

Opening Statement for Aging Committee Field Hearing

August 5, 2014

Good morning. I would like to start by welcoming everyone to this field hearing for the Senate Special Committee on Aging. I would also like to thank to Congressman Carson for joining me as a guest on this important occasion.

Today, we will focus our discussion on a problem of growing concern to Hoosier seniors, law enforcement agencies, and policymakers at all levels of government.

Consumer fraud and scams have been and continue to be a significant problem in the United States, especially among our growing senior population. After a lifetime of hard work, seniors should have peace of mind knowing they can enjoy their retirement in peace and with financial security.

Our mission here today is to empower Hoosiers to more easily identify and prevent common types of fraud and scams.

We are also here to learn more about the work that is being done across the state to combat these schemes.

To help me do that, I want to welcome our panelists:

- Indiana Attorney General Greg Zoeller;
- Mandla (MAHN-dla) Moyo, the Community Outreach Director at Indiana AARP;
- Cynthia Mormon, the Assistant Inspector in Charge for the Detroit Division of the U.S. Postal Inspection Service;
- Mark Lindenlaub (Lin-den-lob), the Board President at Indiana Association of Area Agencies on Aging; and
- Joyce Walker, whose mother was the victim of a telephone scam.

We are lucky to have a panel with such a broad array of perspectives to bring to the table on this issue. I look forward to hearing testimony from them on how we can better utilize the resources currently available to seniors and what additional efforts can be taken to minimize the risk of fraud in the future.

Scams and fraud come in many different shapes and sizes. Some of the most common include identity theft, scams conducted over the phone, scams sent through the mail, and Medicare and Social Security fraud.

By providing seniors with knowledge and resources to identify scams and fraud, we can reduce the number of victims who lose out financially to these often-sophisticated schemes.

In 2010, my congressional office was tipped off to a misleading mailer with my name on it asking seniors to pay to provide their responses to a “census.” An organization called the Council for Retirement Security, which we learned was affiliated with nothing more than an online blog, sent surveys to several Hoosier seniors asking for their responses and credit card information.

More recently, a member of my staff's mother received a phone call from a stranger asking for money and claiming to be her grandson.

This common scam, known as the grandparent scam, seeks to trick the victim into believing that his or her loved one is in peril, such as in a car accident, in jail, or having trouble returning from a foreign country. Whatever the excuse, the scammer convinces the victim that they need to send money immediately and keep the call a secret.

One of the most important messages we hope to promote today is that awareness is key to helping prevent fraud.

While Americans are generally aware that identity theft and consumer fraud are on the rise, many are unaware of the scope of the problem. Sadly, fraud committed against seniors is a reality that is far more common than many would like to believe.

Encouraging victims to tell their stories about how con artists operate can bring this issue to life and give it greater sense of urgency.

Today, we are lucky to be joined by Joyce Walker of Hebron, Indiana, whose mother fell victim to a sophisticated phone scam.

In addition to increasing awareness, it is important that we address the stigma associated with being victimized by a fraud operation.

Too often today the conversation is about vulnerable seniors who are losing their mental faculties, not the fact that savvy con artists are perpetrating elaborate, well-orchestrated scams.

An AARP report found that victims 55 years of age and older were significantly less likely to acknowledge that they were defrauded than victims under 55.

Many seniors feel as though it may be useless to report scams or fraud. Victims believe that reporting it to the authorities can be burdensome, is unlikely to produce any positive results, and could jeopardize their independence. However, underreporting makes it tremendously difficult for authorities to assess the depth of the problem and hampers law enforcement's ability to more swiftly shut down fraudsters.

Through encouraging accurate and consistent reporting, we can gain a much better understanding of how fraud schemes are organized and executed, and give law enforcement agencies a better chance of catching and prosecuting criminals.

Lastly, we cannot begin to effectively crack down on fraud if seniors are unable to navigate the complex web of law enforcement and consumer protection agencies that are active on these issues. Although there are many resources currently available to seniors to help them identify and report fraud, many often do not know where to start.

By bringing together lawmakers, law enforcement professionals, advocacy groups and seniors, we strive to increase awareness of senior fraud, encourage collaboration between all stakeholders, and consider new ideas on how to effectively address this issue going forward.

Again, thank you for being here today. I look forward to hearing more from the panel, but first would like to recognize Congressman Carson for his opening remarks.