

2481

2015-2016 Regular Sessions

I N   A S S E M B L Y

January 16, 2015

---

Introduced by M. of A. ENGLEBRIGHT, BENEDETTO, RIVERA, LUPARDO, TITUS, CYMBROWITZ, PEOPLES-STOKES, DINOWITZ, ROBINSON, MARKEY, CLARK, HOOPER, ROSENTHAL -- Multi-Sponsored by -- M. of A. ABBATE, BROOK-KRASNY, FARRELL, GOTTFRIED, MAGNARELLI, ORTIZ, PERRY -- read once and referred to the Committee on Banks

AN ACT to amend the banking law and the elder law, in relation to financial exploitation; and to amend the state finance law, in relation to establishing the financial exploitation, outreach, education and training fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. The banking law is amended by adding a new section 9-w to  
2     read as follows:  
3     S 9-W. REPORTING OF SUSPECTED FINANCIAL EXPLOITATION. 1. AS USED IN  
4     THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:  
5     (A) "FINANCIAL INSTITUTION" SHALL MEAN ANY OF THE FOLLOWING:  
6     (1) A DEPOSITORY INSTITUTION, AS DEFINED IN SECTION 3(C) OF THE FEDER-  
7     AL DEPOSIT INSURANCE ACT (12 U.S.C. SEC. 1813(C)).  
8     (2) AN INSTITUTION-AFFILIATED PARTY, AS DEFINED IN SECTION 3(U) OF THE  
9     FEDERAL DEPOSIT INSURANCE ACT (12 U.S.C. SEC. 1813(U)).  
10    (3) A FEDERAL CREDIT UNION OR STATE CREDIT UNION, AS DEFINED IN  
11    SECTION 101 OF THE FEDERAL CREDIT UNION ACT (12 U.S.C. SEC. 1752),  
12    INCLUDING, BUT NOT LIMITED TO, AN INSTITUTION-AFFILIATED PARTY OF A  
13    CREDIT UNION, AS DEFINED IN SECTION 206(R) OF THE FEDERAL CREDIT UNION  
14    ACT (12 U.S.C. SEC. 1786(R)).  
15    (B) "ELDERLY PERSON" SHALL MEAN A PERSON SIXTY YEARS OF AGE OR OLDER.  
16    (C) "FINANCIAL EXPLOITATION" SHALL MEAN IMPROPER USE OF AN ELDERLY  
17    PERSON'S FUNDS, PROPERTY OR RESOURCES BY ANOTHER INDIVIDUAL, INCLUDING  
18    BUT NOT LIMITED TO FRAUD, FALSE PRETENSES, MISREPRESENTATION, EMBEZZLE-  
19    MENT, CONSPIRACY, FORGERY, FALSIFYING RECORDS, COERCED PROPERTY TRANS-  
20    FERS OR DENIAL OF ACCESS TO ASSETS.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD06748-01-5

1 2. ANY CERTIFIED PUBLIC ACCOUNTANT OR ATTORNEY LICENSED IN THIS STATE,  
2 ANY PREPARER OF TAXES OPERATING IN THIS STATE, AND ANY OFFICER OR  
3 EMPLOYEE OF A FINANCIAL INSTITUTION LOCATED WITHIN THIS STATE, WHO  
4 REVIEWS OR APPROVES AN ELDERLY PERSON'S FINANCIAL DOCUMENTS, RECORDS OR  
5 TRANSACTIONS, IN CONNECTION WITH PROVIDING FINANCIAL AND/OR LEGAL  
6 SERVICES TO OR ON BEHALF OF AN ELDERLY PERSON SHALL BE REQUIRED TO  
7 REPORT IN ACCORDANCE WITH THIS SECTION WHEN SUCH INDIVIDUAL, WITHIN THE  
8 SCOPE OF HIS OR HER EMPLOYMENT OR PROFESSIONAL PRACTICE, HAS REASONABLE  
9 CAUSE TO BELIEVE THAT SUCH ELDERLY PERSON HAS BEEN OR IS BEING SUBJECTED  
10 TO FINANCIAL EXPLOITATION. A BANK TELLER SHALL BE EXEMPT FROM THE  
11 REQUIREMENTS OF THIS SECTION, PROVIDED THAT BANK TELLERS RECEIVE TRAIN-  
12 ING APPROVED BY THE OFFICE FOR THE AGING ON IDENTIFYING SCAMS AND OTHER  
13 FORMS OF FINANCIAL EXPLOITATION.

