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February 20, 2025

To: The Honorable Pamela Beidle
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division.

Re: Senate Bill 659 – 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 Senate Bill 659 submitted by Senators Justin Ready, et al. This bill would require the Office of Financial Regulation (OFR) to adopt regulations that would limit 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 to be comparable to the limits of liability for Electronic Funds Transfers. This safeguard could protect individuals who are less savvy to these potential scams and ensure that wire transfers are not inadvertently intercepted. Since, however, the bill places the responsibility on

the OFR to promulgate regulations implementing the bill, the details on how the bill's goals will be achieved have yet to be defined

For the reasons set forth, the Consumer Protection Division supports the bill's goals and requests that the Finance Committee issue a favorable report on this bill.

cc: The Honorable Justin Ready
 The Honorable Benjamin Brooks
 The Honorable Mary Beth Carozza
 The Honorable Dawn Gile
 The Honorable Katie Fry Hester
 The Honorable Jim Rosapepe
 The Honorable Johnny Ray Salling
 The Honorable Chris West
 Members, Finance Committee