

Testimony of:

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Thank you, Senator Gillibrand, for inviting me to speak about this topic, one that affects millions of older adults in the US each year. Barely ten days ago, on June 15, all over New York and, in fact all over the globe, we observed World Elder Abuse Awareness Day which was established in 2006 to raise awareness about the universal phenomenon of mistreatment and exploitation of older people. We typically define elder abuse as perpetrated by a trusted individual who is in an older adult's social network like an adult child or grandchild, friend, or professional service provider (Acierno et al, 2010; Lifespan of Greater Rochester, 2011). Yet, older adults are also frequently the victims or targets of other forms of exploitation perpetrated by persons and groups previously unknown to them. Fraud and scams including identity theft have emerged in the past two decades as another common form of criminal exploitation that frequently targets elders. The FTC estimates that total losses due to fraud, scams and ID theft in the US reported

to the agency in 2021 amounted to \$5.9 billion with \$2.3 billion lost to imposter scams alone (FTC Consumer Sentinel Network Databook, 2021). The impact of this form of financial exploitation of older persons can have devastating and tragic consequences for financial security as well as physical and mental health. Scams rob unwary victims of their savings, can result in the loss of a home and, in the case of older adults, can also lead to the loss of independence. Older persons in their 70s and 80s are typically not in a position to get a job to begin to restore the savings stolen from them.

Scammers target older adults for a variety of reasons, chief among them the fact that older persons have typically amassed more wealth in their lifetimes than younger persons. Older adults may also not be as “tech savvy” as younger targets and sometimes may be experiencing organic changes in the brain which research has shown can impact their capacity to discern between legitimate and exploitative financial transactions (Han et al., 2016).

The financial impact of fraud and scams on older Americans in normal times is significant; the costs suffered throughout the Covid-19 pandemic have been even more dramatic. In 2020, the FTC estimated that Americans ages 60 and older lost at least \$602 million to all forms of fraud, scams and financial exploitation

schemes. In the same year the FTC estimated that victims over 60 lost \$100 million just to COVID-19-related fraud.

For over twenty years Lifespan of Greater Rochester, a not for profit social agency in Rochester, New York serving older people, has sponsored a program to take on the problem of fraud and scams targeting older persons. A program within the agency's Upstate Elder Abuse Center, the Fraud, Scams and Identity Theft Prevention Program offers education and training to older adult audiences in a twelve-county area and assists individual victims to stop ongoing exploitation, mitigate the effects of fraud, recover assets when possible, and make applications for Victims of Crime Act restitution through New York's Victim Compensation Fund. Sadly, their services are in great demand. They educate 1000's of older people a year and help dozens of individual victims.

I will cite just one of many cases in which they provide invaluable assistance and support to victims who don't know what steps to take or where to turn for help.

Mrs. R was the unfortunate victim of a romance scam. Mrs. R is an 83-year-old widow whose husband died three years ago. She was alone and isolated after his death, a loneliness that was only made worse by the lockdown of the pandemic, until she met "Jerry" online through the site "Friends with Words." He too, he said, had lost his spouse and understood what she was going through. After several

months of online contact, he professed his love for her and expressed his wish to visit so they could be together. Soon after, requests for money followed: for a granddaughter who needed surgery and for car repairs so he could come to see her. She was convinced of his undying affection for her and followed his instructions to send boxes of cash, in \$10,000 units to a postal box in VA. She took out a mortgage on her paid for house to help Jerry out. Before her children learned about this exploitative relationship and called Lifespan for help, she had sent him over \$100,000. Unable to make the payments on her new mortgage, she faced a foreclosure and loss of her residence. She is now living in her daughter's basement apartment.

Programs such as ours to educate older adults about fraud and scams and to assist elders who fall victim to fraudulent schemes are sorely lacking.

The **Senior Financial Empowerment Act** which you are sponsoring will go a long way to help ensure that older persons and their caregivers have access to critical information regarding financial abuse. Education of older adults and those who care about them and for them is essential to raise awareness of fraud and scams and give older adults the tools to prevent fraud from occurring in the first place. The bill places emphasis on education but also provides more resources to combat and prevent financial exploitation of seniors. The section of the bill that

directs the National Institutes of Health to conduct scientific research on older adults' increased vulnerability to scams is also critical. If we can pinpoint those factors which increase older adult susceptibility, we can tailor the most effective preventive, intervention and education programs.

Thank you for proposing such comprehensive legislation to tackle fraud and scams that target older persons. I look forward to its passage and enactment.

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