14 3. IN ADDITION TO THOSE PERSONS REQUIRED TO REPORT SUSPECTED FINANCIAL  
15 EXPLOITATION UNDER THIS SECTION, ANY OTHER PERSON MAY MAKE SUCH A REPORT  
16 IF HE OR SHE HAS REASONABLE CAUSE TO BELIEVE THAT AN ELDERLY PERSON HAS  
17 BEEN OR IS BEING SUBJECTED TO FINANCIAL EXPLOITATION.

18 4. REPORTS OF SUSPECTED FINANCIAL EXPLOITATION UNDER THIS SECTION  
19 SHALL BE MADE IMMEDIATELY BY TELEPHONE OR AS SOON AS PRACTICABLY POSSI-  
20 BLE, AND BY WRITTEN REPORT SENT WITHIN TWO WORKING DAYS TO THE ADULT  
21 PROTECTIVE SERVICES UNIT OF THE LOCAL DEPARTMENT OF SOCIAL SERVICES.

22 5. AN ALLEGATION BY AN ELDERLY PERSON, OR ANY OTHER PERSON, THAT  
23 FINANCIAL EXPLOITATION HAS OCCURRED IS SUFFICIENT TO TRIGGER THE REPORT-  
24 ING REQUIREMENT IN SUBDIVISION TWO OF THIS SECTION.

25 6. ANY PERSON WHO IN GOOD FAITH MAKES A REPORT UNDER THIS SECTION  
26 SHALL HAVE IMMUNITY FROM ANY LIABILITY, CIVIL OR CRIMINAL, FOR HAVING  
27 MADE SUCH A REPORT. FOR THE PURPOSE OF ANY PROCEEDING, CIVIL OR CRIMI-  
28 NAL, THE GOOD FAITH OF ANY PERSON REQUIRED TO REPORT INSTANCES OF FINAN-  
29 CIAL EXPLOITATION UNDER SUBDIVISION TWO OF THIS SECTION SHALL BE  
30 PRESUMED.

31 7. IF, AFTER A PROCEEDING WITH NOTICE AND A HEARING, THE SUPERINTEN-  
32 DENT DETERMINES THAT ANY PERSON REQUIRED BY THIS SECTION TO REPORT AN  
33 INSTANCE OF SUSPECTED FINANCIAL EXPLOITATION HAS WILLFULLY FAILED TO  
34 REPORT SUCH INSTANCE, SUCH PERSON SHALL BE DEEMED TO HAVE VIOLATED THIS  
35 SECTION AND SHALL BE SUBJECT TO A PENALTY NOT TO EXCEED ONE THOUSAND  
36 DOLLARS PER VIOLATION.

37 S 2. Section 202 of the elder law is amended by adding a new subdivi-  
38 sion 16 to read as follows:

39 16. TO CONDUCT AN OUTREACH, EDUCATION AND TRAINING PROGRAM FOR FINAN-  
40 CIAL INSTITUTIONS AS DEFINED IN PARAGRAPH (A) OF SUBDIVISION ONE OF  
41 SECTION NINE-W OF THE BANKING LAW.

42 S 3. The elder law is amended by adding a new section 219-a to read  
43 as follows:

44 S 219-A. FINANCIAL EXPLOITATION, OUTREACH, EDUCATION AND TRAINING  
45 PROGRAM. 1. DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE TERM  
46 "DESIGNATED AGENCY" SHALL HAVE THE MEANING ASCRIBED TO IT UNDER SECTION  
47 TWO HUNDRED FOURTEEN OF THIS TITLE.

