



Financial Institutions Committee Hearing Testimony November 1, 2023

Thank you Madam Chair and to the Committee members for the opportunity to share the goal of Bill #1014/1 which is designed to reduce the level of loss experienced from financial crimes that are being waged against our elder citizens.

- *Estimated Financial Elder Abuse losses in Wisconsin each year: \$3.42 billion with >100,000 cases*
- *In all 50 states, estimated losses due to elder fraud are an estimated \$269.5 billion in 2021 on 7.8 million cases*

Who commits Financial Elder Abuse from a Medicare information site?

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

This is not always the case as there are many forms of internet, phone, and mail fraud used to defraud the public. Last week the MJS ran an article where a group of conspirators defrauded elderly citizens out of \$200,000 posing as Judges, attorneys, etc. asking for bail money for a family member. My Mom had the same experience except she told the scammers to "get lost". (Attached)

Background:

No age group is immune to fraud activity but we can observe that elder customers can become increasingly vulnerable over time. We can confirm that not nearly all fraud activity is NOT discovered until after a fraud takes place and the money is gone. In the case of elders as defined in the bill, note that 70% of the income in this country is held by those 50 and over.

As a former bank President, our staff could name hundreds of cases of suspected financial elder abuse. I could share two cases that exceeded \$600,000 each in my personal experience. In far too many cases, we were unable to act in the customer's interest due to current law.

Today, under Wisconsin law, in order to generate intervention before a loss is experienced, a caring family member would need to produce a professional opinion or diagnosis as to the elder person's capacity to protect his or her own financial assets. Although many of the elder victims do not meet that level of definition, there are still occasions where they succumb to a fraudulent scheme. Regardless if it is once or multiple occasions, they are still victims of financial elder abuse. Technology, social media, and other influences can be difficult to navigate for many elder customers. New tools for intervention would help reduce these loss experiences.

How can this bill help stop elderly financial abuse before it takes place:

1. This bill would authorize financial institutions to create a new account owner or "profile" category that would provide for the listing of an "authorized" individual(s) or entity(s), who could be contacted in the event of a suspected fraud act. This could include someone not being an actual account owner.
2. The account owner maintains control. The elder account holder (identified as 65 and over) has no obligation to name an "authorized individual(s) or entity(s)" to their account. This is a voluntary participation. The account owner can still choose to authorize a transaction against advice from the financial institution unless circumstances reach a level where a referral to a law enforcement agency is made for a criminal investigation.

3. If the transaction is determined to be a suspicious fraud attempt, the financial institution may, based on the circumstances suspend the account action and be granted a range of 5-15 days to qualify the legitimate nature of the transaction. *Should the circumstances dictate*, the case could be referred to law enforcement or an elder abuse agency to join the investigation.
4. **AS SOON AS THE TRANSACTION IS VERIFIED FOR LEGITIMACY THE TRANSACTION WILL BE PROCESSED**
5. Financial institutions would voluntarily promote this concept as part of their current regulations to “Know Your Customer” obligations and fraud prevention activities, especially for their elder customers. This could introduced as a value-added service for elder customers.
6. In a manner akin to the “Good Samaritan Law”, Financial Institutions will be granted legal immunity when they exercise this next level of care for their customers as set forth in this bill language.

There is universal support from DFI, banks, and credit unions and you will hear or see their testimony here today. We could also share hundreds of stories of how customers have appreciated fraud protection tools.

The goal of this bill is to stop the loss before it happens. Financial Elder Abuse is a serious issue and as baby boomers increase in number, the situation can and most likely will get worse. It is my hope that you will join me in voting in favor of this bill today.

Thank you,
Jerry O'Connor
Representative
52nd District



JOHN J. MACCO

STATE REPRESENTATIVE • 88TH ASSEMBLY DISTRICT

DATE: November 1st, 2023
TO: Assembly Committee on Financial Institutions
FROM: Representative John Macco
RE: Testimony on 2023 Assembly Bill 578

Chairwoman Duchow and members of the Assembly Committee on Financial Institutions,

Thank you for hearing testimony on AB 578.

Today, Americans over the age of 50 hold 70 percent of the nation's disposable income. As these Americans reach retirement age, it often becomes more difficult for them to manage their financial and physical well-being. It is not uncommon for seniors to rely on friends, family, or hired help to assist them with their day-to-day life. However, with their reliance on others comes the risk of financial exploitation and other forms of abuse and neglect.

