

HOUSE BILL REPORT

SB 6208

As Passed House - Amended:
March 5, 2014

Title: An act relating to preserving the integrity of veterans' benefit- related services.

Brief Description: Preserving the integrity of veterans' benefit-related services.

Sponsors: Senators Hill, Conway, Braun, Hobbs, Kohl-Welles, Chase and Benton; by request of Attorney General.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 2/20/14 [DPA].

Floor Activity:

Passed House - Amended: 3/5/14, 97-1.

**Brief Summary of Bill
(As Amended by House)**

- Prohibits a person from certain acts and practices related to assistance in the preparation, presentation, or prosecution of a veterans' benefits claim.
- Requires advertisements for events regarding veterans' benefits to include a disclaimer.
- Makes certain prohibited acts and practices a violation of the Consumer Protection Act.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: Do pass as amended. Signed by 7 members: Representatives Appleton, Chair; Sawyer, Vice Chair; Holy, Assistant Ranking Minority Member; Gregerson, Robinson, Santos and Young.

Staff: Sean Flynn (786-7124).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Veterans' Benefits.

The federal government provides military veterans with a variety of federal benefits including: disability compensation; education and training; employment services; health care; home loans; life insurance; and pensions. The federal Department of Veterans Affairs (VA) administers many of these benefit programs, and provides resources for veterans to access and obtain these benefits.

Federal law prohibits anyone from representing a veteran in preparing, presenting, or prosecuting a claim for veterans' benefits, unless the person is accredited by the VA. There are three types of accreditation: accredited attorneys, accredited agents, and accredited representatives of veterans service organizations. Accreditation may not be used for marketing financial services.

No person or organization may charge a fee for assisting a veteran in preparing applications or presenting claims to the VA. Only accredited attorneys or agents may charge fees for assisting a veteran prosecuting a claim after a decision has been made on the claim. Any fee agreement must be filed with the VA.

Washington State Department of Veterans Affairs.

The Department of Veterans Affairs (DVA) administers veterans' benefits provided by the state. Some of these benefit programs include: the Veterans' Assistance Program; the Veterans Innovations Program; the state veterans homes; homeless veterans services and transitional housing; home loans; and home ownership.

Consumer Protection Act.

The Consumer Protection Act (CPA) prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce in the state. The CPA allows a person injured by a violation of the Act to bring a private cause-of-action for damages. The CPA contains specific violations that are actionable. The Attorney General (AG) may investigate and prosecute claims under the CPA on behalf of the state or individuals in the state.

Summary of Amended Bill:

A person may not engage in certain practices related to a veterans' benefits matter that involve the preparation, presentation, or prosecution of a benefits claim administered by the VA or the DVA. The specific acts and practices prohibited include:

- receiving compensation for advising or assisting another person with a veterans' benefits matter, except as permitted by federal law;
- using financial or personal information gathered to prepare documents in a veterans' benefits matter for purposes of trade or commerce;
- receiving compensation for referring a person to an accredited representative; or
- representing that the receipt of a certain level of veterans' benefits are guaranteed.

Public officers, employees, and volunteers are not subject to these prohibitions.

It is unlawful to promote an event, presentation, seminar, workshop or other public gathering regarding veterans' benefits or entitlements without disclosing the following:

This event is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the Washington State Department of Veterans Affairs, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States or any of their auxiliaries. Products or services that may be discussed at this event are not necessarily endorsed by those organizations. You may qualify for benefits other than or in addition to the benefits discussed at this event.

The disclosure must be disseminated at the beginning of any event regarding veterans' benefits and it must be published in the same type size as the word "veteran" used in any advertising materials. The disclosure does not apply if the promoter of the event has written permission from the VA, DVA, or congressionally chartered or recognized organization of discharged military members to use their name for the event. Continuing legal education courses are exempt from the disclosure requirement.

The violations covered in the bill constitute a violation of the CPA.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is intended to address those who are known as "pension poachers" that target mainly veterans in trying to use the federal benefit as a hook to scam veterans out of their assets and sell them certain financial products and services. This particular bill is designed to protect elderly veterans and their surviving spouses from being scammed and losing benefits to which they are entitled.

Senior citizens are regularly at risk of pension scams, which are directed at the most susceptible among us. Many of the so called advisors and suppliers of pension-related services are operating without federal or state oversight or regulation. These scams rob seniors and veterans of their hard earned benefits.

(Opposed) None.

Persons Testifying: Travis Alley, Office of the Attorney General; and Peggy Quan, AARP.

Persons Signed In To Testify But Not Testifying: None.