

**Opening Statement of Chairman Bill Nelson
Senate Special Committee on Aging: "876-SCAM: Jamaican Phone Fraud Targeting Seniors"
March 13, 2013**

Welcome, Ranking Member Collins, witnesses, and all of those joining us today. Thank you for being here.

We're here today to talk about a widespread and serious crime that's robbing countless seniors of their life savings.

Scam artists – many of them from Jamaica – are targeting our most vulnerable seniors as part of an aggressive scheme that promises victims huge foreign lottery winnings.

The result: seniors are being conned out of huge sums of money – leaving many victims bankrupt and even forcing some families to go to court to stop their loved ones from sending more money to the scammers.

Prize and lottery scams are growing so rapidly that they may be fleecing Americans out of \$1 billion a year, according to an estimate from the Federal Trade Commission. What's more, the agency received nearly 30,000 complaints last year about Jamaican lottery scams.

While these figures are alarming, they may be just the tip of the iceberg. In fact, the FTC believes that up to 90 percent of these scams are never reported because victims are too embarrassed or afraid to contact authorities.

Senator Collins and I have heard many tragic stories about folks whose life savings have been lost to these scam artists.

People like Stuart Childers – a Central Florida resident whose mother ended up on an FBI watch list for money laundering because she wired nearly \$300,000 over an 18-month period in an attempt to claim her prize.

And Neal Hines of Gainesville, whose father lost around \$100,000 in an effort to receive what the scam artists promised – \$2.5 million and a new Mercedes.

David Treece, a financial planner I met in Miami last week, had to sue his own client so that a partial guardianship could be put in place for her. She had sent nearly \$400,000 in fees to Jamaica because she thought she would get some \$7 million in lottery winnings.

And, we have Sonia Ellis, who is here today to tell us about her mother, a Siesta Key resident who lost over \$64,000 to these fraudsters.

So, what makes these lottery scams different from other fraudulent schemes targeting the elderly?

These scam-artists target our most vulnerable seniors and they're relentless in their pursuit of a victim's money.

For example, one elderly victim was called 59 times in a single day by the same scammer.

But the harassment doesn't stop there.

These con-artists have been known to threaten to harm victims if they refuse to send more money.

And, they've even resorted to impersonating the FBI or other law enforcement officers, telling victims they can help them recover lost money for a fee.

Clearly, this is a sophisticated scam run by some very determined and potentially dangerous criminals.

So, for the sake of our seniors, we've got to stop these swindlers from stealing their hard-earned money.

Today, we have gathered together several key players who are working on the front lines to stop these scams. First, we will hear from the family members of two victims, who have graciously agreed to share their deeply personal stories in an effort to prevent others from falling prey to the same scams. Then, we will turn to law enforcement to hear about the JOLT task force, which is led by U.S. Immigrations and Customs Enforcement, and involves Jamaican and American officials and several other agencies, including the U.S. postal inspectors who are also here today. This committee has reached out to several companies involved with wire transfers and other electronic payment methods, and we are pleased that Western Union has come here today to talk about measures it has undertaken to fight Jamaican phone scams.

We will learn about how this scam works; why certain populations are more likely to get hooked in; and, hear about efforts aimed at preventing seniors from being duped and re-victimized.

With that, I now turn to Senator Collins for her opening remarks. And, I'd like to take a moment to thank her for being out front on this issue and bringing it to the attention of this committee.