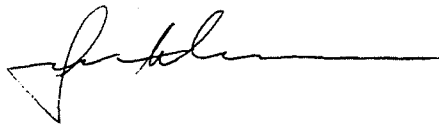
AB 578 was developed and recommended by former Attorney General Brad Schimel's Task Force on Elder Abuse during the 2017-2018 legislation session. The task force was made up of representatives from the Wisconsin Department of Justice (DOJ), Wisconsin Department of Health Services (DHS), Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), Wisconsin Department of Financial Institutions (DFI), the Wisconsin State Legislature, law enforcement, Wisconsin Court System, prosecutors, Board on Aging and Long Term Care, Wisconsin Bankers Association, and various crime victim services, adult protective services, senior living facilities, and senior citizen advocacy organizations.

This legislation will expand the tool belt of financial service providers by allowing them to refuse or delay a transaction when an elder-adult-at-risk agency such as a county social services agency, or law enforcement agency provides information to the financial service provider that financial exploitation has occurred or has been attempted. This bill also allows financial service providers to create a list of individuals that a vulnerable adult authorizes to be contacted if financial exploitation is suspected.

Understandably, those who are reaching retirement age are worried about their personal and financial security as they exit the workforce. Since 2001, reported allegations of elder abuse increased by 160 percent in Wisconsin. It is estimated that Wisconsin's elderly population loses \$3.42 billion per year to elder financial abuse- that means since the first introduction of this legislation in 2019, our seniors have lost roughly \$13.68 billion. Delaying the passage of this legislation is costing our constituents real money.

Colleagues, this issue hits close to home for me and my family. My mother-in-law was financially exploited by a relative years ago and my wife and her siblings had little recourse once the damage had been done. Additionally, my own mother was the victim of financial fraud and she never saw that money again. It is my hope that these bills will help prevent others from going through what my family went through.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "John J. Macco", with a long horizontal line extending to the right.

John J. Macco
Representative
88th Assembly District



Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Romaine Robert Quinn
To: Assembly Committee on Financial Institutions
Re: Testimony on Assembly Bill 578
Relating to: financial exploitation of vulnerable adults
Date: November 1, 2023

Thank you Chairman Duchow and members of the Assembly Committee on Financial Institutions for holding this public hearing on Assembly Bill 578. This bill may look familiar to you as it stems from Attorney General Schimel's Task Force on Elder Abuse from 2017 and a similar bill passed in the Assembly last session, but failed to get through the Senate.

Financial exploitation of vulnerable adults continues to be a problem in this state and around the country as technology continues to evolve and scammers take on new personas. The sad reality is that many times someone close to the victim commits the abuse, meaning there may not be anyone other than a financial institution who can identify concerning transactions and take steps to help. Assembly Bill 578 looks to create tools that financial institutions can use to stop this financial abuse before the money is gone. As a change from last session, the bill applies to individuals age 65 and older (up from age 60) and allows a financial service provider to refuse or delay a financial transaction if abuse is reasonably suspected. The tools for the financial institutions include the following:

- Ability to create a list of persons the vulnerable adult authorizes to be contacted if financial exploitation is suspected
- Authority to suspend a suspected fraudulent transaction and bring in a trusted individual or entity to help verify the legitimacy of the transaction
- Flexibility to qualify the legitimate nature of the transaction if determined to be a potential fraud attempt
- Authority to process the transaction as soon as verified legitimate
- Legal liability protection when they exercise this level of care for customers

In addition to the change in age from last session's legislation, the expiration of the delay on the transaction is also reordered to say that it is the earliest of:

1. The time when there is reasonable belief that there isn't exploitation.
2. The customer requesting the transaction has been advised of the risk and requests the transaction to continue.
3. Five business days after the date which the transaction was delayed, unless the division or agency which the incident was reported requests that it be extended, in which case the delay shall expire no more than 15 business days after the first delay.

As the vulnerable adult population continues to increase, it's important to make sure that the tools are there to prevent abuse, exploitation, and fraud before it happens. This bill is one tool to help keep the vulnerable safe. Thank you again for your consideration today.

November 1, 2023

To: Honorable Members – Assembly Committee on Financial Institutions
From: Sarah Wainscott, Senior Vice President - Advocacy
Re: Support for AB 578 on Prevention of Financial Elder Abuse

The Wisconsin Credit Union League, the trade association for Wisconsin's credit unions and their 3.8 million members, **supports Assembly Bill 578.**

As member-owned not-for-profit financial cooperatives, credit unions' core mission is to serve their members. This task is made more difficult by the growing prevalence of financial abuse of vulnerable adults.

