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AB-871 Mandated reporters of suspected financial abuse of an elder or dependent adult. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 871

Introduced by Assembly Member Stefani

February 19, 2025

An act to amend Section 15630.1 of the Welfare and Institutions Code, relating to elder and dependent adults.

LEGISLATIVE COUNSEL'S DIGEST

AB 871, as introduced, Stefani. Mandated reporters of suspected financial abuse of an elder or dependent adult.

Existing law, the Elder Abuse and Dependent Adult Civil Protection Act, establishes procedures for the reporting, investigation, and prosecution of elder and dependent adult abuse. Existing law requires a mandated reporter of suspected financial abuse of an elder or dependent adult, as defined, to report financial abuse in a specified manner. Existing law deems specified persons to be mandated reporters of suspected financial abuse of an elder or dependent adult, including, among others, all officers and employees of a financial institution. A mandated reporter who fails to report financial abuse of an elder or dependent adult is liable for civil penalties, as specified.

This bill would require a financial institution to provide annual training to its mandated reporters on how to report suspected financial abuse of an elder or a dependent adult to both local and federal authorities, as specified. The bill would require a financial institution to share information on reporting mechanisms with clients immediately upon discovering potential financial abuse and would require the financial institution to encourage clients to submit complaints within 24 to 48 hours. Under the bill, a violation of the requirement to share that information upon discovering potential financial abuse would not incur the above-described civil liability.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 15630.1 of the Welfare and Institutions Code is amended to read:

15630.1. (a) As used in this section, “mandated reporter of suspected financial abuse of an elder or dependent adult” means all officers and employees of financial institutions.

(b) As used in this section, the term "financial institution" means any of the following:

- (1) A depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)).
- (2) An institution-affiliated party, as defined in Section 3(u) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(u)).
- (3) A federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. Sec. 1752), including, but not limited to, an institution-affiliated party of a credit union, as defined in Section 206(r) of the Federal Credit Union Act (12 U.S.C. Sec. 1786(r)).

(c) As used in this section, "financial abuse" has the same meaning as in Section 15610.30.

(d) (1) Any mandated reporter of suspected financial abuse of an elder or dependent adult who has direct contact with the elder or dependent adult or who reviews or approves the elder or dependent adult's financial documents, records, or transactions, in connection with providing financial services with respect to an elder or dependent adult, and who, within the scope of ~~his or her~~ *their* employment or professional practice, has observed or has knowledge of an incident, that is directly related to the transaction or matter that is within that scope of employment or professional practice, that reasonably appears to be financial abuse, or who reasonably suspects that abuse, based solely on the information before ~~him or her~~ *them* at the time of reviewing or approving the document, record, or transaction in the case of mandated reporters who do not have direct contact with the elder or dependent adult, shall report the known or suspected instance of financial abuse by telephone or through a confidential ~~Internet~~ *internet* reporting tool, as authorized pursuant to Section 15658, immediately, or as soon as practicably possible. If reported by telephone, a written report shall be sent, or an ~~Internet~~ *internet* report shall be made through the confidential ~~Internet~~ *internet* reporting tool established in Section 15658, within two working days to the local adult protective services agency or the local law enforcement agency.

(2) When two or more mandated reporters jointly have knowledge or reasonably suspect that financial abuse of an elder or a dependent adult for which the report is mandated has occurred, and when there is an agreement among them, the telephone report or ~~Internet~~ *internet* report, as authorized by Section 15658, may be made by a member of the reporting team who is selected by mutual agreement. A single report may be made and signed by the selected member of the reporting team. ~~Any A~~ member of the team who has knowledge that the member designated to report has failed to do so shall thereafter make that report.

(3) If the mandated reporter knows that the elder or dependent adult resides in a long-term care facility, as defined in Section 15610.47, the report shall be made to the local ombudsman or local law enforcement agency.

(e) An allegation by the elder or dependent adult, or any other person, that financial abuse has occurred is not sufficient to trigger the reporting requirement under this section if both of the following conditions are met:

(1) The mandated reporter of suspected financial abuse of an elder or dependent adult is ~~aware of no~~ *not aware of* other corroborating or independent evidence of the alleged financial abuse of an elder or dependent adult. The mandated reporter of suspected financial abuse of an elder or dependent adult is not required to investigate any accusations.

(2) In the exercise of ~~his or her~~ *the mandated reporter's* professional judgment, the mandated reporter of suspected financial abuse of an elder or dependent adult reasonably believes that financial abuse of an elder or dependent adult did not occur.

(f) Failure to report financial abuse under this section shall be subject to a civil penalty not exceeding one thousand dollars (\$1,000) or if the failure to report is willful, a civil penalty not exceeding five thousand dollars (\$5,000), which shall be paid by the financial institution that is the employer of the mandated reporter to the party bringing the action. Subdivision (h) of Section 15630 shall not apply to violations of this section.

(g) (1) The civil penalty provided for in subdivision (f) shall be recovered only in a civil action brought against the financial institution by the Attorney General, district attorney, or county counsel. No action shall be brought under this section by any person other than the Attorney General, district attorney, or county counsel. Multiple actions for the civil penalty may not be brought for the same violation.

(2) Nothing in the Financial Elder Abuse Reporting Act of 2005 shall be construed to limit, expand, or otherwise modify any civil liability or remedy that may exist under this or any other law.

(h) As used in this section, "suspected financial abuse of an elder or dependent adult" occurs when a person who is required to report under subdivision (a) observes or has knowledge of behavior or unusual circumstances or transactions, or a pattern of behavior or unusual circumstances or transactions, that would lead an individual with like training or experience, based on the same facts, to form a reasonable belief that an elder or dependent adult is the victim of financial abuse as defined in Section 15610.30.

(i) Reports of suspected financial abuse of an elder or dependent adult made by an employee or officer of a financial institution pursuant to this section are covered under subdivision (b) of Section 47 of the Civil Code.

(j) (1) A mandated reporter of suspected financial abuse of an elder or dependent adult is authorized to not honor a power of attorney described in Division 4.5 (commencing with Section 4000) of the Probate Code as to an attorney-in-fact, if the mandated reporter of suspected financial abuse of an elder or dependent adult makes a report to an adult protective services agency or a local law enforcement agency of any state that the principal may be subject to financial abuse, as described in this chapter or as defined in similar laws of another state, by that attorney-in-fact or person acting for or with that attorney-in-fact.

(2) If a mandated reporter of suspected financial abuse of an elder or dependent adult does not honor a power of attorney as to an attorney-in-fact pursuant to paragraph (1), the power of attorney shall remain enforceable as to every other attorney-in-fact also designated in the power of attorney about whom a report has not been made.

(3) For purposes of this subdivision, the terms "principal" and "attorney-in-fact" shall have the same meanings as those terms are used in Division 4.5 (commencing with Section 4000) of the Probate Code.

(k) (1) A financial institution shall provide annual training to its mandated reporters of suspected financial abuse of an elder or dependent adult on how to report suspected financial abuse of an elder or a dependent adult to both local and federal authorities, including, but not limited to, the Federal Bureau of Investigation's Internet Crime Complaint Center and the Federal Trade Commission.

(2) A financial institution shall share information on reporting mechanisms with a client immediately upon discovering potential financial abuse and shall encourage clients to submit complaints within 24 to 48 hours. A violation of this paragraph is not subject to the civil penalties described in subdivision (f).