

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

“Veteran Scams: Protecting Those Who Protected Us”

November 6, 2019

Good morning. Next week, Americans will honor our nation’s veterans who have paid the price for our freedom in times of conflict and served as our shield in times of peace. Today, nearly 20 million Americans have earned the title of “Veteran.” I am proud to say that Maine is home to more than 114,000 veterans, the second-highest percentage in our entire country.

We owe them such a great debt. The gratitude we express in words on Veterans Day can repay this debt only in small measure. A truly grateful nation must match its words with actions.

As we will learn today, one issue that calls for our immediate action is to fight a newer enemy facing our veterans, and that is those relentless con artists who seek to rob them of their life savings and defraud them of the benefits they have earned in service to our country.

Often, veterans fall victim to the same scams that this Committee has highlighted in recent years, such as the IRS imposter scam, the grandparent scam, the romance scam, the Jamaican lottery scheme, and identity theft. Veterans are disproportionately affected by these schemes. But there is also troubling evidence that some fraudsters are deliberately targeting veterans and they’re structuring their scams in order to reach our veterans.

For example, in a case we will hear more about today, fraudster Tammie Palasini set up an entity called the “Veterans Pension Planners of America.” Sounds legitimate doesn’t it? It was not. She used it to operate what is often referred to as an “aid and attendance scam.” Her pitch was that she could help veterans diversify their assets to get beneath the threshold to qualify for VA benefits if they released their assets to her so she could invest them on their behalf. Instead, she stole their assets and spent the money. All told, Ms. Palasini defrauded 78 victims out of \$2 million dollars before she was arrested and convicted on multiple state and federal charges.

Scammers also exploit public support for those who have served our country by creating fake charities that supposedly raise money for needy veterans, but instead funnel funds from generous contributors to greedy fraudsters. In one recent case, a con artist operating out of Michigan was convicted of stealing nearly \$200,000 from 36 victims who thought they were donating to charities benefitting veterans. Not only did the veterans never see a dime of this money, the fraudster added insult to injury by stealing the victims’ personally identifiable information to commit identity theft. Fortunately, through the very good work of the U.S. Postal Inspection Service, this criminal is now behind bars.

Other criminals promise to help veterans claim benefits from non-existent government programs, or they charge inappropriate fees for helping veterans apply for the benefits they've earned, or they exploit the sense of comradery that veterans feel for one another to gain their victim's trust and then swindle them out of their savings.

These regrettably are not isolated examples. Surveys show that more than three-quarters of our veterans have been contacted by con artists.

Given these facts, what action should we take to protect our veterans? Certainly, the cases we will highlight in this hearing show the value of aggressive prosecution. That sends a real message to other criminals out there that they will be pursued, they will be caught, and they will be brought to justice. But as this Committee has often noted, many con artists operate offshore, beyond the reach of our state and local law enforcement. And some veterans are simply too embarrassed to report that they have been scammed, although they shouldn't be because it can happen to anyone.

Instead, we must find ways to protect our veterans from scams before they become victims. Education is one way. That is one of the reasons we are holding this hearing today. Another is to build on the comradery veterans have for one another by bringing them together to provide "another set of eyes." The non-profit Vet2Vet Maine program shows how the trusted judgment of a fellow veteran can stop a scam before it starts.

Before closing, I want to note the recent GAO study that identified actions that the Veterans Administration can take to better protect veterans from "aid and attendance scams." According to GAO, the VA receives reports of potential fraud or exploitation, but it does not analyze this information to assess the prevalence of scams, inform its outreach efforts, or help law enforcement pursue these criminals. I believe that the VA should take a leading role in this fight. The Ranking Member and I, as well as other members of this Committee, will be writing to the Secretary of the VA to ask what steps the department is taking to assess the risk posed to our nation's veterans, and what can be done to protect them from fraud.

As Veterans Day approaches, we remember all those who served not just by honoring their service through our words, but also by the actions that we take. Veterans and their families have a right to expect that the nation they served will fight to protect them from unscrupulous individuals. As the AARP says in its bulletin, "They protected us. Now it's our turn."

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