In advance of this hearing, we forwarded a link to a [video](#) that highlights how Glacier Hills Credit Union used AARP training to ensure their staff is in the best position to prevent the financial abuse of their members. Still, there is more that could be done as noted in the statement from Glacier Hills Credit Union today, included.

We've included statements from various credit unions with this testimony, that illustrate their passion and reasoning, for this ask to be in a better position to safeguard the interests of members.

In AB 578, credit unions especially support the ability to create a list of trusted individuals, liability protections that allow credit unions to be proactive only when fraud is suspected, and the ability to temporarily delay a suspect transaction.

We understand there were various timelines proposed for the process of delaying a transaction. There is no uniformity in how temporary holds are handled across the nation, as well. Any additional time for having challenging conversations with members is valuable.

By statute, a Wisconsin credit union is to "provide opportunity for its members to improve their economic and social conditions"- *Wis. Stats. § 186.01(2)*. That opportunity is a constant balancing act - between what may be the best financial interest of the member and a member's prevailing right to their decision. Serving the member's interest, through it all, is the mission of our credit unions. To unnecessarily delay transactions, or to make insincere accusations of fraud would contradict their mission. The abilities granted in AB 578 work in unison and enhance the never-changing mission of credit unions to serve their members.

Credit unions support AB 578 because it responsibly empowers them to better protect members' financial wellbeing when fraud is suspected and be effective partners in preventing financial abuse.

On behalf of Wisconsin's credit unions, we thank you for your consideration and ask that you support Assembly Bill 578.

If you would like additional information on credit unions or have questions regarding the bill, please contact me at swainscott@theleague.coop or (608) 640-4030.



121 Sutliff Avenue – P.O. Box 278
Rhineland, WI 54501-0278
Phone: 715-365-4800 – Fax: 715-369-5414

www.ripco.org

633 N. Railroad Street – P.O. Box 1237
Eagle River, WI 54521-1237
Phone: 715-479-4491 – Fax: 715-479-9557

October 31, 2023

Subject: Support for Bill AB 578

I am writing to express my wholehearted support for Wisconsin Bill AB 578, which aims to address the serious problem of financial elder abuse. As a concerned citizen and leader at RIPCO Credit Union, I believe this legislation is essential to protect our elderly population and empower financial institutions like credit unions to take proactive measures against this growing issue.

Financial elder abuse is a grave concern in our community and across the nation. The vulnerability of our seniors makes them prime targets for financial exploitation, often resulting in devastating consequences for them and their families. It is imperative that we take meaningful steps to combat this problem.

Credit unions, like RIPCO Credit Union, are limited in their ability to prevent abuse due to the constraints of existing regulations. The proposed policies in Wisconsin Bill AB 578, such as establishing a list of 'trusted individuals' that credit unions can contact when abuse is suspected, providing the ability to delay transactions for up to five days, and offering liability protections for acting in good faith, would significantly enhance our ability to protect elderly members from financial exploitation.

The creation of a list of 'trusted individuals' would enable our credit union to swiftly respond to potential abuse, ensuring that we can reach out to family members or designated representatives to assess and address suspicious transactions. This proactive approach is crucial in safeguarding our elderly members.

The ability to delay transactions, even briefly, is a crucial provision in the bill. It allows us to investigate suspicious activities and protect our members from further harm. This delay, with a maximum period of five days, strikes a balance between safeguarding the elderly and maintaining their financial autonomy.

Moreover, the inclusion of liability protections for acting in good faith is vital to encourage credit unions like ours to take action without fear of unwarranted legal repercussions. It fosters a supportive environment for credit unions to play an active role in combating elder abuse.

In conclusion, I urge you to support Wisconsin Bill AB 578 as a vital step in addressing the pressing issue of financial elder abuse. These proposed policies are not only beneficial for credit unions but also for the well-being and security of our elderly members. Together, we can make a difference and ensure a safer, more secure financial environment for Wisconsin's elderly population.

Thank you for your dedication to this critical issue and for your efforts to protect our senior citizens.

