

**Opening Statement
Senator Susan M. Collins
Senate Aging Committee**

“That’s Not the Government Calling: Protecting Seniors from the Social Security Impersonation Scam”

January 29, 2020

Today, the Special Committee on Aging is releasing its updated 2020 Fraud Book. It lists the top ten scams that have been reported to our committee over the past year. The good news is that the notorious IRS Impersonation Scam, which had been the top scam reported to the committee for five consecutive years, has fallen off dramatically. It used to be number one, now it’s number seven. Still a problem, but public awareness has certainly helped to decrease the prevalence of that scam. Unfortunately, the Social Security Impersonation Scam, the topic of this morning’s hearing, has risen to take its place.

Reports of the SSA Scam barely registered as recently as 2017, but then it began to take off, cracking the top ten scams reported to our committee’s Fraud Hotline in 2018 and becoming the number one reported scam last year as shown on the chart displayed on the monitors.

This scam has resulted in \$38 million in reported loss to Americans in 2019 alone. I suspect that that’s just the tip of the iceberg, because many seniors who have been affected by this scam are either too embarrassed to report their loss or don’t even know who to turn to. The emotional and psychological toll for those who have lost hard-earned life savings are beyond measure.

We will hear today from Machel Anderson, who has been a victim of this ruthless scheme, and I want to personally thank Machel for her willingness to come forward and share her story. Because of her willingness to do so, I am certain that there will be other older Americans who now know to just hang up the phone when they are called by somebody who is asking them for money or gift cards and pretending to be from the Social Security Administration. We are also very fortunate to have other terrific witnesses with us today and who are working very hard to combat this scam, and I will be introducing them at the appropriate time.

Today, we will highlight the features of the Social Security Scam that are key to defeating it. Typically, the scam begins with an unsolicited robocall with a spoofed caller ID falsely displaying the Social Security Administration as the source of the call. Now naturally, most of us, if we see on caller ID that the Social Security Administration is calling us, we are going to answer the phone.

The fraudster making the call will attempt to scare the victim by claiming that his or her Social Security number has been suspended due to suspicious activity, deceiving the victim so that he or she will do as instructed without question. Now my own 92-year-old mother received five of these Social Security Administration scam calls on her cell phone. Fortunately, she wasn’t

taken in; she knew to call me, but they were so clever and so specific, telling her that her number had been compromised, it had been used to commit fraud in Texas. There were so many details that she wisely chose to check with me to see if there could be any truth in it. But that's how clever and ruthless these criminals are. The scammer then attempts to isolate the victim so that no one can warn him or her of the scam and "break the spell."

Finally, the criminals claim that the only way that the victim can resolve the problem is to provide sensitive financial information over the phone and transfer thousands of dollars to them as quickly as possible. The speed and amenity of gift cards have made them the scammers' current payment method of choice.

To emphasize the need for urgent action and dire nature of the victim's situation, the scammers often work in teams to impersonate local law enforcement, the IRS, or other federal officials. In one particularly outrageous case that we will hear about this morning, a criminal claimed to be the head of the Drug Enforcement Administration, and even suggested to his victim that she verify his identity by looking up his name and phone number at the Agency online.

To keep their victims under the spell, the scammers will demand they cooperate with their fake investigation by the government or face severe fines or even jail time. They also attempt to isolate the victim by keeping him or her on the phone uninterrupted for hours or even days at a time by instructing them not to tell anybody what is going on. They will cite the confidentiality of the investigation. In a recent case reported by the *Wall Street Journal*, an oncology nurse in New York was instructed to leave work without notice, check into a hotel, and stay on the phone for nearly 50 hours. Coached by the fraudsters through a series of transactions at her bank and credit union, she lost almost \$340,000 to scammers over three days.

Educating people, particularly older Americans who are more likely to be the targets, is key to defeating this scam. In today's hearing we hope to learn more about how these fraudsters entrap their victims as well as what the Social Security Administration has done and plans to do to get the word out to the public, consumer groups, businesses, and law enforcement at every level. We will also look at what should be done in response. In that area, I am pleased to note the late-breaking development that the Social Security Administration, working with the Office of the Inspector General and the Department of Justice, has recently filed civil suits and temporary restraining orders in two cases against five companies and three individuals. That is finally progress. I also look forward to asking the Inspector General about new enforcement activity to stop these harmful thefts. I appreciate all of our witnesses in joining in this effort. My hope is that our hearing today will help heighten public awareness about this scam because the best way for us to prevent this scam from ever again robbing seniors of their hard-earned savings is to prevent the scam from happening in the first place.

Thank you, and I am now pleased to turn to our Ranking Member, Senator Casey, for his opening statement.

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