

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

April 2, 2013

**MEMORANDUM**

TO: The Honorable Sylvia Luke, Chair  
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 102, S.D. 2 - RELATING TO THE ELDERLY**

Hearing: Tuesday, April 2, 2013; 2:00 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purpose of S.B. 102, S.D. 2 is to require financial institutions to report suspected financial abuse against an elder to the Department of Human Services (DHS) and the appropriate county police department.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this bill. The Department of Human Services has worked throughout this session with stakeholders to advance the intent of this bill, and believes this measure contains substantial agreements between the DHS and the community stakeholders including the financial institutions and the Honolulu Police Department.

This legislation will put in place a more efficient and effective mechanism to report and curtail instances of suspected financial abuse directed towards, targeting, or committed against elders. This represents an important consumer protection measure.

Thank you for the opportunity to provide comments on this bill.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



WESLEY LUM, PhD, MPH  
DIRECTOR

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**Committee on Finance**

**SB102, SD2, RELATING TO THE ELDERLY**

**Testimony of Wes Lum  
Director, Executive Office on Aging  
Attached Agency to the Department of Health**

**Tuesday, April 2, 2013; Conference Room 308**

**2:00 p.m.**

1 **EOA's Position:** The Executive Office on Aging (EOA) supports this bill.

2 **Purpose and Justification:** Elder financial exploitation is a growing problem in Hawaii.

3 Financial abuse of elders is frequently accompanied by physical and emotional abuse. It is a  
4 complex problem with both criminal and social components that speaks to the need of a  
5 multidisciplinary solution. The reporting of financial exploitation via the most appropriate channel  
6 and the resulting timeliness of the investigation is crucial to the conservation of assets as well as  
7 the health and safety of the victim. For these reasons EOA supports the Department of Human  
8 Services position of dual reporting of financial exploitation to both Adult Protective Services and  
9 local law enforcement.

10 This bill will make for a more efficient and effective mechanism to report suspected  
11 financial abuse committed against Hawaii's older adults. The EOA defers to the DHS for the  
12 implementation of the statute changes. Thank you for the opportunity to testify.

POLICE DEPARTMENT  
**CITY AND COUNTY OF HONOLULU**

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LOUIS M. KEALOHA  
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DAVE M. KAJIHIRO  
MARIE A. McCAULEY  
DEPUTY CHIEFS

OUR REFERENCE

LH-NTK

April 2, 2013

The Honorable Sylvia Luke, Chair  
and Members  
Committee on Finance  
House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Luke and Members:

Subject: Senate Bill No. 102, S.D. 2, Relating to the Elderly

I am Richard Schaab, Captain of the Criminal Investigation Division of the Honolulu Police Department, City and County of Honolulu.

The Honolulu Police Department supports Senate Bill No. 102, S.D. 2, Relating to the Elderly.

This bill was amended and now proposes that the financial institutions report suspected financial abuse against an elderly person to the Department of Human Services and the appropriate county police department. This bill proposes dual reporting to ensure that the elderly victims of financial abuse are assisted expeditiously to prevent further financial harm. Dual reporting will enable the Department of Human Services and the appropriate county police departments to concentrate on their respective areas of expertise to assist the elderly financial victims in a timely manner.

The primary role for law enforcement is to apprehend the perpetrator in criminal cases. Support services and the welfare of the elderly victims in financial fraud cases are best served by the Department of Human Services.

We recognize that financial abuse incidents against the elderly are a growing concern. We have increased our education and enforcement efforts in this area and will continue to seek ways to address these crimes.

The Honorable Sylvia Luke, Chair  
and Members  
Page 2  
March 18, 2013

The Honolulu Police Department urges you to support Senate Bill No. 102, S.D. 2,  
Relating to the Elderly.

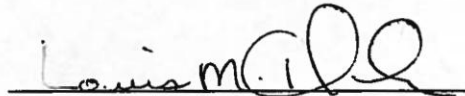
Thank you for the opportunity to testify.

Sincerely,



RICHARD SCHAAB, Captain  
Criminal Investigation Division

APPROVED:



LOUIS M. KEALOHA  
Chief of Police



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Written Testimony  
Submitted to  
The House Committee on Finance  
Tuesday, April 2, 2013  
by  
Jerris. R. Hedges  
Dean and Professor  
John A. Burns School of Medicine

### SB 102 SD1 – RELATING TO THE ELDERLY

Chair Luke, Vice Chairs Nishimoto and Johanson and Members of the Committee:

Faculty of the Department of Geriatric Medicine at the John A. Burns School of Medicine published an article in the *Hawai'i Medical Journal* in 2006, reporting on the cases of 11 patients in Honolulu who were defrauded by so-called “sweepstakes” scams.

