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MARYLAND FEDERATION

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**Statement of the Maryland Federation of
National Active and Retired Federal Employees
Senate Finance Committee Hearing, March 12, 2026
On SB 753 – Fiduciary Institutions – Exploitation of Seniors and
Vulnerable Adults – Protections and Required Referral
(Vulnerable Adults Banking Protection Act)**

(Position – FAV)

To: Chair Pamela Beidle
Vice Chair Antonio Hayes
Senate Finance Committee

From: Robert Doyle, Chair
State Legislative Committee
NARFE – Maryland Federation

I am pleased to provide our written statement today on behalf of the State Legislative Committee of the National and Active and Retired Federal Employees Association (NARFE) Maryland Federation, representing approximately 317,000 federal annuitants and employees in Maryland. For the continuing benefit of our members and all Maryland seniors, we support and ask you for a favorable report on SB 753 – Fiduciary Institutions – Exploitation of Seniors and Vulnerable Adults – Protections and Required Referrals (Vulnerable Adults Banking Protections Act). We thank Senator Ben Kramer for introducing this important bill.

SB 753 will be a potent weapon against financial exploitation and fraud perpetrated on seniors and vulnerable adults. It will authorize a fiduciary institution to delay or deny a disbursement from the account of a senior or vulnerable adult if it reasonably believes the transaction may be

financial fraud. The fiduciary institution must then, within four business days, notify all parties listed on the bank account notice of the delay, as well as notify the local Adult Protective Services (APS) office and a local law enforcement office (LEO) or the MD State's Attorney's office. The fiduciary institution may also notify a "trusted contact" (defined as a family member or other authorized individual) about the possible fraud unless it reasonably believes that the "trusted contact" may be behind the possible fraud. The fiduciary institution must also provide copies of (or allow access to) financial records to the LEO or State's Attorney office which it notified earlier.

The disbursement delay the fiduciary institution imposes will expire 15 days after it is requested unless APS, the LEO or the State's Attorney requests an additional delay for 25 days after the disbursement request. If the fiduciary institution does not receive an additional delay request from one of the agencies, it may on its own extend the delay for 25 days after the disbursement request.

Under current Maryland law, seniors and vulnerable adults do have some protection.¹ Currently, Maryland law requires financial institutions to report suspected financial exploitation of customers who are 65 or older to the local APS office, law enforcement, or State's Attorney, orally and in writing, unless the adult resides in a long-term care facility, e.g., a nursing home or assisted living facility.² While this section facilitates cooperation between fiduciary institutions and APS to address suspected financial exploitation, fiduciary institutions have never had their own authority to refuse to process a financial transaction, no matter how clear the signs of fraud were, especially if the adult insisted that they wanted to complete the transaction. SB 753 will change that by giving fiduciary institutions the authority to delay or deny a financial transaction requested by a senior or vulnerable adult if there is a reasonable belief that the requested transaction could result in financial exploitation, to allow for an investigation to take place to ensure that the adult was not being coerced into making a transaction because of a criminal act.

Why We Need This Bill

Statistics and data demonstrate the need for this bill to help Maryland seniors. From the most recent report from the Federal Trade Commission, data from 2024 showed Marylanders age 60 and older were increasingly victimized by scammers. While the number of victims fluctuated, the cost of those crimes rose steadily, from \$9.8 million in 2020 to \$46.9 million in 2024. And 2025 is on pace to eclipse that number, recording \$16.4 million in losses in the first quarter of the year alone. For Maryland residents in general, there were 44,195 fraud reports in 2024 for a total loss of nearly \$202 million, up from the 44,168 fraud reports in the state in 2023 that cost \$168 million.³

This is part of a disturbing national trend. Nationally, the FTC reported \$12.5 billion in total scam losses for 2024, a 25% increase, with investment fraud and job scams topping the list

¹ This is the SAFE Act, discussed in the Appendix to our Statement.

² Md. Code Ann., Financial Institutions Article (Fin. Inst.) § 1-306(d)

³ <https://marylandmatters.org/2025/06/17/fraud-schemes-against-older-marylanders-continue-sharp-rise-advocates-say/>

alongside impersonation schemes. Older adults reported losing \$2.3 billion to fraud overall in 2024, with those 70 and older accounting for much of that figure. From the FTC 2024 Consumer Sentinel Network, we learn that:

- Total fraud losses reported by older adults (ages 60 and over) increased about fourfold from 2020 to 2024, skyrocketing from about \$600 million in 2020 to \$2.4 billion in 2024. This increase was largely driven by reports of losses over \$100,000, often to investment scams, romance scams, or impersonations.
- In 2024, older adults reported losing far more money to investment scams than to any other fraud type, often reporting that the scammers targeted them on social media. In fact, consumers of all ages report social media as the most common method of contact for investment scams.
- Older adults continued to report much higher median individual dollar losses than younger adults. The disparity remained particularly large among people 80 and over, whose median reported loss exceeded \$1,600.
- Older adults were much more likely than younger adults to report losing money on tech support scams, prize, sweepstakes, and lottery scams, romance scams, and government impersonation scams. For example, older consumers reported \$159 million in losses to tech support scams in 2024.
- Older adults reported losing money to fraud at a lower rate than younger adults. This is consistent with previous years and suggests that older adults may be more likely to avoid losing money when exposed to fraud, more inclined to report fraud when no loss has occurred, or a combination of these or other factors.⁴

We believe SB 753 will be an important step to combat financial fraud against Maryland seniors and vulnerable adults. We respectfully request the Committee issue a Favorable report on SB 753.