Sincerely,

Jennifer Grinder
President / CEO
RIPCO Credit Union



October 31, 2023

Assembly Committee on Financial Institutions

Support for AB 578

Dear Committee Members-

I am asking for support of Financial Elder Abuse AB 578. As I draft this statement, we are currently desperately scrambling to work with authorities and our staff to uncover what we feel is a definite elder abuse social media scam, utilizing a "mule", to siphon funds to a "coin exchange". Under the current state regulation, we are very limited as to how far we can go to attempt to protect our elderly. Credit Union staff and management is often in the best seat to observe elder abuse. We often hear the stories from our members and are able to see both sides of the transaction. If we were able to delay a transaction or notify a trusted family member, we would be able to help dozens of our seniors each year.

My fear is that because we cannot delay this current transaction, another senior will fall victim to the classic social media scams circulating today, and potentially be out thousands of dollars.

Please consider support of AB 578 allowing delay of transactions, notifying trusted family members, and providing protections to credit union staff and management for acting in good faith.

Christine A Moczynski

President and CEO

www.primefinancialcu.org

5656 S Packard Ave
Cudahy, WI 53110



To our State Representatives:

Financial elder abuse is a deeply serious problem that demands urgent attention. Vulnerable senior citizens are increasingly falling victim to exploitation and fraud, many times by emerging technologies that federal law enforcement combats daily for national security, causing immeasurable financial and emotional harm. Credit unions, while dedicated to safeguarding their members' interests, are often limited by regulations to effectively prevent such abuse. To address this critical issue, it is imperative to include specific provisions in the proposed bill. Firstly, a list of 'trusted individuals' that credit unions can promptly contact when abuse is suspected is indispensable. This would expedite the response and enhance the chances of intervening before significant harm occurs. Secondly, granting credit unions the ability to briefly delay transactions is essential to conduct thorough investigations and potentially prevent illicit financial activity. Our frontline team members have great relationships with our members and sometimes can identify when the transaction isn't following the normal activity of our members. Finally, the bill must provide liability protections for credit unions acting in good faith, ensuring they are not unduly deterred from taking necessary actions. Empowering credit unions in this manner would represent a significant step toward combating financial elder abuse, protecting our seniors, and promoting financial security and well-being in our communities.

For example, we have been in communication with a member's daughter that was a recently added joint owner, as well as her granddaughter as a recently added POA in regards to assisting them in fighting elder abuse that has unfortunately been occurring for a while. We've been working with them to combat it for awhile now since another member of their family is taking advantage of our member. Unfortunately, since they haven't taken our recommendation of Guardianship paperwork yet, it's been difficult to help prevent it entirely. A financial elder abuse bill might be able to prevent things like this from happening to others in the future and make situations like the one our member is currently in harder to occur in the future.

Sincerely,

A handwritten signature in black ink that reads "Grant Wheat". The signature is written in a cursive, slightly slanted style.

Grant Wheat
Vice President - Risk Management

October 31, 2023

Assembly Committee on Financial Institutions

Support for AB 578

Glacier Hills Credit Union takes Financial Elder Abuse very seriously. We have required our 50 staff members attend the AARP training on this topic annually. We have found it invaluable for our staff to be knowledgeable about the abuse and how to help our members through it. The fraudsters are so clever and manipulative they are talking our members out of their life savings. Its truly heartbreaking.

As the abuse is on the rise, we feel it is our duty to help serve our members by learning as much as possible and staying up to date on what is happening to help them navigate through these situations. We could use help though. We would like to have protections in place for those times we are acting in our members best interest in good faith.

We want to help, but sometimes we can't because of maybe privacy. Many times, members do things without their spouse knowing. It would be great if we could contact the spouse, or another trusted individual, or maybe delay the transaction, before they do something truly detrimental.

Our most recent fraud involved a member who had her computer taken over by the fraudsters. They then talked her into taking out \$9,600 cash and driving it 45 miles into the inner city to deposit it into a bitcoin ATM. If only we could have called her husband to ask him if this was a legitimate withdrawal, we could have hopefully saved them this huge loss.

Please help us help our members stay safe and keep their funds they worked so hard for.

Thank you,



GLACIER HILLS
your community credit union

Own your journey.

