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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

May 28, 2004

TO THE BOARD OF DIRECTORS AND MANAGEMENT OF MICHIGAN STATE-CHARTERED
BANKS AND CREDIT UNIONS

Since my appointment as Commissioner of the Office of Financial and Insurance Services (OFIS), I have become all-too-familiar with the problem of vulnerable adults who fall prey to fraudulent scams and schemes carried out by skillful con artists. Many of these scams employ trickery to convince vulnerable adults to hand over their life savings, resulting in financial ruin for victims.

In order to prevent such victimization whenever possible, the Michigan Family Independence Agency (FIA) has developed a voluntary program for use by Michigan's banks and credit unions to assist in identifying and reporting suspected cases of financial exploitation of vulnerable adults. The FIA protocols provide a basic framework for reporting cases of suspected exploitation.

To obviate any financial institution concerns regarding potential conflicts with Gramm-Leach-Bliley Act (GLBA) or other state or federal regulations, the seven relevant federal regulatory agencies issued a joint opinion letter, dated July 2, 2002, stating that a financial institution may report suspected incidents of financial exploitation, which entail disclosing nonpublic personal information about its customers, without violating the privacy provisions of the GLBA and the agencies' respective regulations. Though you have no doubt reviewed the opinion letter, you may access it at the web site for the National Center on Elder Abuse, www.elderabusecenter.org. Click on "Publications" and under the heading "American Bar Association Commission on Law and Aging," select "Federal Regulatory Agencies' Opinion Letter About Michigan's Bank Reporting Procedures." You will also find the appropriate contact numbers for reporting suspected cases of financial exploitation at this site.

Because I know that you share my concern for your customers' financial well being, I am certain that you would agree that it might make good business sense for your institution to consider whether participating in the FIA program is a worthwhile endeavor. Even if you decide not to work with the FIA, I encourage you, through training or other means, to create an atmosphere of awareness among your front line staff, so that each of your employees is not only well-equipped to recognize the signs of financial exploitation, but is also empowered to take steps necessary to prevent the victimization.

If you would like additional information on the FIA program, you may contact the FIA Adult Protective Services Analyst at the Office of Adult Services, (517) 335-6358. You may also feel free to contact either the OFIS Bank and Trust Division at (517) 373-6950 or the Credit Union Division at (517) 373-6930.

Sincerely,

Linda A. Watters
Commissioner