

**Opening Statement
Senator Susan M. Collins
Senate Aging Committee**

“Stopping Senior Scams: Developments in Financial Fraud Affecting Seniors”

February 15, 2017

Good afternoon. I am pleased to welcome both new and returning Members to the Committee, and I am delighted that my good friend, Senator Casey, will be serving as the Committee’s new Ranking Member during this. I want to specifically welcome Senator Catherine Cortes-Masto from the great state of Nevada to the committee, we look forward to having you join our work. And of course it’s wonderful to welcome back Senator Gillibrand who’s been so committed to this issue, and the issues we have explored as well. Speaking of Senator Gillibrand, I understand that her son Theo is here today he is doing a special class project so he got an excused absence to be at our hearing today for the project he is doing and I know that’s going to be a very interesting project. My apologies that this hearing had to be delayed from when it was first scheduled on February 1st due to a long series of votes on the Senate floor.

During this Congress, this Committee will continue its focus on three major issues this Congress: First retirement security. We want to make sure that our seniors have sufficient resources so they don’t outlive their savings or find that their golden years end in poverty. Second; biomedical research investments for diseases like Alzheimer’s and diabetes that disproportionately affect seniors; and third, financial schemes and other scams targeting older Americans — and that is the subject of today’s hearing.

Last summer, an 81-year-old constituent came into my office in Portland, Maine, with an alarming story of deception and cruelty. A con artist claiming to be an IRS agent had just cheated him out of \$8,000. He narrowly avoided losing \$15,000 more.

After reporting the crime to local police, my constituent, Philip Hatch, and his son came into my office. My staff gave him a copy of the Fraud Book that this Committee produced last year as well as a special post card that we created with tips on how to avoid scams. Mr. Hatch told us that the tactics described in the materials provided were exactly those used by the scammer. If only he had received that information sooner, he might have recognized the scam and avoided losing his hard-earned savings.

Mr. Hatch was very willing to testify today and share his story, but health issues prevent him from traveling. Instead, he graciously and courageously provided a video in order to tell his experience. We will see that video in a moment.

This episode demonstrates two important points. First, the criminals who prey on our seniors are relentless. They will harass seniors over and over again until they have drained every penny in their life savings.

Second, this Committee's longstanding dedication to fighting fraud against seniors is raising awareness and prompting enforcement actions that are making a real difference. We must redouble our efforts to educate seniors, their families, and caregivers.

The stakes are extremely high. According to the Government Accountability Office, America's seniors lose a staggering \$2.9 billion each year to an ever-growing array of financial exploitation schemes and scams.

Today's hearing coincides with the release of our Committee's 2017 Fraud Book. Like the book we published last year, it lists the top 10 scams being perpetrated against seniors, along with information on how to recognize, avoid, and report them. In both years, the IRS Impersonation Scam was the leading offender.

These lists are the result of calls made to our Committee's toll-free fraud hotline. In 2015, Hotline staff fielded more than 1,100 calls. Last year, the Hotline's call volume doubled to more than 2,200 calls. It is clear that our efforts are raising public awareness and more important, our efforts are producing real results.

I look forward this morning to the testimony of the Treasury Inspector General's Office on recent evolutions in the IRS imposter scam, such as the demand for payment in iTunes gift cards, to which Mr. Hatch and many others have fallen victim. Raising awareness about the IRS scam is particularly timely, as we are in the midst of tax filing season.

Last May, thanks to the work of our hotline investigators, the IG arrested five individuals in connection with the IRS imposter scam. Federal authorities believe that these suspects stole almost \$3 million from more than 1,200 victims. In October, 56 individuals and five call centers in India were indicted in another case.

In addition to producing criminal charges, these efforts are making it harder for criminals to find victims.

I also look forward to hearing from the Federal Trade Commission on other scams that are targeting our seniors, such those involving grants, counterfeit check scams, and romance schemes, which is timely with yesterday being Valentine's Day.

As our 2017 Fraud Book makes clear, while we certainly are making progress, far too many victims are still losing money and, often, their retirement savings. Law enforcement, consumer protection, Area Agencies on Aging, AARP, and financial institutions play vital roles, but alert citizens are still our first and best line of defense. I am proud of the Committee's work on this crucial issue to help seniors become more aware and more informed, and to put criminals on notice that they will be stopped and brought to justice.

I now am very pleased to turn to our new Ranking Member to Senator Casey for his opening statement.