



SPECIAL COMMITTEE ON AGING

UNITED STATES SENATE

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STATEMENT FOR THE RECORD

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Committee Chair Collins, Ranking Member Casey, and Members of the Committee:

I am Andrew Saul, Commissioner of the Social Security Administration (SSA). Thank you for inviting me to discuss the phone scam crisis. I am deeply troubled that crooks are harming Americans and I am eager to discuss with you how we can protect the public.

The Problem

As a nation, we have come to realize the value of personal information and the damage that happens when that information lands in criminals' hands. To be clear, the scams we are discussing today are not Social Security program fraud. Rather, they are schemes to trick people into thinking a credible organization—a bank, a utility company, a credit card company, or the government, including SSA—is calling so that they give up their personal information, pay money, or both.

There are many variations. Scammers play on emotions like fear to get people to act without thinking. For example, a caller may say he is from SSA and that your Social Security Number (SSN) is suspended or has been used in a crime. The caller identification may be spoofed to appear to originate from a government number. The caller may ask you to provide information like your SSN to reactivate it. The caller may tell you your bank account will be seized and direct you to send money or gift cards for safekeeping. If you comply, your money is gone. If you don't comply, the caller may threaten you with arrest.

Although our programs—our core mission—are not the target of this fraud, SSA must share responsibility to help. Our programs require the public to interact with us. We cannot afford to have fraud affect that communication or the public's trust in us. Additionally, these schemes have caused a significant workload for SSA, such as increased calls to our National 800 Number (800 number) and fraud referrals, as well as our Office of the Inspector General (OIG). We must apply resources to this problem, which diverts time and employees from other critical workloads.

Our Agency

For almost 85 years, Social Security has provided vital benefits to the public, particularly our senior citizens. In Fiscal Year (FY) 2019, we paid over \$1 trillion in benefits to approximately 70 million Social Security beneficiaries and Supplemental Security Income recipients. As of June 2019, approximately 88 percent of seniors age 65 and over received Social Security.

Our employees help millions of people. In FY 2019 we:

- Processed over 17 million applications for original and replacement Social Security cards;
- Posted 288 million earnings items to workers' records;
- Handled over 33 million calls on our 800 number;
- Helped 43.2 million visitors in field offices;

- Mailed nearly 255 million notices;
- Processed over 184 million online transactions;
- Completed over 7 million claims for benefits;
- Completed over 713,000 continuing disability reviews and nearly 2.67 million non-medical redeterminations of eligibility; and
- Provided access to the Social Security Statement, mailing over 11 million paper Statements and allowing individuals to access their Statements online more than 56 million times.

Few government agencies touch the lives of as many people as we do. Americans trust our agency and our employees, and we cannot allow swindlers to erode that relationship.

How We Are Helping

Phone scams have been around for several years and the agency initially responded with steps like sharing OIG Fraud Advisories and creating training videos for representative payees who help beneficiaries manage money. As these scams evolved and became more common, the agency took additional actions to:

- Collaborate with our OIG and major phone carriers to block¹ nearly all calls that attempt to spoof our published toll-free phone numbers from ever reaching the public;
- Distribute television and radio public service announcements throughout the country, issuing a national press release, and posting warnings on social media;
- Collaborate with OIG to display information on video monitors in 2,100 Walmart stores nationwide;
- Collaborate with the Consumer Financial Protection Bureau to help educate consumers on how to avoid Social Security scams;
- Share articles and guidance with the Centers for Medicare & Medicaid Services, ADvancing States, and the Senior Corps, as well as Social Security advocates, and third-party groups and organizations; and
- Offer a voice verification option to people who call our 800 number, which allows the caller to record their first and last name. When they receive a scheduled callback, callers hear their own voice, so they know the call is from us.

Upon becoming Commissioner, I quickly realized the magnitude of these scams and that SSA needed to take more aggressive action to address the scams directly. The number of OIG fraud referrals our frontline employees took about allegations of Social Security scam calls jumped from just over 5,000 allegations in FY 2018 to more than 60,000 in FY 2019. We estimate the call volume to our 800 number related to phone scams to be over 850,000 last fiscal year. As I visited SSA field offices and teleservice centers, employees told me their firsthand accounts of

¹The Do Not Originate (DNO) process permits telephone companies to terminate spoofing calls across their networks. As of September 16, 2019, 100 percent of our published toll-free telephone numbers have been processed by major US telecommunications providers.

how these scam calls affect Americans and our frontline service. I made working with SSA's IG Gail Ennis to combat these fraudsters a priority.

We have:

- Created a dedicated online scam form to allow OIG to collect the data it needs to investigate, identify, and stop scammers and produced new television and radio public service announcements promoting the new form;
- Improved the OIG Fraud Hotline and our 800 number to provide information to callers about the scams and how to report them online;
- Increased employee and public outreach and education; and
- Established an SSA and SSA/OIG workgroup to ensure we are providing the kind of expertise and attention that can timely identify and implement improvements and find additional ways to curb scammers.

