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# A BILL FOR AN ACT

RELATING TO FINANCIAL ABUSE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Reported instances of financial abuse of elders  
2 and dependent adults have become increasingly widespread  
3 throughout the United States. As one means by which to attempt  
4 to curtail this disturbing trend, it is the intent of the  
5 legislature to impose, on state-regulated financial  
6 institutions, a mandatory duty to report promptly suspected  
7 incidents of financial abuse to local law enforcement agencies,  
8 so that those agencies can determine whether further  
9 investigation or other action is warranted.

10           SECTION 2. Chapter 412, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13           "§412: Mandatory reporting of suspected financial abuse  
14 of an elder or dependent adult. (a) All officers and employees  
15 of a financial institution shall to report suspected financial  
16 abuse that is directed towards, targets, or is committed against  
17 an elder or dependent adult to a local law enforcement agency  
18 if:



1        (1) In connection with providing financial services with  
2        respect to an elder adult, the officer or employee of  
3        a financial institution:

4        (A) Has direct contact with the elder or dependent  
5        adult; or

6        (B) Reviews or approves the elder or dependent  
7        adult's financial documents, records, or  
8        transactions; and

9        (2) The officer or employee, within the scope of  
10       employment or professional practice:

11       (A) Observed or has knowledge of an incident that  
12       reasonably appears to be financial abuse; or

13       (B) In the case of mandated reporters who do not have  
14       direct contact with the elder or dependent adult,  
15       reasonably suspects that financial abuse has  
16       occurred or may be occurring, based solely on the  
17       information present at the time of reviewing or  
18       approving the document, record, or transaction.

19       (b) Suspected financial abuse shall be reported to a local  
20       law enforcement agency by telephone immediately and by written  
21       report sent within two working days.



1        (c) Notwithstanding any other state law to the contrary,  
2 including but not limited to laws concerning confidentiality,  
3 any person who, in good faith and with the reasonable belief  
4 that the action is warranted by facts known to that person,  
5 participates in the making of a report pursuant to this section,  
6 shall have immunity from any liability, civil or criminal, that  
7 might be otherwise incurred or imposed by or as a result of the  
8 making of such report. Any such person shall have the same  
9 immunity with respect to participation in any judicial  
10 proceeding resulting from such report."

11        SECTION 3. Section 412:1-109, Hawaii Revised Statutes, is  
12 amended by adding three new definitions to be appropriately  
13 inserted and to read as follows:

14        "Dependent adult" means any person eighteen years or older  
15 who, because of mental or physical impairment, is dependent upon  
16 another person, a care organization, or a care facility for  
17 personal health, safety, or welfare.

18        "Elder" means a person who is age sixty-two years or older.

19        "Financial abuse" means financial or economic  
20 exploitation."

21        SECTION 4. New statutory material is underscored.

22        SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Financial Institutions; Financial Abuse

**Description:**

Requires financial institutions to report suspected instances of financial abuse directed towards, targeting, or committed against an elder or a dependent adult to a local law enforcement agency. (SD1)

