

Testimony of Nate Cloutier

Before the Joint Standing Committee on Innovation Development Economic Advancement and Business
March 21, 2023

In Opposition to LD 440, "An Act to Protect Customers from Financial Scams by Requiring Retailers to Provide Information on Potential Signs of Financial Scams"

Senator Curry, Representative Roberts, and distinguished members of the Innovation Development Economic Advancement and Business Committee: My name is Nate Cloutier, and I am here today on behalf of HospitalityMaine representing more than 1,200 restaurant and lodging operators of all sizes across the state. HospitalityMaine opposes LD 440, *"An Act to Protect Customers from Financial Scams by Requiring Retailers to Provide Information on Potential Signs of Financial Scams."*

LD 440 was originally a concept draft and is replaced by an amendment from the bill Sponsor. It would require a retail establishment to train its employees on how to identify and respond to gift card fraud and provide notice to customers about gift card scams. It also creates a financial penalty of \$500 for establishments that violate these requirements.

The premise of LD 440 is worthy of conversation; our restaurants and hotels take consumer protection and privacy very seriously. This bill, however, adds nothing to further protect consumers and only creates pathways for more penalties for our small businesses. All of the HospitalityMaine members I have spoken with have told me they train employees on handling gift card transactions as part of training and onboarding. Employees know the direction to take if a complaint of potential fraud is made, or if a transaction is suspicious. Some have already received supplemental guidance from the Attorney General's consumer protection division when it was necessary.

We urge the Committee instead to work with the Attorney General's Office to ensure the Consumer Protection guidance already in place accurately reflects today's concerns and how to mitigate them, and that the AG's office include this in any regular dissemination to employers that may happen through a different department. This bill seems to make the assumption that businesses are not doing their due diligence to protect their customers from financial scams at their establishment, but the opposite is true. Employers I have spoken to take their customers' privacy and rights seriously and are proactive to avoid any potential issues for themselves or the customer.

We urge you to please vote LD 440 ought not to pass. Thank you for your attention. I would be happy to answer any questions.