

Opening Statement
Senator Bob Casey, Ranking Member
“Stopping Senior Scams: Developments in Financial Fraud Affecting Seniors”
Special Committee on Aging Hearing
February 15, 2017

Good afternoon. I am pleased to join Chairman Collins in convening this first hearing of the Special Committee on Aging for the 115th Congress. I am glad to take on the role of Ranking Member of this Committee at such a crucial time, knowing that the future of key programs for older Americans like Medicare and Medicaid are on the agenda of the new Administration. It is essential that we protect these vital programs for older Americans, and the Aging Committee has an important role to play in this work.

For today’s hearing, we have the opportunity to hear from expert witnesses on the challenging issue of combatting fraud and scams targeting older Americans. Experts testifying today include Diane Menio from the Pennsylvania senior advocacy organization CARIE, a group that works every day to help older Americans live with dignity.

I’m also pleased to join with Senator Collins in releasing a Committee report detailing the top ten scams targeting our Nation’s seniors. This report is based on the experiences of more than 2,200 individuals who contacted the Committee’s Fraud Hotline over the past year. What we learned from these older Americans and their families not only provided us an opportunity to help individual citizens, but it also will inform the work of this Committee going forward. And, I am pleased to have joined with Senator Collins in reintroducing the Senior\$afe Act last week. This important legislation both encourages financial institutions to disclose suspected exploitation of seniors when they see it and protects them from being sued for making these reports if they have appropriately trained their staffs and make good faith reports.

In the Commonwealth of Pennsylvania, more than one-in-six residents is aged 65 or older. As a result, I know all too well how vulnerable older Americans can be to fraudsters and scam artists and other abuse. In fact, in 2015, over 22,000 cases of suspected elder abuse and neglect were reported to the Pennsylvania Department of Aging's protective services program.

That is why, last Spring, I held a field hearing of this Committee in Wilkes-Barre, Pennsylvania to hear directly from my constituents – both those affected by scams and those trying to prevent them. One constituent from Kingston Township told the heartbreaking story of scam artists attempting to steal the identify and use the credit cards of her husband of 43 years after his death. Also at the hearing, the Luzerne County District Attorney highlighted the most common type of scam happening in the county – the sweepstakes or lottery scam. This is one of the top ten scams documented in the Committee's report and one that we will hear about from some of today's witnesses. Victims are promised lottery winnings if they just pay often sizable so-called "taxes and fees" up-front. The D.A. recalled one older victim being scammed out of \$85,000 in the hopes of retrieving \$1 million in fake lottery winnings.

Other common schemes include scammers impersonating IRS officials demanding payment of unpaid tax bills; those claiming to be computer support technicians to gain access to personal information stored on the computer under the guise of "fixing" it; or those claiming to be grandchildren in desperate need of a grandparents' money for bail or a hospital bill or some other emergency. While experts struggle to estimate the total financial impact of scams targeting seniors, mainly because it is so underreported, they know it adds up to nearly \$3 billion a year in lost savings – and potentially billions more. It isn't just money that is lost in these scams, it is also older Americans' sense of security and financial independence. It is outrageous that people who worked hard all of their lives are being targeted for their nest-eggs when they are at their

most vulnerable. And, it is wrong that seniors still feel afraid to report these schemes. They should not be embarrassed or ashamed. They should know that we have their backs and are here to help them fight back.

That is why enforcement is such a critical part of this discussion. While it may not be easy to track down these increasingly sophisticated scammers and their domestic and international networks and hold them accountable, we must do so for the safety and security of our parents and grandparents. I know that the tireless work of this Committee and the federal agencies here today has helped make progress toward this goal.

In fact, the Chair and I applauded the Federal Trade Commission and the Justice Department settlement with Western Union in which the company admitted to criminal anti-money laundering violations that have disproportionately affected aging Americans. In some instances, Western Union employees were directly responsible and aided in the fraud by willfully ignoring warning signs. The \$586 million settlement will be used to compensate victims of fraud where Western Union agents were complicit in the scams.

But there is more work to do, and we will continue to use the spotlight of this Committee to both help consumers understand the threat and highlight the need for action. It is for this reason that I will continue to fight to ensure that the Consumer Financial Protection Bureau has the resources to help. The CFPB houses the only federal office solely focused on sharing financial information with seniors and educating seniors about how prevent becoming the victim of fraud. Until recently, this office was led by former Pennsylvania Secretary of Aging, Nora Dowd Eisenhower.

We also need to keep up the fight against health care fraud and abuse that we launched through the Affordable Care Act. In fact, the government has realized a record-breaking \$10.7

billion in recoveries of health care fraud in the last three years. Thanks to the ACA, we have new tools like increased federal sentencing guidelines for health care fraud and enhanced screening for providers and suppliers who may pose a higher risk of fraud or abuse. And, the law provides an additional \$350 million over 10 years to boost anti-fraud efforts. We also know that proposals to block grant Medicaid could present states with a significant barrier to addressing waste, fraud, and abuse in the program. Block grants could jeopardize funding for program integrity resources, as states would lose federal program integrity resources that currently go along with Medicaid matching dollars.

I look forward to hearing from our witnesses about what more we can all be doing to fight fraud and abuse.