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Financial advisors can play a role in preventing abuse *SB 95 requires securities professionals to report suspected exploitation*

SALEM – The Oregon Senate is taking a stand for many vulnerable Oregonians by passing a bill that will help protect them from financial exploitation.

Senate Bill 95 – which passed the Senate on a 19-9 vote today – requires some securities professionals to report suspected cases of financial exploitation of elderly, incapacitated and disabled people to the Department of Consumer and Business Services. That agency, then, would notify the Oregon Department of Human Services. The DCBS also would be required to investigate possible securities violations and notify law enforcement of the potential crime.

“Outside of mandatory reporters and family members, financial advisors and similar professionals often are the most common to identify and report potential cases of financial exploitation of seniors and other vulnerable adults,” said Sen. Floyd Prozanski (D-Eugene), who carried the bill in the Senate. “This makes them mandatory reporters because they have the skills, expertise and knowledge to be able to spot situations where someone is being taken advantage of.”

Securities professionals – such as stock broker-dealers and financial advisors – would be able to delay disbursement from accounts and provide notice to parties other than the person suspected of exploitation, upon reasonable belief that the disbursement may result in financial exploitation.

Current Oregon law makes several professional groups mandatory reporters of suspected abuse of elderly or disabled people, including financial exploitation. These currently include state agency employees, attorneys, medical professionals, behavioral health professionals and

emergency services professionals. In effect, securities professionals would become mandatory reporters, as well, for suspected financial exploitation of a member of any defined class of vulnerable adults.

At least 60 percent of reported financial exploitation cases in 2013 were made by non-mandatory reporters such as securities professionals or a victim's family or friends. That same year, securities professionals were second only to family members in reporting suspected financial exploitation of seniors and vulnerable adults.

Senate Bill 95 now goes to the House of Representatives for consideration.

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