



**TESTIMONY OF
TROY BROUSSARD
ON BEHALF OF
AARP**

**BEFORE THE
HOUSE COMMITTEE ON OVERSIGHT AND
REFORM
ON**

**“PROTECTING MILITARY SERVICEMEMBERS
AND VETERANS FROM FINANCIAL SCAMS AND
FRAUD”**

**July 13, 2022
Washington, DC**

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Chair Lynch, Ranking Member Grothman, and members of the Subcommittee on National Security, I want to thank you for the opportunity to testify today. My name is Troy J. Broussard, Senior Advisor of AARP's Veterans and Military Families Initiative, and I'm a proud United States Army Desert Storm veteran.

AARP has nearly six million members who have served or are currently serving in the United States military. It is an honor to share the depth of AARP's engagement to help veterans and military families fight back against criminal scammers who target them and where we believe Congressional action is needed.

AARP has a long history of supporting those who have served in the United States Armed Forces. We launched the Veterans and Military Families Initiative in 2018 to support this critical community's overall health and well-being as they navigate life's transitions.

Our Veterans and Military Families Initiative focuses on outreach, engagement, and programming around what we call the four pillars:

1. Caregiving;
2. Fighting Fraud;
3. Securing Employment; and
4. Connecting Veterans and Their Families to Their Earned Service Benefits.

Fraud Is on the Rise Across the Country

We are here today to talk about one of the key pillars of our work: fighting fraud. Scammers steal billions of dollars from unsuspecting consumers every year. The impact on victims and their families is far reaching and can be financially and emotionally devastating, especially for older Americans. Last year consumers reported \$5.9 billion in fraud losses to the Federal Trade Commission (FTC).

There are three fraud-related trends that are particularly troubling, which cut across different scams and demographics: use of gift cards, cryptocurrency, and internet safety. These tactics are the backbone behind most criminal schemes. Addressing these problems could be the most effective way to stop these criminals:

- *Gift Cards* – According to an AARP survey conducted earlier this year, one in three adults said they or someone they know had been asked at some point to purchase a gift card to pay a bill, fee or some other debt or obligation or to claim a prize. Roughly one in four adults who were contacted reported they bought the cards - approximately 13 million U.S. adults ages 18 and older. The availability of gift cards, the relatively high limits on the amount of money that can be added to cards, and the ability to access these funds instantly make them a weapon of choice for criminal scammers.
- *Cryptocurrency* – Cryptocurrency scams are accelerating and consumers have lost \$1 billion in the past year and a half according to the FTC. The vast majority of these losses

come from scammers asking their victims to pay with crypto – something that has been made easier by the proliferation of crypto automated teller machines (ATMs) which can be found in grocery stores and gas stations in every community in the country.

- *Internet Safety* – Consumers appear to be especially vulnerable online. According to 2021 FTC data, in approximately 19% of reported scams, contact with the victim came from online ads or social media. However, 64% of these targets resulted in the victim losing money. Comparatively only 9% of reported phone call scams resulted in the loss of money.

These scams range from fraudulent products to fake websites and online imposters. However, they all rely on an app, social media platform or search engine to reach their victim. The ease and relatively low cost of advertising on these platforms adds fuel to the criminal fire.

Impact of Fraud on Service Members, Veterans, and Their Families

AARP is keenly interested in the impact fraud has on veterans and their families. Last fall, AARP released a new research report titled [*Scambush: Military Veterans Battle Surprise Attacks From Scams & Fraud*](#). We found that veterans, active-duty service members and their families are 40% more likely to lose money to scams and fraud than other families. In addition, four in five active-duty military members and veterans were targeted by scams directly related to their military service and/or their service benefits.

I want to stress to the Committee how sophisticated and sinister con artists have become by highlighting for you the top three military service-specific scams that AARP’s research found facing our veterans and military on a regular basis:

- Fake veteran charities or causes (58%);
- U.S. Department of Veterans Affairs (VA)/home mortgage loan schemes (48%); and
- Bogus free medical equipment for service-related injuries (31%).

Scammers often use military jargon and specific government guidelines to craft an effective pitch to steal money from military members and veterans. Roughly one in three military members or veterans reported losing money to these types of service-related scams. Of those who lost money, the top scams reported include:

- *Benefit buyouts*: in which the veteran is convinced to turn over VA pension and/or disability benefits for a supposed lump-sum payment that never materializes (47%);
- *Fraudulent records scams*: in which the veteran is scammed into paying for updated personal military records (32%); and
- *Fake charitable giving requests*: in which donations are sought for fake veteran charities (32%).

Most recently, the FTC's latest Consumer Sentinel Network Data Book found military and veteran consumers lost \$267 million in 2021 to scams, fraud and identity theft – that's *more than double* the \$102 million reported lost in 2020. And unfortunately, for most of these unsuspecting members of the military and veterans community, the chance for restitution is slim-to-none because many criminal enterprises operate outside of the U.S., laws are outdated, or law enforcement is reluctant to prosecute.

Protecting Service Members, Veterans, and Their Families

On the education front, AARP is committed to fighting fraud against people of all ages and backgrounds through the AARP [Fraud Watch Network](#), [Fraud Watch Helpline](#), [BankSafe](#), and our most recently launched new, online digital platform: the [Veterans Fraud Center](#). We offer important information and free educational resources to help veterans, military, and their families fight back and protect themselves from coast-to-coast. AARP is also working with financial institutions and retailers to help them spot suspicious activity, and then take the right steps to stop it, which has saved an estimated \$116 million on behalf of consumers; and we also provide additional support to more than 100,000 victims each year.

Through our years of work on these issues, one thing has become very clear- education is a necessary component, but it is not sufficient to solve the problem.

We need systematic change that strengthens our laws at the federal and state levels, specifically in the areas of prevention, intervention and recovery. This includes:

- *Strengthening protections for consumers.* For example, the Fraud and Scam Reduction Act signed into law this year was a good start, as it works to improve the FTC's prevention and response efforts against senior fraud and scams by creating a new advisory group and office on the issue;
- *Encouraging intervention by institutions* in a position to stop fraud from being perpetrated, for example by making it easier for consumers to establish trusted contacts and addressing inequities in terms of new, fintech payment platforms that fraudsters tend to use more regularly; and
- *Improving prosecution of financial fraud and strengthening recovery policies* that provide a way for victims to recoup their financial losses and hold perpetrators accountable.

AARP looks forward to working with you on this critical mission to serve and support veterans and military families.

Thank you again Congressman Lynch and the Committee for allowing me to bring attention to this critical issue targeting veterans and their families. I appreciate the opportunity to provide testimony.