48 2. THE DIRECTOR, WITHIN THE AMOUNTS APPROPRIATED THEREFOR, SHALL, IN  
49 CONJUNCTION WITH THE OFFICE OF CHILDREN AND FAMILY SERVICES AND THE  
50 DEPARTMENT OF FINANCIAL SERVICES, ESTABLISH A FINANCIAL OUTREACH, EDUCA-  
51 TION AND TRAINING PROGRAM, HEREINAFTER REFERRED TO IN THIS SECTION AS  
52 "THE PROGRAM," FOR THE PURPOSE OF PROVIDING AN EDUCATION, OUTREACH AND  
53 TRAINING PROGRAM TO CERTIFIED PUBLIC ACCOUNTANTS LICENSED IN THIS STATE,  
54 ATTORNEYS LICENSED IN THIS STATE, ANY PREPARER OF TAXES OPERATING IN  
55 THIS STATE, AND TO FINANCIAL INSTITUTIONS AS DEFINED IN SECTION NINE-W  
56 OF THE BANKING LAW LOCATED WITHIN THIS STATE. THE OUTREACH, EDUCATION

1 AND TRAINING PROGRAM SHALL BE A VOLUNTARY PROGRAM. THE DIRECTOR, IN  
2 CONJUNCTION WITH THE OFFICE OF CHILDREN AND FAMILY SERVICES AND THE  
3 DEPARTMENT OF FINANCIAL SERVICES, SHALL COORDINATE ACTIVITIES TO IDENTI-  
4 FY AND PROVIDE TRAINING TO THE INSTITUTIONS AND INDIVIDUALS DESCRIBED IN  
5 THIS SECTION.

6 3. (A) AS PART OF THE PROGRAM, THE DIRECTOR MAY AWARD GRANTS TO QUALI-  
7 FIED DESIGNATED AGENCIES TO ESTABLISH LOCAL ELDERLY EXPLOITATION  
8 OUTREACH, EDUCATION AND TRAINING PROGRAMS. QUALIFIED DESIGNATED AGENCIES  
9 SHALL WORK COLLABORATIVELY WITH SUCH INSTITUTIONS AND INDIVIDUALS, AND  
10 THEIR REPRESENTATIVE ASSOCIATIONS.

11 (B) IN MAKING SUCH GRANTS, THE DIRECTOR SHALL CONSIDER:

12 (1) THE MANNER IN WHICH THE DESIGNATED AGENCY PROPOSES TO PROVIDE SUCH  
13 EDUCATION, OUTREACH AND TRAINING;

14 (2) THE CAPACITY OF THE DESIGNATED AGENCY TO COORDINATE ITS SERVICES  
15 WITH BANKING, HUMAN SERVICE AND LAW ENFORCEMENT AND PUBLIC AGENCIES  
16 WHICH PROVIDE SERVICES OR ASSISTANCE TO THE ELDERLY, INCLUDING THE LOCAL  
17 DEPARTMENT OF SOCIAL SERVICES ADULT PROTECTIVE SERVICES UNIT; AND

18 (3) ANY OTHER CRITERIA DETERMINED BY THE DIRECTOR TO BE APPROPRIATE.

19 4. THE PROGRAM SHALL, AT A MINIMUM, CONSIST OF THE FOLLOWING ELEMENTS  
20 WHICH SHALL BE PROVIDED BY THE OFFICE FOR THE AGING:

21 (A) EDUCATIONAL AND INFORMATIONAL MATERIALS IN PRINT, AUDIO, VISUAL,  
22 ELECTRONIC OR OTHER MEDIA;

23 (B) PUBLIC SERVICE ANNOUNCEMENTS, ADVERTISEMENTS, MEDIA CAMPAIGNS,  
24 WORKSHOPS AND MASS MAILINGS;

25 (C) CONFERENCES OR PRESENTATIONS DESIGNED TO PROVIDE INFORMATION TO  
26 THOSE INDIVIDUALS IDENTIFIED IN SUBDIVISION TWO OF SECTION NINE-W OF THE  
27 BANKING LAW; AND

28 (D) INSTRUCTIONS ON HOW TO REPORT KNOWN OR SUSPECTED INCIDENTS OF  
29 FINANCIAL EXPLOITATION OF THE ELDERLY, INCLUDING THE APPROPRIATE TELE-  
30 PHONE NUMBERS TO CALL AND THE TYPES OF INFORMATION THAT WOULD ASSIST THE  
31 OFFICE WITH ITS INVESTIGATION OF THE REPORT.