Online Scam Form

Often our frontline employees in the field or on the 800 number are the first to hear from the public about impersonation scams. Thus, these employees obtain information needed to investigate these scams; however, SSA and OIG have distinct responsibilities. SSA's role is to identify and remedy potential service problems associated with the scams, and of critical importance, to educate the public. OIG's role is to collect and analyze reported information, identify leads that could help root out these criminals, and support their prosecution.

To help ensure swift action against these criminals, OIG needs to quickly receive scam reports and obtain the data it needs. A dedicated scam reporting form is a best practice identified by Treasury Inspector General for Tax Administration in handling Internal Revenue Service imposter complaints, which have sharply declined while the SSA scams have skyrocketed. In November 2019—about a month after we established our SSA-OIG workgroup—we implemented a dedicated online scam form that allows people to report to our OIG Social Security-related scams, including robocalls, live calls, email, text, and in-person scams. The OIG uses the online form to capture the data it needs to analyze trends, identify investigative leads, and identify criminal entities and people participating in or facilitating the scams. The form also requires individuals to create a unique Personal Identification Number, so if the OIG contacts them, they will know the call is legitimate. In addition to helping the OIG collect the data it needs, the form alleviates some traffic and wait times in our frontline offices. So far, our OIG has received over 115,000 submissions.

We will continue to support this effort and work with OIG to implement changes to the fraud reporting form as needed to respond to evolving fraud trends.

Improvements to 800 Number and Fraud Hotline

To help OIG collect the data it needs to stop scammers, we added a message to our 800 number recordings directing callers to report online. All English and Spanish-speaking callers to our 800 number and field offices now hear the following message: "We have received reports about

fraudulent phone calls from individuals impersonating SSA employees. If you suspect you have received a scam call, you should report the details of the call to the Social Security Administration's Office of the Inspector General online at oig.ssa.gov."

We also helped the OIG update the Fraud Hotline message to provide scamming information upfront and to direct Hotline callers to the online form. The changes to 800 number and Fraud Hotline are having measurable effects. Transfers from the Fraud Hotline to the 800 number are down significantly, and I understand fewer callers are requesting to speak to a representative on the Fraud Hotline.

Outreach and Education

In our ongoing fight against fraudsters, one of the most powerful tools is public education. We have armed our frontline employees with instructions and updates on how to assist potential victims of phone scams, and we are communicating scam information agency-wide. We are also redoubling our public education efforts and raising awareness in as many ways as we can think of, starting with new public service announcements that are being distributed across the country. Our increased focus on scams and collaboration with OIG is also helping us notify employees and the public timely as scams evolve. Earlier this month, we shared information from OIG about new twists that involve spoofed emails purporting to be from us.

We appreciate your help, too. Last month, we provided material to Congress with a request that you help spread the word to your constituents through your powerful communication tools—town halls, local print outlets, television, and social media. I highly recommend using these materials to inform your constituents. We all share responsibility to fight this serious threat to those we serve. We also invite you to share ideas of what else we can do.

We are working now to arrange radio campaigns on nationally syndicated talk shows and television appearances on popular morning shows. We are also expanding our work with external groups and agencies like AARP and other organizations representing seniors, representative payee organizations, motor vehicle administrations, the United States Postal Service, and the Department of Veterans Affairs. I recently met with AARP's Chief Executive Officer JoAnn Jenkins, and we are working on a joint public service announcement. AARP has also agreed to promote our scam prevention messaging on their social media channels.

As we conduct our public awareness campaign, we will continue to collaborate with OIG, the Federal Trade Commission (FTC) and others to curb scams and respond quickly as scams continue to evolve.

Broader Solutions

I want to close by reiterating that we are eager to end these phone scams, but understand that scammers may simply move to target another agency as we and OIG work to shut them down. We need broad solutions, and I want to thank Congress and the President for recently enacting the *Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act*, or

Pallone-Thune TRACED Act (Public Law 116-105), which will help the Federal Communications Commission prevent scam calls from reaching the public.

Conclusion

I want to thank the FTC for its ongoing support, advice and actions. I also thank our IG for collaborating with me on this priority. I do appreciate that this effort requires resources.

Scammers are sophisticated. We want everyone to know that if they get a suspicious Social Security-related call, hang up and report it at oig.ssa.gov. Do not trust caller ID, do not give your Social Security Number or other personal information. Do not provide money. Our employees will never threaten or demand money from you.

I thank this Committee for holding this hearing to elevate the visibility of these scams. I appreciate your interest in this important issue and look forward to working with our OIG and other partners like the FTC and Congress to protect Americans. I would be happy to answer any questions.