

U.S. SENATOR BOB CASEY



CHAIRMAN Special Committee on Aging

Chairman Bob Casey's Opening Statement

“Modern Scams: How Scammers Are Using Artificial Intelligence & How We Can Fight Back.”

The Senate Special Committee on Aging will come to order. Good morning and welcome to the Special Committee on Aging's 10th hearing of the 118th Congress, today's hearing is titled, *“Modern Scams: How Scammers Are Using Artificial Intelligence & How We Can Fight Back.”*

We're here today to discuss fraud and scams, an issue that has touched millions of American families, including of course older adults. In 2022, frauds and scams cost Americans \$9 billion—a 30 percent increase from just one year before. Older Americans lose more money to scams on average than younger adults. Last year, they reported losing more than \$1.6 billion to fraud, though the actual losses can be as high as \$48 billion dollars. It has long been an Aging Committee priority to protect older adults from fraud and from scams.

Today, we are releasing the Committee's 8th annual Fraud Book. This critical resource captures the most common scams targeting older adults in 2022 and offers resources to protect against fraud. Here is the book and here is the Spanish version of the book, and we are very proud of the work that goes into this, the staff work, by members of the staff on both sides of the Aging Committee, both Majority and Minority staff. This year, the Committee's work, is among other things, is focused on exploring a new threat related to scams: of course, that what we know as AI, Artificial Intelligence.

By now, we have all likely heard of Artificial Intelligence is all about, and we have also heard of generative AI—a nascent, vast, and opaque tool that many Americans don't fully understand, and I would include in that, the work that the Senate is doing. Individual members of the Senate, both parties, trying our best to understand Artificial Intelligence, and especially generative artificial intelligence. So, we are learning as well and at the same time as the nation is learning. While we are working to understand potential applications of AI, scammers have been integrating it into their schemes to make their ploys more life-like and convincing.

Deepfakes, or AI-developed images that look nearly identical to a real-life person, and voice clones, can mimic the voice of a loved one, can easily dupe consumers and businesses into giving away valuable personal information or money. Any consumer, of any age, can fall victim to these highly convincing scams. In preparation for today's hearing, my staff spoke to numerous

people across the country who were scammed, or nearly scammed, by these bad actors using AI. These stories are heartbreaking, with victim after victim expressing reactions of fear, despair, disbelief, and anger.

One of our witnesses will share his story today: Gary Schildhorn. Gary is from Montgomery County, Pennsylvania, just outside of Philadelphia in the southeastern corner of our state. Gary will talk about despite, knowing all the signs, talk about his situation of nearly losing \$9,000 to a scammer after he heard a voice clone of his son on the other line pleading for help. So, I want to thank you for being here today, Gary, and for telling your story.

We'll also have the chance to hear from six other people today who were willing to share their stories. The following will appear in a video: Jennifer DeStefano from the state of Arizona, Amy Conley from the state of New York, Janis Creason from the state of Pennsylvania, Dauphin County, right in the middle of our state, and Terry and Elva Holtzapple and their neighbor, Jake Rothermel, from Potter County, PA. Way up on the northern border, the New York border of Pennsylvania.

We'll share some of their experiences today, and more of their stories will be available on the Aging Committee's website. These stories are awfully hard to hear, and they are tragic, and I know that as a parent, I would feel the same fear and the same need to react or act, if I heard the voice of one of my daughters, or something that happened to them, or my grandchildren on the other end of the phone begging for assistance. Anyone of us would react in the ways that the testimonies today will outline. So, this is something we all have to be more aware of. So, with that we are grateful that you are here today, but we will play this video clip first and then I will turn to Ranking Member Braun.

Well, we heard it all there, that's what we are dealing with here, real people and real lives. Ranking member, Braun