



DAVID Y. IGE
GOVERNOR

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**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Human Services & Homelessness
Wednesday, February 5, 2020
9:00 a.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 2220, RELATING TO THE ELDERLY**

Chair San Buenaventura and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs' (Department) Division of Financial Institutions (DFI). The Department appreciates the intent of this bill and offers comments only with respect to part II, section 4 of this bill.

The purpose of this bill is to: (1) establish the offense of financial exploitation of an elder and provide enhanced penalties; (2) amend the mandatory reporting requirements for suspected financial abuse of an elder; and (3) require the Department of Human Services to share records with the appropriate county police departments or offices of the prosecuting attorney.

The Department appreciates the intent of the bill to protect kupuna from financial abuse. Banks and financial institutions provide training to bank staff who interact with customers to be alert for signs of financial abuse. Banks may disclose information about financial abuse of kupuna to law enforcement agencies under an exception to the

Testimony of DCCA

H.B. 2220

Page 2 of 2

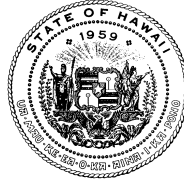
Gramm Leach Bliley Act (GLBA) for a regulatory investigation with law enforcement.

See 15 U.S.C. §6802(e).

The Department suggests amending subsection (b) on page 5, line 18 to page 6, line 2 of the bill to more clearly indicate that the written report requirement is in addition to the immediate notification requirement and does not replace the need for immediate notification of suspected financial abuse. In addition, the Department suggests clarifying “written report” on page 5, line 20 to allow for reporting through an “electronic device,” as permitted by HRS section 412:3-114.5(b). Presumably, electronic reporting is a type of written report.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR OF HAWAII



CAROLINE CADIRAO
DIRECTOR

BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
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**Testimony COMMENTING on HB2220
Relating to the Elderly**

COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS
REP. JOY SAN BUENAVENTURA, CHAIR
REP. NADINE NAKAMURA, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: FEBRUARY 5, 2020
9:00 am

Room Number: 329

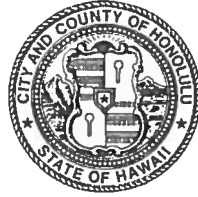
- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
2 of Health, offers comments on HB2220.
- 3 **Fiscal Implications:**
- 4 **Purpose and Justification:** The purpose of this bill is to amend Chapter 708, Hawaii Revised
5 Statutes, to prevent and deter financial exploitation and abuse of elders by creating the offense of
6 financial exploitation of an elder, providing enhanced penalties for those convicted of the
7 offense, and requiring financial institutions to report instances of suspected financial abuse of an
8 elder directly to the police and to report suspected financial abuse to the department of human
9 services under certain circumstances. The Executive Office on Aging (EOA) appreciates
10 establishing more protection against elder abuse for our kupuna. As our population ages,
11 financial exploitation of an elder is on the rise, nationally and locally. The effects of financial
12 exploitation to an elder can be costly and devastating. Additionally, financial exploitation is

1 often unreported because the perpetrator is often someone entrusted by the victim, the victim is
2 ashamed or embarrassed, reliant on the perpetrator for care or support, fearful of retaliation or
3 unaware of the abuse. Imposing stricter penalties will hopefully be a deterrent for this type of
4 abuse of our elders.

5 **Recommendation:** EOA would like to amend the definition of “elder” used in this bill (page 3,
6 line 6) from sixty-two (62) years of age to sixty (60) years of age. Sixty (60) is also the age listed
7 on page 3, line 19. The defined age of an elder should be consistent in the bill. Sixty (60) is the
8 age that is being proposed by prosecutors in HB 1874 Relating to Criminal Offenses Against
9 Seniors amending Chapters 707 and 708, HRS. Additionally, sixty (60) years old is the age that
10 is used in the Older Americans Act which allocates federal funding to EOA for community-
11 based and in-home services and supports for older adults. It would be beneficial to unify and be
12 consistent in our statutes.
13 Thank you for the opportunity to testify.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR

SUSAN BALLARD
CHIEF

JOHN D. MCCARTHY
CLYDE K. HO
DEPUTY CHIEFS

OUR REFERENCE GB-KK

February 5, 2020

The Honorable Joy A. San Buenaventura, Chair
and Members
Committee on Human Services
and Homelessness
House of Representatives
Hawaii State Capitol
415 South Beretania Street, Room 329
Honolulu, Hawaii 96813

Dear Chair San Buenaventura and Members:

SUBJECT: House Bill No. 2220, Relating to the Elderly

I am Gail Beckley, Captain of the Criminal Investigation Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports House Bill No. 2220, Relating to the Elderly.