The seniors each lost money, in amounts ranging from \$6,600 to \$400,000. Ten of these patients had dementia; most had been diagnosed with Alzheimer’s disease. The year of the study, the Hawai`i chapter of the AARP reported that in a survey of 2,000 of its members, 25% described themselves as having been victimized by financial predators.

The graying of Hawai`i’s population only increases the likelihood that more of our State’s citizens will be victims of financial fraud.

Hawai`i law requires physical abuse of the elderly to be reported to law enforcement. We believe the safety of our kūpuna also demands that financial institutions also report suspected financial abuse and exploitation of our senior citizens.

Mahalo for the opportunity to comment on this important issue.

Presentation to  
House Committee on Finance  
April 2, 2013 at 2:00 pm  
State Capitol Conference Room 308

**Testimony in SUPPORT of S. B. 102, SD2**

TO: The Honorable Sylvia Luke, Chair  
The Honorable Scott Y. Nishimoto, Vice Chair  
The Honorable Aaron Ling Johanson, Vice Chair  
Members of the Committee

My name is Edward Pei and I am the Executive Director of the Hawaii Bankers Association (HBA). HBA is the trade association representing all FDIC insured depository institutions operating in the State of Hawaii.

We support all reasonable measures to safeguard our elderly population from financial exploitation. Financial institutions will continue their best efforts to detect suspected abuse and will report it to the appropriate authorities for further action. We have no objections to reporting suspected abuse to multiple entities, as long as we can do so efficiently. The reporting options provided in this bill will ensure our utmost cooperation. Therefore, we stand in full support of SB102, SD2.

Thank you for this opportunity to submit our written testimony and please let us know if we can provide any further information.

Edward Y. W. Pei  
(808) 524-5161



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Testimony to the House Committee on Finance  
April 2, 2013

Testimony in support of SB 102 SD2 – Relating to the Elderly

To: The Honorable Sylvia Luke, Chair  
The Honorable Scott Nishimoto, Vice-Chair  
The Honorable Aaron Johanson, Vice-Chair  
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 78 Hawaii credit unions, representing approximately 804,000 credit union members across the state.

We are in support of SB 102 SD2, which would require that financial institutions report instances of suspected financial abuse of an elder to the “appropriate county police department”, in addition to the Department of Human Services. By being able to report such crimes directly to both DHS and the police department, valuable time could be saved. In many situations where an elderly person’s financial information and/or accounts are being threatened, credit unions have been able to circumvent the loss of funds simply by raising concerns to law enforcement. By placing local law enforcement in the “front lines”, an important layer of security is added, which could make the difference between losing money to fraud and being able to prevent it.

Thank you for the opportunity to testify.

Written Personal Testimony in support of SB 102  
Tuesday, April 2, 2013  
House Committee on Finance

SB 102 Relating to the Elderly

Aloha. I am writing to thank you for hearing this bill, and to ask you to consider adopting SB 102 or a similar measure to protect our kupuna.

A member of my extended family was exploited multiple times by a person or persons unknown who drove her to First Hawaiian Bank in Kalihi and had her withdraw several thousand dollars at a time.

The bank repeatedly told us there was “nothing they could do”.

I believe a measure such as this one might provide financial institutions with at least one thing they could do, and that is report the incidents such as these to the police department or other law enforcement agency.

Mahalo, Tina Shelton  
Resident of Moanalua



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 01, 2013 12:50 PM  
**To:** FINTestimony  
**Cc:** ciAlohaAdvocate@yahoo.com  
**Subject:** Submitted testimony for SB102 on Apr 2, 2013 14:00PM

### **SB102**

Submitted on: 4/1/2013

Testimony for FIN on Apr 2, 2013 14:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Charlene Iboshi	Individual	Support	No

Comments: Dear Finance Committee I recommend that you approve SB No. 102, SD 2, which has dual reporting requirements for elder financial abuse discovered by financial institutions. The original bill eliminated the Department of Human Services from the required mandatory reporting requirements. Before retiring as Prosecutor from Hawaii County, we recognized that elder financial abuse is where domestic violence was 20 years ago. Many of these cases never get reported properly because of the relationship between the elder and the abuser, who is normally someone in a trusted position with the elder. This bill recognizes that the vulnerable elder in financial abuse cases need not only a criminal case investigation, but a thorough assessment of the elders social needs. The Department of Human Services (Adult Protective Services) and the appropriate county police department must work together collaboratively to achieve effective and humane outcomes -- including an expedited investigation for the aging victim and social support for that same victim while the investigation is being completed. Additionally, a thorough future review can be done to ensure that the relevant criminal elder financial abuse laws include appropriate and harmonized language involving "undue influence" over the elder victim. Thank you for the opportunity to testify in support of this bill. Our respected Kupuna require protections that this law will provide. Aloha Charlene Iboshi

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)