

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing – July 27, 2005
“Old Scams – New Victims: Breaking the Cycle of Victimization”

Thank you, Mr. Chairman, for holding this very important hearing. We'd also like to welcome all of our witnesses here today as we examine ways to combat consumer fraud and identity theft as it impacts our nation's seniors.

It's no secret that seniors are being targeted more and more by con artists looking for a quick buck. Studies show that up to five million seniors fall prey to financial fraud every year. Just last week, my Milwaukee office helped a sixty-five year old man – a businessman all his life – who had responded to an e-mail he received encouraging him to invest in a Nigerian business venture. The return was supposed to be good; however, \$65,000 dollars later, this man is left with nothing but an empty retirement account and wounded pride. Although the FBI was contacted, he was told that these scams are so common and so difficult to trace that they couldn't do anything to help him recover the money he had lost.

Seniors like this man become targets every day. They are trusting and come from a generation where business was often conducted on a handshake alone. Unscrupulous criminals are exploiting this trust and using it to their advantage. Preying on the elderly is certainly nothing new, but in a day and age where many seniors are not technologically savvy, con artists have an easier time collecting personal information and using it to swindle a person out of their savings more than ever before.

Of course, one way to stem the tide of consumer fraud is consumer education. We need to explain to seniors what to watch out for and how not to be victimized. In my home state of Wisconsin, we have been working to educate seniors on the pitfalls of financial exploitation. My office has developed a brochure that not only gives seniors an idea of “what to watch out for” in terms of identity theft, credit card scams, telemarketing schemes, and fraudulent lotteries, but also lists where seniors can turn for help.

I've also been working with the Coalition of Wisconsin Aging Groups, the banking industry and law enforcement in Wisconsin, and recently received confirmation from Federal agencies that Wisconsin banks can report suspicious activities involving a senior's account to law enforcement officials without violating federal privacy statutes. This is good news for seniors and their families, and we will continue to work with all our partners to get the message out to seniors on how to avoid being victimized.

As we examine this issue here today, it is critical that we keep in mind that senior scams are nothing new. But just as con-men (and women) have new, high-tech ways of conducting fraud, we too must develop new ways of stopping these criminals. Thank you once again, Mr. Chairman, for holding today's hearing. We look forward to hearing from our witnesses and learning more about how we can put an end to schemes and scams targeting our seniors.