Tami A. Winkler
PRESIDENT / CEO

P (262) 438-1118
F (262) 338- 4470

GLACIERHILLS.COM



October 31, 2023

Assembly Committee on Financial Institutions

Support for AB 578

For someone who has seen financial elder abuse in so many forms, the impact a bill like this could have would be substantial. It's extremely hard to watch an elderly member, most of which we have built a relationship with, being financially abused, and knowing there is very little we can do. They've worked hard to earn their money and in a split decision, it could all be gone. Right now, credit unions continue to try and develop ways to prevent this, but we are very limited. Something as simple as delaying a transaction could have a huge impact on preventing financial elder abuse. We have learned that having additional conversations with these members during this time frame can allow us to better assess the situation. During this delay as well, we could reach out to local authorities for guidance. These members have trusted us with their finances and it's part of our job to help protect that for them.

Please support AB 578.

Cassandra Shadley
Director of Member Services
Fond du Lac Credit Union

November 1, 2023

Assembly Committee on Financial Institutions

Support for AB 578

Dear Committee Members-

Unless you have seen it firsthand it is difficult for anyone to comprehend the devastation caused by financial elder abuse. Our members are brainwashed into lying to their family members and trusted financial advisors and institutions. They hand over tens of thousands of dollars without questioning it.

As a financial institution we can only take certain steps in dealing with the member, having the ability to contact close relatives or friends would be a godsend in dealing with this issue. The ability to delay a transaction until it is thoroughly vetted would also be invaluable.

Having a safe harbor provision for financial institutions would greatly help facilitate a better outcome. In conversations with our county Aging and Disability Resource Center may financials provide little information and do not cooperate when contacted by the county.

Please support AB 578.

Brad W. Grant
President & CEO
Today-Tomorrow-Together



Premier Financial Credit Union
2017 Main Street • P.O. Box 158 • New Holstein, WI 53061
Office: 920.898.4232 • Direct 920-393-5652 • Fax: 920.898.4113



To: Members, Assembly Committee on Financial Institutions

From: Lorenzo Cruz – Vice President – Government Relations WBA
Tyler Foti – Director – Government Relations, WBA

Re: Elder Financial Exploitation Legislation – Summary, Supporting Information, FAQ

WI Legislation:

AB 578; relating to: financial exploitation of vulnerable adults.

Summary of Provisions:

- Allows refusal or delay of transactions when financial exploitation of a vulnerable adult is suspected.
- Vulnerable adult at risk is defined at age 65.
- Transactions may be held for 5 business days by banks and extended 15 business days by agency.
- Allows creation of a list of people the vulnerable adult designates to be contacted if the financial service provider reasonably suspects the vulnerable adult is being exploited.
- Includes reporting requirements.
- Provides liability protection for financial service providers acting in good faith.
- Allows a financial service provider to refuse to accept power of attorney if they suspect the vulnerable adult may be a victim of financial exploitation.

Supporting information on why these bills are necessary:

A March 2016 report from the Consumer Financial Protection Bureau (CFPB) report lays out the importance of taking action to address elder financial exploitation.

- Executive summary (verbatim):
 - Elder financial exploitation has been called the crime of the 21st century and deploying effective interventions has never been more important.
 - Older people are attractive targets because they often have assets and regular income.
 - These consumers may be especially vulnerable due to isolation, cognitive decline, physical disability, health problems, or bereavement.
 - Elder financial exploitation robs victims of their resources, dignity and quality of life—and they may never recover from it.
 - Financial institutions play a vital role in preventing and responding to this type of elder abuse. Banks and credit unions are uniquely positioned to detect that an elder account holder has been targeted or victimized, and to take action.
- Demographics information
 - America's population is aging, and 75 million Americans will be age 65+ by 2030.
 - Older consumers are far more likely to use tellers for transactions, so empowering them to act goes a long way.

A February 2019 CFPB report examining Suspicious Activity Reports (SARs) on elder financial exploitation sheds additional light on the pervasiveness and extent of the problem. This is only what is reported.

- Figures:
 - Suspicious Activity Reports (SARs) filings on elder financial exploitation quadrupled between 2013 and 2017. The 63,500 SARs in 2017 likely represent only a fraction of actual incidents.
 - The financial damage related to suspected activities in 2017 totaled \$1.7 billion.
 - When a monetary loss occurred, seniors lost \$34,200 on average. In 7% of the cases, the losses exceeded \$100,000.
- Demographics information:
 - A full third of individuals who lost money were over 80 years old.
 - The average monetary loss was highest among the 70-79 age group.
- Older adults know the suspect:
 - Monetary losses are more common, and amounts lost are higher when the older adult knew the suspect
 - Additionally, losses were larger and more common when the suspects were fiduciaries, such as an agent under power of attorney
 - 7% of SARs identify a power of attorney as the perpetrator. Again, this is only what has been reported. Paired with information below on how often the victim knew the perpetrator, this percentage is probably much higher.

