



March 22, 2023

The Honorable Monique Limón, Chair
Senate Committee on Banking & Financial Institution
Sacramento, CA 95814

Re: Support for SB 278 (Dodd)

Dear Senator Limón:

On behalf of the organizations listed within this letter, we write in **support of Senate Bill 278 (Dodd)**, which will be heard before your committee shortly. SB 278 will clarify the law and ensure that elderly victims of financial scams can hold negligent 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.¹ 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

¹ U.S. Treasury Financial Crimes Enforcement Network, Advisory

on Elder Abuse, (June 15, 2022), available at-<https://www.fincen.gov/sites/default/files/advisory/2022-06-15/FinCEN%20Advisory%20Elder%20Financial%20Exploitation%20FINAL%20508.pdf>

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.

For these reasons, we urge your support SB 278 (Dodd).

Sincerely,

Michael Best, Senior Attorney
National Consumer Law Center

Ernest Reguly, Deputy Director
Riverside Legal Aid

Shawna Reeves,
Legal Assistance for Seniors

Rosemary Shahan, President
Consumers for Auto Reliability and Safety

Alex Long, Staff Attorney
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Thomas Zito, Supervising Attorney
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Laura Slade Chiera, Executive Director
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Suzanne Iazzetta, Supervising Attorney
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Maeva Elise Brown, Executive Director
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Stephanie Carroll, Directing Attorney
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Susannah Meyer, Executive Director
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Desiree Nguyen Orth, Supervising Attorney
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Jeffrey Webb, Directing Attorney
Bet Tzedek Legal Services

Tara McComber, Managing Civil Litigation
Attorney
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Cc: Senator Bill Dodd
Members, Senate Committee Banking & Financial Institution