



County of San Diego

NICK MACCHIONE, FACHE
AGENCY DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY
AGING & INDEPENDENCE SERVICES
P.O. BOX 23217, MAIL STOP W-433
SAN DIEGO, CA 92193-3217
(858) 495-5885 • FAX (858) 495-5080

KIMBERLY GALLO
DIRECTOR
AGING AND ADULT SERVICES

Testimony before the Senate Special Committee on Aging
September 22nd, 2022
Nancy Pham-Klingler
Senior Adult Protective Service Specialist
Health and Human Services
San Diego County

Good morning, Chairman Bob Casey, Ranking Member Tim Scott, and members of the Committee. My name is Nancy Pham-Klingler, and I am the Senior Adult Protective Service (APS) investigator assigned to the financial fraud unit in San Diego County, California. Thank you for allowing me to join you today to discuss a topic I am passionate about and dedicated to: fighting against fraud and scams.

Over the past year, I have been privileged to be the primary APS investigator attached to the San Diego County Elder Justice Task Force; a partnership of the San Diego County District Attorney's Office, the FBI, local law enforcement in San Diego County and Adult Protective Services seeking to impact scams against older adults.

San Diego County is home to over 3.3 million people. Of that, approximately 680,000 are individuals over 60 years of age. From 2000 to 2030, it is projected that adults 60 and older will increase by 130% while the general population will increase just 38%. That means one in four San Diegans will be age 60 or older.

These numbers are real. Adult Protective Services has witnessed firsthand the increase in APS referrals over the years, particularly cases with a nexus to scams and financial abuse. From June 2021 to July 2022, over 1,200 APS scam-related cases were referred to our office with an estimated loss of over \$34 million dollars. It's clear we have an issue. An issue that our most vulnerable population, who have spent years and years of hard work saving for their golden years, only to be deceived and have their life savings stolen under false pretenses by vicious perpetrators.

When responding to these cases, we are the first sign of hope to the victims of these crimes. APS frequently is the first to be there to help them and start the processes to potentially recover their losses, bring some sense of security back, and protect them from future exploitation. During our investigation, we must build a rapport, gain their trust, and assess for safety all while ensuring that we gather all the necessary evidence to bring our cases to the next level. What is the next level, you may ask? As we know, without evidence there is no crime. Our APS team members, along with our local law enforcement agencies in San Diego have been trained to gather key details such as: How did the

scammer contact you? What company did they represent? What account numbers and financial institution(s) were mentioned during your conversation? How was the money sent? What dates and times did the scammers contact you?

These cases are complex. Some top scams we currently see use Mobile Cash Apps, Peer-to-peer money transfer services and social medial engineering. Scammers falsely claim to be a politician seeking donations, work-from-home opportunities to make extra cash, overpayment of an Amazon account, gift cards, and of course Cryptocurrency. How can we confiscate a Bitcoin machine that an elderly person just walked up to and deposited \$25,000 in cash with a QR code that they just received via text message?

As difficult as these cases are, recovery of these funds is potentially possible. One example of this is the following case.

On July 13, 2021, San Diego County Adult Protective Services was contacted by San Diego Sheriff's Department with concerns about a possible local Publishing Clearing House (PCH) scam victim. There was a cash package located in Florida that came from a San Diego address. Upon investigating this residence, we located a mailer with our elder's name on it. With the support and assistance of our Elder Justice Task Force, I was able to reach out to appropriate parties to gather necessary information to create an APS referral. I was assigned this case which allowed me to have open communication with the victims identified financial institution, natural support, and local law enforcement. Through collaborative work, I was able to conduct a records request under the Gramm-Leach-Bliley Act (GLBA) (15 U.S.C. §6802I(8); and 15 U.S.C. §6802(e)(3)(B)): and share information with our local law enforcement under California Law, State Welfare and Institutions Code §15610.45. The victim was located, interviewed, and confirmed that she had sent over \$215,000 to various individuals through the direction of employees from PCH. One of the payments was to the San Diego address where the package was sent from in Florida. This is not an uncommon method of payment where scammers are using our most vulnerable citizens to launder money for them and ultimately requesting for cash payment to be mailed out to a random address. I worked with the financial institution and reviewed over 271 pages of bank records to confirm that our local victim sent the money to another senior resident and her check was cashed by the receiving senior's bank. Collaborative work, works.

I'm here today speaking to you because this is a national problem crossing state and international borders. In the past year, according to IC3.gov, more than 92,000 victims over the age of 60 reported losses of \$1.7 billion, and that is just what has been reported. This represents an increase of 74% from 2020. This is a crisis, and without swift action the trend will continue.

Reporting on elder financial abuse is mandated. We have infrastructure systems in place to report scams; IC3.gov, FTC.gov, FBI.gov, APS, and local law enforcement, but what we need is continuous support and additional resources so agencies involved can help solve the greater issue. That greater issue is legislation and targeted education that makes it harder for these scammers to attack our most precious population in our society and put faith back in our public service system, as well as a means to obtain bank records quickly when it has been determined that a financial institution is the gateway for suspicious transactions. Appropriate funding for training our front line Adult Protective Services social workers to identify and investigate scams is critical.

On behalf of San Diego County I thank you for bringing this critical issue to the forefront, and for your continued work to protect the vulnerable seniors in our community. I welcome any questions the Committee may have.