

Frauds and Scams Opening Statement

Thank you, Chairman Casey.

In 2023, scammers robbed American seniors of over \$3.4 billion.

These scammers are often part of transnational criminal organizations based out of places like Mexico and China.

They impersonate others, fabricate stories, and make false promises of love, lottery wins, and investments, all while stealing the hard-earned savings of seniors.

Once these criminals receive the money, it is nearly impossible to get it back.

This is why we need to prioritize education and outreach, so older adults recognize red flags and understand what scams to look out for.

Our community banks and credit unions are often the first line of defense, intervening on transactions that just don't add up.

In my home state of Indiana, one community bank has been able to stop over \$1.2 million worth of scams so far this year.

Local law enforcement also play a crucial role in scam prevention by investigating cases and alerting the public of new scams.

Scammers are always looking for the next loophole to exploit, including federal programs that are designed to serve seniors.

In 2023, Medicare lost an estimated \$60 billion due to fraud, errors, and abuse.

Every dollar lost to fraud is a dollar that can be spent on vital programs for American seniors.

In these scams, Medicare numbers are used to purchase medical equipment that a senior does not need.

This leads to additional copayments and out-of-pocket costs and can use up an enrollee's benefits faster.

Medicare fraud directly hurts taxpayers and individual seniors, and we are still trying to figure out exactly how pervasive it is.

In March, I led a letter to the Government Accountability Office (GAO) requesting a full audit of Medicare fraud.

GAO began the audit in July. This will be the most comprehensive audit in the history of Medicare.

The results will uncover just how much fraudsters are stealing from the American taxpayer and the holes that exist in the current Medicare Fraud Prevention System.

But we already know that CMS can do more to stop fraud.

I introduced the *Medicare Transaction Fraud Prevention Act* with Sen. Cassidy, which empowers CMS to conduct a fraud detection pilot utilizing artificial intelligence (AI) to detect scams so that CMS can quickly alert the Medicare beneficiary.

Innovative solutions like this can help prevent future scams.

Across the board, the number of frauds and scams targeting seniors has continued to rise.

The 2024 Fraud Book highlights many of the scams targeting older Americans and provides information on how to recognize the red flags.

I look forward to hearing more about how we can work together to stop these scammers.

Thank you Chairman and I yield back.