March 13th, 2023

The Honorable Monique Limon  
Chair, Senate Banking and Financial Institutions  
1020 N Street, Room 552  
Sacramento, CA 95814

RE: SB 278 (Dodd) – Holding Banks Accountable for Assisting Financial Scams Against Elder Californians – Support

Dear Chair Limon,

The California Alliance for Retired Americans (CARA), one of the state’s foremost grassroots senior and disability advocacy organizations, representing over 1 million Californians, is proud to support SB 278 (Dodd), which clarifies the law and ensures that seniors and older adult victims of financial scams can hold negligent banks accountable for assisting in the financial exploitation of older Californians.

Financial scams against seniors and older adults have been getting worse in California. Too often banks turn a blind eye while scammers rob older Californians of their life savings. Often called the “crime of the 21st Century” based on our aging population, financial scams have reached the epidemic level, with estimates of annual economic losses of $3 billion dollars. 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 language of California’s current financial elder abuse statute (Welfare & Institutions Code section 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.

CARA is committed to Californians who deal with these scams on a daily basis. Our 18 CARA chapters across the State host groups from the Federal Trade Commission (FTC) to local District Attorneys in order to educate our member institutions about fraud. More importantly, we provide moral support to our members who’ve become victims. It’s time to be able to call on our banks and other financial institutions for support.

CARA/ 1675 7th St. PO Box 23754/ Oakland, CA 94623/ 510-662-4086/ www.californiaalliance.org
Affording Seniors viable resources to age with grace, dignity and independence - such as enhancing protections that safeguard our financial information from scammers - not only represent CARA's foundational principles but we believe will ensure a safer, more accessible and inclusive California for our aging community.

Please vote YES on SB 278.

Sincerely,

Hene Kelly
Chair, Legislative Committee
California Alliance for Retired Americans (CARA)

Keith Umemoto
Co-Chair, Legislative Committee
California Alliance for Retired Americans (CARA)