and completed two separate deliveries of gold bars to the couriers, worth over \$789,000.

Through the course of the investigation, detectives were able to identify Sun as the courier of the second delivery of gold bars.

On Monday, March 18, 2024, at approximately 7 p.m., Sun was arrested in Montgomery County, following an operation conducted by the Montgomery County Department of Police-Financial Crimes Unit.

Sun was transported to the Central Processing Unit where he was charged accordingly. He is currently being held without bond.

At the time of Sun's arrest, a plane ticket to California, dated for the day of his arrest was located in his belongings.

Detectives believe there may be additional victims and want to remind the community that law enforcement will never attempt to contact you in this manner.

Anyone with information regarding this suspect or this crime is asked to visit the Crime Solvers of Montgomery County, MD website at [www.crimesolversmcmd.org](http://www.crimesolversmcmd.org) (<http://www.crimesolversmcmd.org/>) and click on the "[www.p3tips.com](http://www.p3tips.com) (<http://www.p3tips.com/>)" link at the top of the page or call 1-866-411-8477. A reward of up to \$10,000 is offered for information leading to the suspect's arrest. Tips may remain anonymous.

For additional information regarding frauds and scams or to learn how to report a situation, please visit <https://www.montgomerycountymd.gov/pol/fraud/financial-crimes-section.html>.



Release ID: 24-122

Media Contact: [CTDurham](#)

Categories: [scam](#)



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## POLICE CONTACTS

For Emergencies: Call 911

Non-emergency: 301-279-8000

[View all contacts](#)

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Anonymous Call: 1-866-411-8477

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