Additionally, a December 2019 report from the Financial Crimes Enforcement Network (FinCEN) provides more scope and context of fraud perpetrated against elders by looking at SARs.

- Monthly elder fraud SARs filed by securities companies increased by 300% from 2013 to 2019
- Suspicious activity amounts reported for elder fraud annually have more than doubled in the same time frame to over \$5 billion.



- Elder theft is most often committed by people they trust- 46% of the time it was a family member, 19% of the time it was a non-family caregiver.

Frequently Asked Questions

Q: Does a hold under these bills freeze an entire account?

A: No, only the specific transaction may be delayed. The account would remain active otherwise.

Q: Do prescriptive hold times disincentivize resolution of these cases? Shouldn't we reduce these allowable hold times?

A: Banks work expeditiously to do their due diligence – they lack incentive to hold transactions and doing so would be bad for business. The language in the bills is designed to accommodate Adult Protective Services (APS) and/or law enforcement. Holds often expire while cases are still open at APS or DA's offices. The more time they have, the more likely investigations and prosecutions can be completed. The hold may also be lifted should other criteria be met first.

Q: By allowing refusal of power of attorney, will AB 578 allow financial services providers to do so for inappropriate reasons?

A: Financial services providers may already refuse to honor power of attorney under certain circumstances. These provisions are designed to help stop financial exploitation before a loss occurs, whereas the authority under current law is generally moot and can only be triggered by events after the fact. AB 578 actually puts narrower guard rails on refusal of POA. Indiscriminately denying POA would also be bad for business.

Q: Who will be making the decisions to pause a transaction?

A: While tellers are on the frontlines and are adept at spotting elder financial abuse, under the normal course of business a transaction pause decision would generally be made higher up the chain of command.

Q: Are these bills 'ageist'?

A: Financial institutions work to prevent exploitation and fraud against people of all ages. The definitions in these bills are consistent with the range of language in legislation enacted in other states.

Chairwoman Duchow and members of the Assembly Financial Institutions Committee,

My name is Karen Schellin, and I am currently employed as the VP – Director of Corporate Security at Johnson Financial Group. I am speaking to you as a banker with over thirty years' experience; twenty of which are within fraud and security.

I am testifying in support of LRB 1014.2 relating to Financial Elder Abuse or what we refer to as EFE, elder financial exploitation.

Front line personnel, regardless of where they fall, whether they be a financial institution or financial provider are battling elder financial abuse...daily. And they are doing so, without the ability to stop the fraudulent transactions. This bill will provide the support, backing and tools we (all) need.

Please know our mission/goal is to stop customers from losing their money to fraud-based scenarios. while (simultaneously) ensuring they have continued access to their money. This is an important distinction.

You were provided with statistics from Comparatech, which included data from a variety of sources. I am not here to talk statistics. I am here to tell you about the people behind those statistics. The people we see, the people we talk to, the very people we are trying to protect.

Whether they fall victim to a grandparent or romance scam, tech scams (PayPal, Norton Anti-Virus, Microsoft), are being used by their children or grandchildren, or their power of attorney, etc., it doesn't matter. What matters is that "someone" is trying to get them to part with their money or is outright taking their money. We are trying to prevent this. From a banker's perspective, I can tell you it is heartbreaking when inform your customer their hard earned money is gone, and we cannot recover it. Or, when they come back to you and say, "you were right, it was a scam." It's not about being right, it's about caring. Caring about our customers, caring about people.

Help us stop this. Help us help:

- Mary (age 71) victimized by her son (\$91,000 identified)
- Kathleen (age 75) victimized by an unknown third party (\$49,000)
- John (age 68) victimized by an online friend (\$54,000 LOC)
- Betty (age 82) victimized by her daughter/POA (\$114,000 + identified)
- Marsha (age 76) victimized by her grandson (\$33,010)

Remember, every statistic has a name, a face, a story. After this many years in banking, I have many stories. The stories cover all genders, races, educational background, and socioeconomic status. No one is immune. And these are only the ones I know – there are so many more.