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⁴ <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-issues-annual-report-congress-agencys-actions-protect-older-adults>, We have more background information on Elder Fraud on the Appendix to our statement.

APPENDIX

Background – The SAFE Act

The Maryland SAFE Act (Annotated Code of Maryland, Estates and Trusts Article, §§13-601, et. seq. (the “Act”)) creates a new civil cause of action for susceptible and older adults (and their families) to recover lost funds and assets due to financial exploitation, as well as legal fees and up to triple damages.

Prior to the passage of the SAFE Act, there were limited remedies available to victims of financial exploitation. Adult Protective Services and States Attorneys cases were rare because of the lack of resources and the higher burden of proving criminal intent. And victims or their families faced high costs of private attorneys to bring actions against perpetrators of financial exploitation. The SAFE Act helps victims, guardians, trustees, family members, heirs and estates who bring actions by both increasing allowable damages and also requiring the perpetrator to pay legal fees.

The SAFE Act is aimed at protecting both “older adults” (defined as any person who is 68 years of age or older) and “susceptible adults” (defined as an adult who is unable to execute daily life without assistance due to conditions such as age, disability, illness, or substance abuse).

“Financial exploitation” is defined as one of the following:

- Anyone who obtains assets from a victim who is incompetent and unable to comprehend the transaction;
- Anyone who uses false promises, pretenses, or criminal acts to obtain money from the victim; OR
- Anyone in a position of trust and confidence who abuses that trust to obtain the assets of the victim (a breach of fiduciary duty) and the transaction is not fair nor reasonable.

In successful suits, the Court may award the recovery of lost assets to the exploited adult or their representative, as well as remedies such as injunction or rescission of a contract. The Court may also award a maximum of three times the amount of compensatory damages in contrast with the typical civil suit where only what has been lost may be awarded. In addition, legal fees may also be recovered.⁵

⁵ From: The SAFE Act: A Powerful New Statute Against Financial Exploitation, Adam Spence, Spence Law Group, found at <https://www.spencefirm.com/marylands-new-and-powerful-statute-against-financial-exploitation/>

Background – Elder Financial Exploitation

The problem of elder financial exploitation is pervasive. The Department of Treasury Financial Crimes Enforcement Network (FinCEN) issued a report in April 2024 after reviewing Bank Secrecy Act data from June 2022 through June 2023. The Report lays out Elder Financial Exploitation (EFE) incidents, defined as the illegal or improper use of an older adult's funds, property, or assets (older adults are typically considered individuals aged 60 or older.)

This Report showed 31,083 reports of suspicious activity, averaging \$98,863 per incident, for that 12 month period involving Elder Theft, the subject of SB 466. FinCEN defines Elder Theft as situations where persons known by older adults (60 years old and over) steal victims' funds. Elder theft is likely to be underreported and can go undetected because the perpetrators are typically individuals who are trusted by the victim.

Even worse were Elder Scams numbering 123,332 for that period. Elder Scams are defined as theft by fraudsters with no known relationship to their victims, and who are sometimes located outside the US.

Who Perpetrates Elder Theft

The FinCEN Report showed adult children of older parents – who lived near the victimized parents -- are the most frequently identified perpetrators. Next most frequent were professional caregivers such as nurses, aides, rehabilitation facility workers, and in-home care providers. The FinCEN Report revealed that caretakers had access to older adults' banking information, checkbooks, or other personally identifiable information in multiple instances. In a small number of instances, perpetrators included neighbors and financial advisors, though they each accounted for a comparatively negligible number of filings.

How is Elder Theft Accomplished?

The methods that perpetrators of elder theft use to steal from victims vary, but they generally appear to be relatively unsophisticated and straightforward, for example sending or withdrawing money for themselves, but also using stolen funds to make purchases or pay their own bills. These perpetrators made little or no effort to obfuscate the payments.

Unlike scammers, the family members or trusted individuals don't need to orchestrate elaborate scams to obtain access to the victim's accounts. Often the perpetrator already has access, can quickly gain access, or the victim will give them funds if the victim is adequately trusting, or conversely if the perpetrator is intimidating. Here are the methods the FinCEN Report shows:

- Funds transfers: Perpetrators either have access to victims' online banking or trick the victim into performing the transfers on their behalf. Funds are often sent directly to perpetrators, but filers also reported that perpetrators used stolen funds to pay merchants or other individuals.

- Fraudulent checks: Perpetrators with access to a victim's checkbook will write themselves checks and either have victims sign the check or forge the signature.
- Credit/debit card: Perpetrators have access to a victim's credit/debit card or credit/debit card information and make purchases for themselves.
- Cash withdrawals: Perpetrators use ATMs if they have access to a victim's debit card or they may escort the victim to the bank and conduct a teller withdrawal.
- Online bill pay: Perpetrators with access to a victim's account will pay their own bills directly.
- Wire: The least common method of transfer, but frequently associated with large, international transactions.⁶

⁶ Information on Elder Theft from "Financial Trend Analysis – Elder Financial Exploitation: Theft Patterns and Trend Information, June 2022 to June 2023, published April 2024, by Financial Crimes Enforcement Network (FinCEN), U.S. Department of the Treasury, link to Report at <https://www.fincen.gov/news/news-releases/fincen-issues-analysis-elder-financial-exploitation>