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Testimony before the United States Senate Special Committee on Aging
“Modern Scams: How Scammers Are Using Artificial Intelligence & How We Can Fight Back”
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Chairman Casey, Ranking Member Braun, and Members of the Senate Special Committee on Aging, thank you for inviting me here today to share my story. My name is Gary Schildhorn. I am an attorney practicing law in Philadelphia, Pennsylvania with over 40 years of experience. I am presenting testimony today because I was the intended victim of a scam that utilized my son’s voice. The scam continues to be perpetrated. I will also report on the responses I received from across the country to an article publicizing this event.

In February of 2020, I was driving to my office when my phone rang. It was my son, Brett. He was upset and crying. He told me he needed my help. He said was in a car accident, and he was arrested. He said may have a broken nose and his arm was hurt. The car he hit was purportedly driven by a pregnant woman who was injured. He reported that he was assigned a public defender named Barry Goldstein. He gave me Mr. Goldstein’s phone number and asked me to call him right away. I told him I would call Goldstein and call him right back. He said, “you can’t, they took my phone, get me out, please.”

I am a father and a lawyer. My son was hurt, he was in trouble and a pregnant woman was injured. This call instigated and required immediate action by me.

I first attempted to look up Mr. Goldstein. Before the search results came back, my phone rang. It was Mr. Goldstein. He told me he met with my son. He said Brett was hurt but was going to be okay. He reported that Brett had failed a breathalyzer test at the crash scene. I interrupted him, I said that couldn’t be because my son would never drink and drive. He said that Brett told him that but that he drank an energy drink in the morning and that may have caused him to fail the test. He said the Judge had ordered a high bail of \$150,000 and that I would need 10% of that amount in cash to bail him out. He said he requested that the judge consider a lower bail. He asked if I was in a position to help my son. I assured him I was. He then gave me my son’s case number and told me to call the court and arrange for bail. He provided the number for the court.

I called the number he provided. They answered, “Montgomery County Court House”. I explained why I was calling. He asked for the case number, which I provided. He confirmed they were holding my son. He also reported that he was viewing the docket and the judge granted the lawyer’s request and had lowered bail to \$90,000. He then told me that in order to bail him out I would have to use the county bail bondsman, but that there was a problem. The only bondsman available had a family emergency and was not in town. He advised me that the other option was to post a lawyer’s bond with the court. I advised him that I was a lawyer and could post the bond. He responded that I was not the lawyer of record, which means I wasn’t the lawyer who entered an appearance on behalf of my son. He also said that by the time the change of lawyer was processed my son would have to remain in jail overnight. He suggested that I call Mr. Goldstein back because he would be able to assist.

I placed the call. Mr. Goldstein agreed to post a bond and informed me I would need to wire him \$9,000. He stated he was a member of a credit union, and I would have to go to certain kiosks to wire the money. I later learned that these were bitcoin kiosks. He provided possible locations. He then told me that he was attending an out-of-town conference and would be leaving for the airport in 2 hours. I needed to hurry.

This series of calls all occurred within a few minutes. It was not until the calls stopped and I was driving to the bank that I had an opportunity to think. I called my daughter-in-law, Kim, told her what happened and asked her to alert my son's office that he had been in an accident. I called a lawyer friend in Montgomery County and relayed the story. He said it didn't sound right but he would get right back to me. A few minutes later, I received a facetime call. It was Brett. "Dad, Kim called work and they put me on the phone." "You are being scammed; see, I'm fine."

Shock, relief, and anger—one emotion followed the other. I said to Brett that there was no doubt in my mind that it was his voice on the phone—it was the exact cadence with which he speaks. I sat motionless in my car just trying to process these events. How did they get my son's voice? The only conclusion I can come up with is that they used artificial intelligence, or AI, to clone his voice.

My plan was to keep Mr. Goldstein in the dark while I tried to get law enforcement involved. The Philadelphia police said since I hadn't lost money they would not get involved. The FBI stated that they were aware of this scam but the scammers were using untraceable burner phones and once the bitcoin payment was made it couldn't be recovered. While I was placing these calls, Mr. Goldstein was constantly texting me reminding me that he was leaving for the airport. I was offering excuses for the delay and, at the same time, posing questions to Mr. Goldstein. I advised Mr. Goldstein that I could not find a listing for him in Martindale-Hubbell, a well-known resource for attorney biographies. Mr. Goldstein promptly forwarded me his listing in Martindale-Hubbell, which reflected that he was a well-regarded attorney. I was shocked that he had known what Martindale-Hubbell was and even more so that he had been sophisticated enough to make a fake listing for this scam. When I then asked him for his Social Security Number he cursed me out, told me I didn't love my son and stopped communicating with me.

My anger was replaced by frustration. My law practice had exposed me to securities fraud cases. If I, as a sophisticated lawyer, was almost scammed, there were most certainly people out there losing their money. What was shocking is that there was no remedy for these victims. There was no one to sue or a remedy to retrieve the bitcoin payments, and law enforcement lacked the tools to defeat burner phones and bitcoin transfers. The only available course of action was to publicize this story in the hope people would be forewarned of the scam. I reached out to the Philadelphia Inquirer. They published the story as a front-page article in their Sunday addition. The local Fox news station aired a segment on its morning show.

This scam has not abated. Since the publication of the article, I have received dozens of calls from victims who lost money. They are universally in shock, embarrassed and angry. They all ask what they can do. I recommend two things; they publicize their story and suggest they contact their bank and recommend a policy where bank tellers are required to ask customers why

they may be making an unusual cash withdrawal. Many of the victims told me they were too embarrassed to go public.

This experience has led to the following observations and thoughts: I understand that there are economic benefits to a monetary transfer system, like cryptocurrency, that avoids the regulated bank industry. It is also manifestly apparent that this technology, along with AI technology and burner phones, provide a riskless avenue for fraudsters to prey on us. I doubt that the commercial benefits of cryptocurrency could ever outweigh the economic and social harm it causes. A fundamental foundation of our system is that if you are harmed, a remedy is available through the courts or law enforcement. Unfortunately, that is not the case here.