By approving LRB 1014.2, you give those of us on the front lines, the support, the backing, and the tools we need to protect Mary, Kathleen, John, Betty, Marsha, and the countless others we see and talk with every day. I believe we all have the same goal in mind, which is why you are here and why we are here. The goal is to try and protect those age 65 and older or adults at risk, from losing their money to fraud based scenarios.

Thank you allowing me the opportunity to testify here today, for your time and consideration in support of LRB 1014.2.

Chairwoman and the members of the Assembly of Financial Institutions Committee, thank you for having us today. My name is Melissa Teeter, and I have been in the banking industry for almost fourteen years, currently as the Security Officer with Horicon Bank. I am testifying in support of this bill relating to Financial Elder Abuse.

I have spent most of my financial career on the frontline and have seen customers lose anywhere from hundreds of dollars to their entire life savings due to financial elder abuse. Without the ability to stop fraudulent transactions, those on the frontline lack what is needed to protect our customers to our fullest extent. This bill would provide what is needed for that extra protection.

While our front line is trained to recognize the signs of fraudulent transactions, our customers do not always believe us when we point out the suspicions that we have. Being unable to stop or refuse a fraudulent transaction, resulted in an elderly gentleman losing \$53,000. This loss occurred over the course of three days despite our continuous effort to warn him that we had reason to believe that these transactions were fraudulent. He did not believe us until it was too late, and his money was gone.

What always sticks with me the most though, is seeing an elderly woman that I grew close to while being her banker lose her entire life savings due to a neglectful power of attorney while her health was failing. While it was under investigation with the county's aging and disability resource center, he still was able to proceed to drain her bank accounts for his own financial gain, abusing his power of attorney rights. Since we couldn't refuse the withdrawals, we had to watch it happen while we waited for the county to act on it. Unfortunately, she passed away shortly thereafter.

While these are just a few examples, our frontline line sees situations like this almost daily throughout our entire institution. We have success stories but also those where we wish we were able to protect our customers more. I want to thank you for the opportunity to testify today supporting this bill. I do appreciate your time.

Testimony Regarding and LRB 1014.1 relating to Financial Elder Abuse

November 1, 2023

Dear Chairwoman Duchow and members of the Assembly Financial Institutions Committee,

My name is **Debby Bartolerio** and I am currently the Chief Operating Officer for First Citizens State Bank in Whitewater. I have been in banking for over 40 years, working in the early years as a teller, then in fraud investigations, as the bank's anti-money laundering officer, and compliance officer. I also participate in our county's I-Team (Interdisciplinary Team), and FAST team (Financial Abuse Specialist Team) both are partnerships of public and private multidisciplinary professionals who volunteer their time to facilitate comprehensive services to victims of elder abuse and elder financial abuse.

I am testifying in support of LRB 1014.1 relating to Financial Elder Abuse. Financial institutions are on the front lines combatting elder financial abuse, but currently lack any ability to stop fraudulent transactions when they see them occurring. This bill will provide the tools necessary to do so.

Over the years I have witnessed elderly customers being taken advantage of by family, friends, and scammers. Many are convinced they NEED to buy the gift cards, send the money, or withdraw the cash or something bad will happen. My teller staff does their best to persuade them otherwise, and will call bank management to intervene. Sometimes we can stop the transaction, by refusing to accept a wire transfer order or removing online banking access. But sometimes we can't. I've seen husbands withdraw funds from a joint account to "invest" with scammers or pay taxes on lottery winnings, leaving their wives with little or nothing to live on the rest of the month. I've seen children and grandchildren take advantage of their parent/grandparent's love for them and convince them to give them significant amounts of money. I've seen scammers persuade elders to withdraw cash and send it to them in a tinfoil wrapped box, coaching them on how to avoid any scrutiny at the bank. I've seen the despair in those elder's eyes when I finally convince them they have been taken advantage of and have little hope of recovering their money.

Giving us an option to pause a transaction so we could involve the right people would be a tremendous help in protecting our elderly customers.

Thank you for the opportunity to testify.

