



CALIFORNIA HEALTH ADVOCATES
Medicare: Policy, Advocacy and Education

March 22, 2023

The Honorable Monique Limon, Chair
Senate Banking and Financial Institutions Committee
Sacramento, CA 95814

RE: Support for SB 278 (Dodd) - SUPPORT

Dear Senator Limon:

On behalf of the California Health Advocates (CHA), we write in support of Senate Bill 278 (Dodd), which will be heard before your committee on March 29, 2023. SB 278 will clarify the law and ensure that elderly victims of financial scams can hold banks accountable for assisting in the financial exploitation of older Californians.

Financial scams against elders are on the rise in California, and too often banks are turning a blind eye while scammers rob older Californians of their life savings. Often called the "crime of the 21st Century," financial scams against elders are an epidemic, with estimates of annual economic losses of \$3 billion dollars. Victims come from all socioeconomic backgrounds. This form of financial exploitation robs victims of their resources, dignity, and quality of life. Perpetrators can be family members, trusted financial professionals, or unknown scam artists. Once an aging adult falls prey to financial fraud, they may never recover.

As mandated reporters, banks, credit unions, and other financial institutions are uniquely positioned to detect when a customer might be the victim of a scam or other financial abuse – and take action to protect elders from the devastating loss of their life savings. Unfortunately, the language of California's current financial elder abuse statute (Welfare & Institutions Code § 15610.30) is unclear. As a result, recent court rulings are in conflict with the law and some federal courts have set an impossible standard of proof required to hold banks accountable for assisting scammers. By adding a simple clarification to existing law – SB 278 will assure justice for the countless elderly victims of financial scams whose banks should have protected them.

Elder financial abuse is a serious problem in not just California, but the United States with seniors losing billions of dollars each year to fraud, scams, and financial exploitation. CHA strongly supports SB 278, as this bill, if passed, will provide a mechanism for banks to report suspected financial abuse of an elder, which can help prevent or stop further abuse.

We need to send a strong message that financial abuse of elders will not be tolerated in our state. By holding banks accountable for reporting suspected abuse and taking action to prevent further abuse, this bill can help create a culture of awareness and prevention around elder financial abuse.

For these reasons, CHA is proud to support SB 278 (Dodd).

Sincerely,



Catherina Isidro, Executive Director
CALIFORNIA HEALTH ADVOCATES

Cc: Senator Bill Dodd
Senator Monique Limon
Members, Senate Banking and Financial Institutions Committee
Senator Thomas J. Umberg
Members, Senate Judiciary Committee

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