

9.23.21 Ranking Member Tim Scott, Opening Statement “Frauds, Scams and COVID-19: How Con Artists Have Targeted Older Americans During the Pandemic”

Thank you, Mr. Chairman. Thank you for holding such an important hearing. There’s no doubt about it that during a pandemic, the last thing you want to hear about are frauds and scams, especially fraudsters and scammers who focus on our senior population in their golden years. It’s just disgusting and heartbreaking to hear so many stories from so many seniors who have had to deal with the challenges of fraud. And I thank you for your bipartisan leadership. So often people look around our country and wonder if anything works in Washington in a bipartisan fashion. And I would say that, with your leadership, we’re not working in a bipartisan fashion—we’re just working in an American fashion. We’re putting the priorities of Americans before anything else.

And when it comes to our seniors, I think it’s really important for us to continue to focus on ways to make sure that our seniors appreciate the fact that the leadership here are servant leaders, focusing on how we make sure that the fraudsters and scammers that are taking advantage of too many of our seniors—that that stops, and that there are ways for us to deal with those challenges. And I do appreciate the fact that we have a fraud hotline that I think everyone should hear once again. It’s 855-303-9470. 855-303-9470.

I say that because so many times, and there is so many situations and scenarios where our seniors face scams. As the older you get, the more isolated sometimes too many of our seniors become, and the more they face the challenges of scammers. There are a couple of ones that I want to point out. One is the romance scam. Just deplorable, frankly, from my perspective. I know that so many people in their golden years lose a loved one or become widows or widowers, and they are faced with something called the romance scam. In 2020, romance scams reached \$304 million in losses, a 50% increase from 2019. And what isn’t common is the fact that in the middle of a pandemic, seniors are isolated and lonely and may be more susceptible to this type of fraud and this type of scam.

Congress can do its part to help, and I thank, again, Chairman Casey for the bill the Stop Senior Scams Act. It creates an advisory group to educate industry employees on how to identify and prevent scams targeting our seniors. Forced isolation because of COVID makes our seniors so much more vulnerable. I think of one in particular in South Carolina. A lovely lady Judy, 66 years old in South Carolina—a widow—who began a relationship with a man using, over social media. He slowly gained her trust and then swindled her out of her resources—\$10,000 — a senior on a fixed income lost to this scam.

Today, we are releasing, as the Chairman noted, the 2021 Fraud Book. This is such an important guide that can help our seniors avoid such challenging situations. In 2020, the FBI Internet Crime Complaint Center received over 791,000 complaints. Twenty-eight percent of the victims were over the age of 60. This resulted in approximately \$1 billion dollars in

losses to our seniors. A constituent of mine from Columbia, South Carolina shared that she received a phone call from someone pretending to be her grandson. She did what most grandmothers would do—she called her grandson back and tried to verify that it was him and this car accident that supposedly he was in that required an immediate wire of money—\$5,012. She wired to criminal scammers when she could not get in touch with her grandson. Unfortunately, these types of fraud are very common. In 2020, the grandparent scam was the fifth most reported type to our committee's fraud hotline.

Education and greater awareness are the best ways to make seniors informed consumers. That's why I am proud of what we have in South Carolina called Project HOPE—Helping Our Precious and Elderly, based in Richland County, South Carolina. Project HOPE partners retired law enforcement volunteers with our seniors. They check in on a weekly basis, and they make sure that they are very aware of the potential scammers out there, and making sure that they create a firewall between the scammers and our seniors. I'm so thankful that there are dedicated members of our law enforcement community—the men and women of blue—who retire and still have a passion for people [and] find a new way to serve their communities in Richland, South Carolina.

I'm also thankful to the Chairman for the National Senior Fraud Awareness Day, which this year was May 13, 2021. This day will continue to help raise awareness about the increasing number of scams targeting our seniors. Finally, let me just say to the former Chairwoman of this committee, Susan Collins, who has been a strong leader on this issue of fraud and scams, I thank her for her leadership, and I look forward to hearing the testimonies from our witnesses today. I want to thank each and every one of you for participating in this critical and very important meeting.

I yield back, Mr. Chairman.