Debby Bartolerio
Chief Operating Officer
First Citizens State Bank

Testimony Regarding and LRB 1014.1 relating to Financial Elder Abuse

November 1, 2023

Dear Chairwoman Duchow and members of the Assembly Financial Institutions Committee,

My name is Jennifer L. Haydon, and I currently work as a Vice President at American National Bank – Fox Cities, in the state of Wisconsin. In addition, I also serve as the bank's Compliance Officer, Bank Secrecy Act / Anti-Money Laundering Officer (BSA/AML), Advocacy Officer, Security Officer, and Office of Foreign Assets Control (OFAC) Officer. I have served in financials for the past twelve (12) years, I currently hold active certifications/designations as a Certified Anti-Money Laundering Specialist (CAMS), Bank Secrecy Act Compliance Specialist (BSACS), Credit Union Compliance Expert (CUCE). Throughout my years of experience collaboratively with different financials across Wisconsin I have noticed an increasing need for the support of our vulnerable elderly population.

I am testifying in support of LRB 1014.1 relating to Financial Elder Abuse. Financial institutions are on the front lines combatting elder financial abuse, but currently lack any ability to stop fraudulent transactions when they see them occurring. This bill will provide the tools necessary to do so.

One instance to report occurred a few years ago. A man, noncustomer, accompanied our elderly customer (in her 70's) into the branch, and it was observed that on several occasions he would control what she said and did before and after the front-line visit. On one occasion it was noted that he rubbed her upper leg in the lobby, was holding her hand, and whispering in her ear. I should mention this man was 23 and not a relative or a known individual in this elder's life.

During one of these visits the male went to the restroom and a front-line teller had an opportunity to ask about this younger male that accompanied her. The elder's answer was, *"this individual needed to get back on his feet and she was letting him live with her in the meantime."*

After the frontline had reported it to the Bank Secrecy Act (BSA) Officer a review was completed on this account. This was a single owned account that had ample evidence of elder financial exploitation. Her immediate needs were not being met as the account was consistently overdrawn. She was receiving government funds monthly, but the transactional evidence showed that several of her checks made payable to household bills (i.e., utilities) had a habit of being returned for insufficient funds. The flow of funds showed that ACH transactions were coming out of this account with the young male's name attached to the records, cash app transactions occurring with this young male's name, and cash was typically withdrawn while the elder and this young man would visit the branch. Many times, this elder would say that this young man needed some help with his bills, so she was removing the cash for him.

Due to the financial privacy of our customers and the situations where no one else is attached to these accounts the financial gets caught in a very difficult situation. This transactional evidence was reported to law enforcement and the information of the elder and what was occurring was reported to the county for providing additional support.

Camera footage was also obtained to assist with the investigation from the adult protective services.

Typically, a financial does not receive a follow-up in these situations, but in this situation, one was provided. We were told that it was one of the worst cases of elder abuse they had ever seen. This young

man was not only living with the elder but also had been sleeping with her in the same bed. The bed was soiled and had an infestation of bed bugs. The residence had a pungent odor as dishes were covering the kitchen and trash was all over the residence.

That transactional evidence along with footage and testimony, as with many cases, is a crucial part to proving the elder financial exploitation is in fact occurring.

Another occurrence was an account investigation showing clear transactional evidence of elder financial exploitation. However, after meeting with the elder we were informed of an active fraud situation that was recently reported and ongoing with law enforcement. The suspect was a previous live-in girlfriend of our elder's son and was under active prosecution. This elder proceeded to thank me multiple times for following up on situations like this in case she needed assistance.

As a country we understand that vulnerable parts of the population are afforded additional protections or safeguards. i.e., minors, people with disabilities, etc. Elder Financial Exploitation and fraud is a rapidly growing problem, the statistics put out by my FinCEN (part of the US Treasury) speaks to this need.

FinCEN Advisory published 6/15/2022 stated, *"The Financial Crimes Enforcement Network (FinCEN) is issuing an advisory to alert financial institutions to the rising trend of elder financial exploitation (EFE). EFE involves the illegal or improper use of an older adult's funds, property, or assets, and is often perpetrated either through theft or scams....In 2021, financial institutions filed 72,000 Suspicious Activity Reports (SARs) related to EFE. As referenced in the advisory, this represents an increase of 10,000 SARs over the previous year's filings. The Consumer Financial Protection Bureau (CFPB)'s estimate of the dollar value of suspicious transactions linked to EFE has similarly increased—from \$2.6 billion in 2019 to \$3.4 billion in 2020. This is the largest year-to-year increase since 2013."*

I implore you to allow for protections of our vulnerable elder population by your support of this bill.

Thank you for the opportunity to testify,

Jennifer L. Haydon, CAMS, BSACS, CUCE
Vice President | Compliance Officer