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March 17, 2020

To: The Honorable Delores G. Kelley.
Chair, Finance Committee

From: Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: House Bill 304 – Consumer Protection Division – Unfair, Abusive or Deceptive Trade Practices – Exploitation of Vulnerable Adult Asset Recovery Unit (SUPPORT)

The Consumer Protection Division supports House Bill 304, sponsored by Delegate Shetty and 35 co-sponsors. The bill would make financial exploitation of vulnerable adults a violation of the Consumer Protection Act, thereby helping the Division more effectively assist senior citizens and vulnerable adults who have been victims of financial exploitation to recover the assets taken from them. The Consumer Protection Division was first given authorization to bring these cases by Chapter 114 (2016). Chapter 794 (2018) gave similar authority to the Securities Commissioner. Since the attorney overseeing the program was first hired in January 2017 through the end of fiscal year 2019, the Division has been able to provide the following assistance:

- More than 150 investigations were opened;
- Fifteen cases have been settled or resulted in judgments totaling more than \$900,000;
- No action was taken in 20 cases where the conduct occurred before the July 1, 2016 effective date;
- 20 cases were referred to other agencies;
- 75 cases were not pursued due to insufficient documentation or lack of evidence that a violation had been committed; the victim was represented by private counsel; or a target could not be identified.

House Bill 304 would allow the Division to pursue these cases more efficiently by, for example, allowing the cases to be filed as administrative proceedings similar to the majority of enforcement actions brought by the Division. Making the financial exploitation of senior citizens and vulnerable adults a violation of the Consumer Protection Act would thereby allow the Division to assist more victims of financial exploitation.

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Consequently, the Consumer Protection Division requests that the Finance Committee give House Bill 304 a favorable report.

cc: The Honorable Emily Shetty
Members, Finance Committee