

Prepared Statement of Mr. W.
For the hearing
Hanging Up on Phone Scams:
Progress and Potential Solutions to this Scourge
7/16/14

Thank you Chairman Nelson and Ranking Member Collins for the opportunity to tell my story before the Senate Special Committee on Aging.

I am an 81-year-old grandparent from Cincinnati, Ohio. Last December, I answered a call that sent my life into a tailspin and conned me out of \$7,000 in what I now know was a phone scam. The caller had a young voice and said, "Grandpa, this is your favorite grandson." To which I replied "I have six grandsons and they are all my favorites."

His reply was, "This is your oldest grandson." To which I replied "Tighe, how are you?" I can't remember exactly his reply, but it was something like, "I'm in jail and I need your help to get out on bail, and I don't want mom and dad to know about this. Talk to this police officer."

I can't remember the "officer's" name. But he said that he stopped a car for speeding. The car contained four young men who were on their way to a football game. In a search of the vehicle, narcotics were found. All four of the young men were arrested on narcotics charges. All four denied any knowledge of who was the owner of the narcotics, but Tighe had been most cooperative and all he needed was \$3,000 cash to get out of jail.

I was told by the "Police Officer" that I needed to go to Walmart or CVS and load a total of \$3,000 onto Green Dot MoneyPak cards in \$1,000 denominations, and I needed cash to purchase the cards. I cashed a check for \$3,000 at my bank and went to Walmart and bought three MoneyPak cards, each loaded with \$1,000 dollars. I returned home and called the police officer at a number with a 438 area code, the area code for Montreal, Canada, and gave him the scratch off numbers on the MoneyPak cards.

Later the police officer called again and said they needed an additional \$4,000. However, my checking account would not cover that amount. My wife went to the bank and withdrew \$4,000 from her savings account, and went to Walmart and loaded four MoneyPak cards with \$1,000 each. I told the "officer" the scratch off numbers.

Subsequently, I received another call from him saying they needed another \$2,500. At this point, my wife suggested we call Tighe's twin brother to see if he had seen him that day. Dylan said he saw him before he went to work that morning. I called Tighe's cellphone and he answered. He was at work. It then became obvious that grandpa and grandma were victims of a scam.

Looking at the MoneyPak card there is a warning that says in small print—let me repeat that, IN SMALL

PRINT—it says, "If anyone else asks you for your MoneyPak number or information from you receipt, it's a scam and Green Dot is not responsible for paying you back."

I believe putting that warning in such small print is unconscionable and Green Dot, the maker of the MoneyPak cards, has some liability, in as much as they profited from these transactions. I also believe that Walmart has some responsibility, in as much as it facilitated and profited from the scam with their sale of these Moneypak cards.

I reported this scam to the Cincinnati Police, who did not seem interested. I also contacted the Federal Bureau of Investigations, who referred me to the Federal Trade Commission, but I'm not sure what they've been able to do about it. I have some suggestions about what prepaid debit card companies could do to protect consumers, which I hope to get into later on.

Thank you for listening to me and for giving me this opportunity to testify. I am happy to answer any of your questions.