This bill appropriately provides additional mechanisms to protect the elderly against financial exploitation. It will establish the offense of financial exploitation of an elder and provide enhanced penalties. In addition, it will require the Department of Human Services to share records with the appropriate county police departments or offices of the prosecuting attorney. We believe that this legislation will assist in providing better protection to the elderly.

The HPD urges you to support House Bill No. 2220, Relating to the Elderly.

Thank you for the opportunity to testify.

APPROVED:

Sincerely,

Handwritten signature of Susan Ballard in cursive script.

Susan Ballard
Chief of Police

Handwritten signature of Gail Beckley in cursive script.

Gail Beckley, Captain
Criminal Investigation Division



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HOUSE OF REPRESENTATIVES
Committee on Human Services and Homelessness
Wednesday, February 5, 2020
9:00 a.m.
Conference Room 329

To: Representative Joy San Buenaventura, Chair
Re: H.B. 2220 Relating to the Elderly

Dear Chair San Buenaventura, Vice-Chair Nakamura, and Members of the Committee,

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with nearly 145,000 members in Hawai'i. AARP advocates for issues that matter to Hawai'i families, including the high cost of long-term care; access to affordable, quality health care for all generations; and serving as a reliable information source on issues critical to people over the age of fifty.

H.B. 2220 establishes the offense of financial exploitation of an elder and provides enhanced penalties. It amends the mandatory reporting requirement for suspected financial abuse of an elder and requires Department of Human Services to share records with the appropriate police departments or office of the prosecuting attorney.

AARP strongly supports H.B. 2220.

Financial exploitation presents a significant threat to older Americans, their families and financial institutions.

- Financial exploitation is the fastest growing form of older adult abuse
- Older Americans lose a reported \$3 billion per year due to financial exploitation. The actual amount lost is likely much higher because of underreporting.
- The average victim of exploitation loses \$120,000
- Older adults are susceptible to fraud and financial exploitation in part because they own 67 percent of U.S. bank deposits. But they are also more vulnerable because of health status, cognitive ability, and social isolation.

This bill strengthens the protection of elders from being defrauded or financially exploited by imposing serious penalties for those convicted of the offense. It is vital that our financial institutions and legal authorities work together to combat this growing threat to our most vulnerable residents. If financial exploitation continues unchecked, more of Hawaii's kūpuna can lose their retirement savings and jeopardize their financial security.

Thank you for the opportunity to testify in support of H.B. 2220.

AARP
Real Possibilities

Presentation to The
Committee on Human Services & Homelessness
February 5, 2020 9:00 A.M.
State Capitol Conference Room 329

Testimony in Opposition to HB 2220

TO: The Honorable Joy A. San Buenaventura, Chair
The Honorable Nadine K. Nakamura, Vice Chair
Members of the Committee

My name is Neal K. Okabayashi, the Executive Director of the Hawaii Bankers Association (HBA). HBA is the trade association representing eight Hawaii banks and two banks from the continent with branches in Hawaii.

The Hawaii Bankers Association is quite proud of its efforts to combat financial abuse of elderly. In many cases, the front line of this effort are tellers or others on the floor of a branch. After the bank suspects financial abuse, it engages in activity to alleviate the situation.

The first step is to prevent customer loss. That is priority one. Then, a bank will take steps to report suspected financial abuse and that investigation process may take time to adequately and accurately prepare a report which would be useful to either law enforcement or the department of human services (generally Adult Protective Service). It might take as long as two to four weeks to issue a report. To mandate an arbitrary timeline is of no use to our collective goal of protecting elders from financial abuse.

A two-day business day deadline will force the bank to divert its attention from protecting the elder person just so it may meet an artificial deadline of two business days. It is not certain if an email report would satisfy the requirement of a written report.

Thus, it would be more prudent to amend HB 2220 by deleting the requirement of a two-day written report as shown on page 5, line 20 and 21.

Thank you for the opportunity to submit this testimony in opposition to HB 2220. Please let us know if we can provide further information.

Neal K. Okabayashi
(808) 524-5161

Representative Joy A. San Buenaventura, Chair
Representative Nadine K. Nakamura, Vice Chair
Committee on Human Services & Homelessness

Jenna Yugawa, MSW student

Wednesday, February 5, 2020

Support for H.B. No. 2220, Relating to the Elderly

My name is Jenna Yugawa, I am currently a student at the University of Hawai'i at Manoa Myron B. Thompson School of Social Work. I am testifying in support of H.B. No. 2220, Relating to the Elderly, as it promotes education and awareness of the many increasing concerns that our kupunas face. Victims who suffer from treason and depletion of funds, may commonly lead to premature death as a result. Our older adult population have become heavily dependent on families, friends, and others to provide care and support for them. Unfortunately, in return, many believe that they are entitled to receive monetary value to reciprocate the favor.

