



DCF Legislative Testimony

March 6, 2024

TESTIMONY OF: CHRISY KHATIB, ADULT PROTECTIVE SERVICES DEPUTY DIRECTOR,
DEPARTMENT FOR CHILDREN AND FAMILIES

TESTIMONY ON: HOUSE BILL 2562

DCF | HB 2562 | PROPONENT

Chair Longbine and members of the committee. Thank you for the opportunity to provide testimony in support of House Bill No. 2562, an act protecting vulnerable adults from financial exploitation by requiring investment advisors and investment adviser representatives to report suspected financial exploitation to protective agencies along with providing civil immunity to such individuals so long as the report is made in good faith.

HB 2562 would require mandatory reporting of financial exploitation and allow investment advisors and broker-dealers the ability to pause a transaction if it is reasonably suspected that financial exploitation of an elderly or dependent adult is taking place, whereby the transaction would further that exploitation.

Per K.S.A 39-1430, DCF, Adult Protective Services (APS) has the statutory responsibility to conduct investigations of adult abuse, neglect, and financial exploitation; complete evaluations for the involved adult in need of services; assist in obtaining appropriate social services; and assist in securing medical and legal services to prevent or end abuse, neglect, or financial exploitation. In SFY 2023, Adult Protective Services investigated 9,700 cases of abuse, neglect, and financial exploitation of adults who have been alleged to be vulnerable or unable to protect their interests. Of the 9,700 investigations, 20.7% were assigned with an allegation type of financial exploitation. This would result in APS completing approximately 1,940 investigations with an allegation of financial exploitation in FY 2023.

Financial exploitation harm is more significant than financial losses; it results in emotional, physical, and social harm to the involved adult. Older adults often experience a loss of autonomy and control in their lives when they have been a victim of financial exploitation. Once the abuse occurs, adults may experience more significant stress and anxiety about financial decisions, along with incidents of withdrawal from friends and family due to high levels of shame and embarrassment. This stress exacerbates existing health conditions and has a lasting impact on the adult's ability to trust. Protecting an older or dependent adult's assets allows for a greater quality of life, dignity, and respect all adults deserve.

From a fiscal lens, older adults have less time to recover when they have been a victim of financial exploitation. Rebuilding financial security is far more difficult for older adults. These financial losses may result in the adult's inability to meet their basic needs or maintain personal safety, resulting in premature applications for Medicaid.

Per K.S.A 39-1443 (b), the Kansas Department for Children and Families and the appropriate law enforcement agency or agencies may conduct investigations jointly and with a free exchange of information between such agencies. The current practice of APS is to notify law enforcement agencies, which includes the KS Securities Commission, of any suspected abuse, neglect, and financial exploitation at the time of intake and if APS substantiates an allegation of abuse, to include financial exploitation. APS works collaboratively with local and federal law enforcement agencies and freely shares all documentation gathered during such investigation to include financial records.

Thank you again for the opportunity to provide testimony. DCF supports HB 2562 and would ask that the committee to pass favorably.