

## **SENATE SPECIAL COMMITTEE ON AGING**

*“Do You Know What Is In Your Suitcase? How Drug Traffickers Are Deceiving Seniors to Smuggle Contraband”*

February 10, 2016

Ranking Member Claire McCaskill  
Opening Statement

Good afternoon and thank you, Chairman Collins. This Committee has done tremendous work under your leadership to aggressively fight fraud and scams. Later this week, the Committee will be publishing its fraud book reporting the top scams reported to our fraud hotline. I hope that the fraud book can serve as a resource for seniors on scams to watch out for and organizations to contact should they be concerned they are being scammed.

The scams discussed in the fraud book and the scams we have focused on in several Committee hearings are really as old as time. Most of these scams are, at their core, confidence scams. What’s changed is the use of technology, international boundaries and even changed tactics in response to our own consumer education. Criminals today have a much easier time covering their tracks and changing their strategies, and the evolving nature of these scams highlights how adaptable they are. This drug trafficking scam starts like a lottery scam or a romance scam and then morphs into something altogether different, essentially turning the victim into an accomplice to a crime. And the results, especially in countries where intent is not required to be convicted of a crime, can be devastating.

Staying ahead of the curve is very challenging. Take, for instance, the IRS impersonation scam, the subject of a Committee hearing last year and still a real problem to seniors nationwide. These calls are being received at increasing rates due to a fraudster’s ability to use robodial technology. Even though their success rate per call has decreased, the fraudsters are still reaching many more people. And because many of these calls are coming from overseas and using Voice Over Internet Protocol, or VOIP, technology, they are very difficult to trace. Now the scammers are twisting the tips provided by the government, acknowledging these red flags in their conversations, and using them to prove their legitimacy. For instance, tips publicized stated that the IRS would never contact you first by phone and there would always be an initial contact via mail. To gain the confidence of our seniors who are aware of this tip, scammers have changed their script to convince victims that they have been sending them letters regarding their amount owed, but there was no response, and therefore they are taking immediate action to collect these funds. The IRS impersonation scheme shows just how far fraudsters will go to gain the confidence of our nation’s seniors just to get a piece of their hard earned retirement funds.

I am pleased that the Department of Justice has joined us today. I don’t want to discount the role that consumer education plays in making seniors aware of the latest evolutions of these scams. But that, by itself, is not enough. Many seniors who fall victim to these scams have diminished mental capacity and are not able to distinguish a real offer from a scam. This drug mule scam, for instance, could appear real to some seniors, especially when they board a plane

and fly overseas without having to pay for it. The plane ticket adds an air of legitimacy to what would otherwise be a very shady operation.

The only way we can really put a dent into this problem is by putting these guys behind bars. I am curious to hear from DOJ about how they are going about prosecuting fraud cases, especially in cases that cross international borders. We have spent a lot of time working on the Jamaican lottery scam here, and we now have a good working relationship with the Jamaican government, yet we still have extradited just one Jamaican to face charges on these lottery scams.

We have got to do better here. I am sure I sound like a broken record up here, but until we put more of these crooks in jail, no one will take us seriously. These Jamaican criminals are looked upon as heroes in their home country and the subject of effusive rap videos. I appreciate all the work law enforcement is doing, and I understand that inter-jurisdictional task forces have been put together, but the time to start taking action is now. Thousands and thousands of people are being ripped off, and the idea that we are not catching many of the crooks here just emboldens criminals and copycats to target more and more seniors. I look forward to working with law enforcement to remove any obstacles that may be in their path toward prosecution.