As elder financial exploitation happen behind closed doors, these wrongful acts become difficult to address due to the unknown protocols and lack of training and education. Thus, victims may often go for months or years before being discovered. Broadening our knowledge and awareness regarding financial exploitation will allow for adequate advocacy for our kupunas. I urge the committee of Human Services and Homelessness to pass H.B. No. 2220. Thank you for your time and the opportunity to testify.

HB-2220

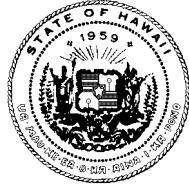
Submitted on: 2/3/2020 11:27:43 PM

Testimony for HSH on 2/5/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

LATE

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

February 4, 2020

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services & Homelessness

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2220 - RELATING TO THE ELDERLY**

Hearing: February 5, 2020, 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill, suggests amendments, and offers comments.

PURPOSE: The purpose of this bill establishes the offense of financial exploitation of an elder and provides enhanced penalties, amends mandatory reporting requirements for suspected financial abuse of an elder, and requires DHS to share records with the appropriate county police departments or offices of the prosecuting attorney.

DHS suggests the Legislature consider amendments to address inconsistencies of the intended age of the individual to be protected to prevent confusion which may hinder efforts to improve protection of the well-being of elders or seniors. DHS recommends amending the age of an elder victim to sixty years of age. In this measure, "elder" means any person "sixty_ two years of age or older" (Page 3, lines 5-6); lower down the page at line 19, the age of the victim states "sixty;" at page 7, lines 18-19, "elder" means a person who is sixty_ two years of age or older." In SB2334 Relating to Criminal Offenses Against Seniors, the measure lowers the age of crimes against seniors to sixty years of age. In HB 2317, the measure proposes a

new part to Chapter 4595A, that includes as in the definition of "Vulnerable adult:"

- (1) A person sixty-two years of age or older; or
- (2) A person eighteen years of age or older who, because of mental, developmental, or physical impairment, is unable to:
 - (A) Communicate or make responsible decisions to manage the person's own care or resources;
 - (B) Carry out or arrange for essential activities of daily living; or
 - (C) Protect oneself from abuse, as defined in section 346-222.

In Part II of this measure, DHS appreciates the proposed amendment to section 412:3-114.5, Hawaii Revised Statutes (HRS), that financial institutions "may report" suspected financial abuse to the department; the proposed amendment attempts to reduce the number of reports of suspected financial abuse to the department that do not include a "vulnerable adult" as defined by section 346-222, HRS.

DHS Adult Protective & Community Services Branch responds to reports of abuse or neglect of a "vulnerable adult" which is:

"a person eighteen years of age or older who, because of mental, developmental, or physical impairment, is unable to:

- (1) Communicate or make responsible decisions to manage the person's own care or resources;
- (2) Carry out or arrange for essential activities of daily living; or
- (3) Protect oneself from abuse, as defined in this part."

For clarity and to support multidisciplinary efforts to address this complex and growing problem amidst limited resources, DHS suggests removing "and may report" (Page 4, lines 19-20) and replacing it with "and report suspected financial exploitation to the department regarding elders who also appear to meet the definition of "vulnerable adult" as defined by section 346-222, HRS."

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

LATE

HB-2220

Submitted on: 2/4/2020 4:35:34 PM

Testimony for HSH on 2/5/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Yuan	Individual	Comments	No

Comments:

The Policy Advisory Board for Elder Affairs has a statutory obligation to advocate on behalf of the senior citizens of Hawaii. While we advise the Executive Office on Aging, we do not speak on its behalf.

PABEA supports the intent of the bill HB2220 in preventing and deterring financial exploitation and abuse of elders. We would like to suggest that the definition of elders be lowered to age 60 -- the definition of seniors in the federal Older American Act, as well as other bills that are being discussed in the current legislative session (SB2334 and HB1874).

Thank you for your consideration of this testimony.



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LATE

House Committee on Human Services
February 5, 2020, 9:00 am
Hawaii State Capitol, Room 329

In Support of HB 2220, Relating to Financial Exploitation

To: The Honorable Joy SanBuenaventura, Chair
The Honorable Nadine Nakamura, 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 51 Hawaii credit unions, representing over 800,000 credit union members across the state. We offer the following testimony in support of HB 2220, Relating to Financial Exploitation

This bill would allow for a civil cause of action against someone who has committed financial exploitation of a vulnerable person. Unfortunately, financial elder abuse is a crime that occurs often, and is often difficult to uncover. Providing an avenue for elderly and disabled people to recover funds through civil litigation would be a step in the right direction. Hawaii's credit unions have long worked with law enforcement to investigate and prosecute these types of crimes. With our elder population growing, this bill will further help protect our elderly members and their assets.

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