32 5. THE DIRECTOR SHALL CONVENE AN ADVISORY COMMITTEE MADE UP OF AT  
33 LEAST TEN BUT NO MORE THAN TWENTY MEMBERS TO ADVISE THE DIRECTOR AND  
34 MAKE RECOMMENDATIONS ON THE ASPECTS OF DEVELOPING AND IMPLEMENTING THE  
35 PROGRAM. MEMBERS OF THE ADVISORY COMMITTEE SHALL INCLUDE BUT NOT BE  
36 LIMITED TO: AT LEAST TWO REPRESENTATIVES FROM STATEWIDE SENIOR ADVOCACY  
37 ORGANIZATIONS, AT LEAST ONE REPRESENTATIVE REPRESENTING A NON-PROFIT  
38 SENIOR ORGANIZATION WHICH OPERATES AN ELDER ABUSE PREVENTION PROGRAM, AT  
39 LEAST ONE ATTORNEY WHOSE PRACTICE CONCENTRATES IN ELDER LAW OR AN INDI-  
40 VIDUAL ACTING ON BEHALF OF THE ELDER LAW SECTION OF THE NEW YORK STATE  
41 BAR ASSOCIATION, AT LEAST ONE BANKER OR A REPRESENTATIVE OF AN ASSOCI-  
42 ATION REPRESENTING BANKERS, AT LEAST ONE CERTIFIED PUBLIC ACCOUNTANT OR  
43 A REPRESENTATIVE OF AN ASSOCIATION REPRESENTING CERTIFIED PUBLIC  
44 ACCOUNTANTS, AT LEAST TWO MEMBERS REPRESENTING PROTECTIVE SERVICES FOR  
45 ADULTS, AND AT LEAST TWO LAW ENFORCEMENT REPRESENTATIVES.

46 S 4. The state finance law is amended by adding a new section 99-w to  
47 read as follows:

48 S 99-W. FINANCIAL EXPLOITATION, OUTREACH, EDUCATION AND TRAINING FUND.

49 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE COMPTROLLER  
50 AND THE SUPERINTENDENT OF FINANCIAL SERVICES A SPECIAL REVENUE FUND TO  
51 BE KNOWN AS THE "FINANCIAL EXPLOITATION, OUTREACH, EDUCATION AND TRAIN-  
52 ING FUND".

53 2. THE FINANCIAL EXPLOITATION, OUTREACH, EDUCATION AND TRAINING FUND  
54 SHALL CONSIST OF ALL MONEYS RECEIVED BY THE STATE UNDER SECTION NINE-W  
55 OF THE BANKING LAW AND ALL OTHER FEES, FINES, GRANTS, BEQUESTS OR OTHER

1 MONIES CREDITED, APPROPRIATED OR TRANSFERRED THERETO FROM ANY OTHER FUND  
2 OR SOURCE.  
3 3. THE MONEYS OF THE FINANCIAL EXPLOITATION, OUTREACH, EDUCATION AND  
4 TRAINING FUND SHALL BE DISBURSED BY THE COMPTROLLER TO THE STATE OFFICE  
5 FOR THE AGING FOR THE PURPOSE OF CARRYING OUT THE PROVISIONS OF SECTIONS  
6 TWO HUNDRED NINETEEN AND TWO HUNDRED NINETEEN-A OF THE ELDER LAW.  
7 S 5. This act shall take effect immediately; provided, however, that  
8 subdivisions 2, 3, 4, 5, 6 and 7 of section 9-w of the banking law, as  
9 added by section one of this act, shall take effect on the two hundred  
10 seventieth day after this act shall have become a law.