
To: Members of The House Judiciary Committee

From: Elena Sallitto, Member; Morris Klein, Chair; MSBA Elder Law & Disability Rights Section

Date: February 12, 2020

Subject: **Bill # HB304** – Criminal Law-Consumer Protection-Unfair, Abusive or Deceptive trade Practices – Exploitation of Vulnerable Adults

Position: **In Support, as amended (see below)**

The Maryland State Bar Association Elder Law and Disability Rights Section **SUPPORTS HB304 with the friendly amendment offered by the Vulnerable Adult Exploitation Task Force.**

The Elder Law and Disability Rights Section of the MSBA is comprised of over 700 attorneys working with vulnerable adults in every jurisdiction in the State. Over the years, we have witnessed a steady increase in the number of cases of financial exploitation perpetrated on our most vulnerable citizens. In a 40-page report issued in 2009, The MetLife Mature Market Institute reported that financial abuse of vulnerable adults exceeds \$2.6 billion annually, often stripping the victim of their entire life savings. Given their advanced age or compromised health, these victims are unable to recover from their devastating losses and become reliant on the State to provide their health needs through means tested public assistance programs such as Medicaid Long-Term Care, at huge expense to the State.

States throughout the country are looking for effective ways to stem this growing epidemic. Currently, the Maryland State Bar Association has convened a task force of Elder Law and Estate planning attorneys to review the laws currently on the books and identify ways to strengthen our ability to stop these perpetrators and try to make their victims whole. HB304, as amended, is an excellent step forward.

The amendment offered by the Vulnerable Adult Exploitation Task Force states:

(xxiv) Section 7-304 or §8-801 of the Criminal Law Article. **A CONVICTION FOR AN OFFENSE UNDER §8-801 OF THE CRIMINAL LAW ARTICLE IS NOT A PREREQUISITE FOR THE MAINTENANCE OF AN ACTION FOR A VIOLATION OF §8-801.**

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for ensuring the integrity of the financial statements and for providing a clear audit trail. The text also mentions that proper record-keeping is essential for identifying trends and anomalies in the data.

2. The second part of the document focuses on the role of internal controls in preventing fraud and errors. It outlines various control measures such as segregation of duties, authorization requirements, and regular reconciliations. The text stresses that these controls are not only for the protection of the organization's assets but also for ensuring the reliability of the financial information.

3. The third part of the document addresses the challenges of managing financial data in a complex and rapidly changing environment. It discusses the need for robust information systems and the importance of data security. The text also highlights the role of management in overseeing the financial reporting process and ensuring that it complies with all applicable regulations.

4. The fourth part of the document provides a detailed overview of the financial reporting cycle. It describes the steps from the collection of data to the final preparation and issuance of financial statements. The text also discusses the importance of transparency and the need to provide clear and concise disclosures to stakeholders.

5. The fifth part of the document discusses the impact of external factors on financial reporting. It mentions the influence of changes in accounting standards, tax laws, and market conditions. The text also emphasizes the need for organizations to stay updated on these changes and to adjust their reporting practices accordingly.

6. The sixth part of the document concludes by summarizing the key points discussed throughout the document. It reiterates the importance of accuracy, transparency, and compliance in financial reporting. The text also offers some final thoughts on the future of financial reporting and the role of technology in this field.

7. The final part of the document provides a list of references and resources for further reading. It includes books, articles, and websites that provide more detailed information on the topics discussed in the document. The text also includes a brief biography of the author and contact information for those interested in learning more.



520 West Fayette St., Baltimore, MD 21201
410-685-7878 | 800-492-1964
fax 410-685-1016 | tdd 410-539-3186
msba.org

We support the amendment to more clearly reflect the intentions behind this laudable bill.

Please contact Elena Sallitto, 410-268-9246, elena@Stavelylaw.com; or Morris Klein, 301-652-4462, morrisklein@morrisklein.com if you have any questions.

