

**Opening Statement of Chairman Bill Nelson (D-FL)**  
**Senate Special Committee on Aging**  
**Hearing: Hanging Up on Phone Scams: Progress and Potential Solutions to this Scourge**  
**July 16, 2014**

---

Good afternoon. Today's hearing is the latest in a series of investigations the Committee has conducted on the devastating impact fraud and scams have on seniors. Over the last two years, we've explored the rise of Jamaican lottery scams, tax refund schemes and Social Security and Medicare fraud.

This afternoon we're going to examine a scam experts say is making a comeback across the nation. It's called the "Grandparent" or "Emergency" scam.

It's an incredibly despicable type of fraud that preys on senior's willingness to do anything to help a family member in trouble.

Here's how it works. A scammer convinces the victim that his or her grandchild – or other relative – is in jail, in the hospital, or stuck in a foreign country, and needs money to get out of the predicament.

Since the beginning of 2012, the Federal Trade Commission has received more than 30,000 complaints about scammers who claim to be a friend or family member in distress, costing Americans more than 42 million dollars.

Unfortunately, these numbers don't tell the whole story since a majority of these crimes go unreported. What we do know is that the FTC reports that imposter scams have doubled between 2009 and 2013.

Today, we'll hear from a distinguished panel on what authorities are doing to detect and prosecute such crimes and how seniors can protect themselves. We will also explore private industry's role in combating these scams.

The bottom line is that the government alone cannot prevent these types of scams. Private companies that sell prepaid debit products or offer wire services are the last line of defense for consumers before their money is sent and lost forever.

Fortunately, many of the larger retailers are beginning to take proactive steps to protect their customers. In addition to issuing consumer warnings about scams, many companies are now training their employees to identify and warn potential victims.

I can also report some good news today from Green Dot Corporation, which makes a product that has been one of the cards of choice for fraudsters in many of these schemes. Green Dot has announced plans to retire the MoneyPak card from store shelves nationwide. They've seen how this product has been used by scammers and have decided to do the right thing, even if it hurts their bottom line.

Green Dot, Wal-Mart and CVS submitted statements for today's hearing, which I submit into the record.

Going forward, this committee will continue to encourage other debit card companies and retailers to do the right thing and take a more proactive role in preventing fraud.

Working together, I'm confident we can find additional ways government and private industry can work together to curb these scams.