

HB 304 Consumer Protection – Unfair, Abusive, or Deceptive Trade Practices – 3 Exploitation of Vulnerable Adults
SUPPORT
House Economic Matters Committee
February 12, 2020

Good afternoon Chairman Davis and member of the House Economic Matters Committee. I am Tammy Bresnahan, Director of Advocacy for AARP MD. As you know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 900,000 members.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

HB 304 authorizes the Division of Consumer Protection in the Office of the Attorney General to bring a criminal action under the Consumer Protection Act against a person who violates the law by exploiting a vulnerable adult and adding to the statute unfair, abusive or deceptive practices.

Elder financial abuse or exploitation is defined in the [Older Americans Act of 2006](#) as: *“The fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual, including a caregiver or fiduciary, that uses the resources of an older individual for monetary or personal benefit, profit, or gain, or that results in depriving an older individual of rightful access to, or use of, benefits, resources, belongings, or assets.”*

In other words, this type of abuse involves taking advantage of an older person for financial gain. Elder financial abuse is big business. It’s estimated that older adults lose more than \$36 billion every year to scams, fraud and exploitation.¹ It’s even more alarming that almost half of that money is lost due to tactics that – while deceptive in nature – are technically legal. With large numbers of Baby Boomers aging into retirement, experts predict the problem is only going to get worse.

The number of seniors in the U.S. who have experienced some form of financial abuse is estimated to be as high as 37 percent. In other words, if you have three living grandparents or two older parents, there’s a good chance at least one of them has been a victim of financial abuse, and they may not even know it.²

The sheer number of financial abuse victims is frightening, but what may be even worse is that the abuse is often carried out by someone close to the victim. One survey found that two-thirds of financial crimes against the elderly are carried out by family, friends or other trusted individuals.³

¹ <https://www.napsa-now.org/get-informed/exploitation-resources/>

² Ibid.

The perpetrators of elder financial abuse can include but not limited to: caretakers, neighbors, friends, attorneys, banks and or other financial institutions, health care providers, and scammers.

AARP has a long history of fighting for protections against elder financial exploitation and has been on the forefront of advocacy in support of federal and state laws and regulations that prevent this type of abuse.

AARP believes that States should enact and enforce laws that:

- Make it a criminal offense, with enhanced penalties, to abuse, neglect, or exploit a vulnerable individual; and
- Provide victims and their legal representatives adequate civil procedures and remedies (including a shift in the burden of proof, the awarding of attorneys' fees and costs, the awarding of damages.

AARP supports HB 304 and respectfully requests the House Economic Matters Committee issue a favorable report. For questions please contact Tammy Bresnahan at tbresnahan@aarp.org.

³ Ibid.