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FIGHTING FRAUD AGAINST THE ELDERLY, AN UPDATE

FRIDAY, OCTOBER 23, 2015

House of Representatives,

Subcommittee on Commerce, Manufacturing, and Trade,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 9:18 a.m., in Room 2123, Rayburn House Office Building, Hon. Michael C. Burgess, M.D., [chairman of the subcommittee] presiding.

Present: Representatives Burgess, Lance, Harper, Guthrie, Kinzinger, Bilirakis, Brooks, Mullin, Schakowsky, Kennedy, Butterfield, Welch, and Pallone (ex officio).

Staff Present: Leighton Brown, Press Assistant; James Decker,

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Policy Coordinator, CMT; Andy Duberstein, Deputy Press Secretary; Graham Dufault, Counsel, CMT; Melissa Froelich, Counsel, CMT; Paul Nagle, Chief Counsel, CMT; Olivia Trusty, Professional Staff, CMT; Dylan Vorbach, Legislative Clerk, CMT; Michelle Ash, Minority Chief Counsel, Commerce, Manufacturing and Trade; Jeff Carroll, Minority Staff Director; Diana Rudd, Minority Legal Fellow; and Ryan Skukowski, Minority Policy Analyst.

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Mr. Burgess. The Subcommittee on Commerce, Manufacturing and Trade will now come to order. And the chair recognizes himself for 5 minutes for the purpose of an opening statement.

First let me welcome our witnesses. This morning we will receive an update on the consumer protection efforts in place to address the fraud risk for America's seniors. As of July 2013, there are over 44 million Americans who are older than 65. That is almost 14 percent of the population. The population 65 and older, in the United States, projects to outnumber people younger than 18 for the first time in 2033, a mere 18 years from now. The median income of these households is over \$35,000 per year, and 71 percent report having a computer in their home.

The median net worth of seniors 65 and over is 25 times that of people under 35 years of age. The expanding population of older Americans and their relative wealth compared to other age groups increases the risk that someone will want to target them in scams. New technologies are everywhere. Each week a new smartphone or tablet is announced. New apps with new capabilities keep cropping up. Keeping up with new technology can be a challenge, particularly for seniors that are less familiar with technology or are retired and are not exposed to new technology at the workplace.

The risk of fraud cannot be underestimated. In the November issue of Consumer Reports, eight brave seniors came forward to tell

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their stories about being defrauded; in some cases, out of thousands of dollars, sometimes just in a matter of hours. This is all before family or law enforcement could be notified or intervene.

While fraud perpetrated by strangers against the elderly is not the only type of abuse against the elderly, it does represent 50 percent of the reported cases. That is why the hearing today is so important. Even where there is no silver bullet, it is critically important for the subcommittee to understand what government agencies, what the media, what universities, and what private groups are doing, to empower seniors to protect themselves for fraud and to help them recoup losses if they are targeted. And we need to figure out how our enforcement agencies can devote more resources to the problem. There are few more important issues when it comes to fraud and consumer protection.

The chair now recognizes the subcommittee ranking member, Ms. Schakowsky, for 5 minutes for an opening statement, please.

[The prepared statement of Mr. Burgess follows:]

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Ms. Schakowsky. Thank you, Mr. Chairman, for holding this hearing on preventing fraud against seniors. I really appreciate the focus on this topic. I look forward to hearing from our witnesses. I want to particularly thank a fellow Chicagoan, Robert Harris, for being here. Mr. Harris is the Cook County public guardian, and he is leading the fight to protect the elderly against fraud and deception in my hometown.

As a long time consumer advocate, and now the co-chair of the Congressional Task Force on Seniors, for the Democratic Caucus, I am committed to ensuring that seniors benefit from strong consumer protections. More now than ever this subcommittee ought to be helping, and we are beginning that process today, to ensure that elderly Americans are protected against fraudsters.

Seniors represent the fastest growing segment of our population. Since 2000 the number of seniors has grown about 30 percent while the population overall just increased 10 percent. More than one in four seniors who lives alone has difficulty with activities of daily living or some cognitive impairment.

According to the FBI, seniors generally have higher net worth, a tendency to be trusting, and are less likely to report fraud. All of this makes the elderly prime targets. We have seen an uptick in the number of products and services that are targeted toward the elderly, including anti-aging products, health-related products,

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prize promotions, and reverse mortgages. I am incredibly concerned about the risks posed by those products and services. Not necessarily that all of them are fraudulent, but that we need to be careful.

I want to know what trends our witnesses are seeing, hear their policy and public engagement prescriptions for combatting fraud, and learn how we can help you in protecting the elderly.

I would also like to say that if this Congress is truly committed to rooting out senior fraud, we should start by providing adequate funding to the CFPB, the Consumer Financial Protection Bureau, the Federal Trade Commission, and other agencies responsible for protecting seniors. Stopping fraud should not come at the cost of adequately overseeing financial services, industries, appropriately monitoring corporate data security, and privacy policies.

Yet, unfortunately, the Republican budget would eliminate mandatory funding for the Customer Financial Protection Bureau, and cut funding for the FTC more than three percent from the previous year. With those entities responsible for protecting more seniors from more threats each year, it is hard to see how that's proposals are anything but anti-senior. I hope this hearing is the beginning of a collaborative process that will yield real benefits to senior citizens. Our senior population and their families deserve no less.

Again, I thank the witnesses for appearing today. I thank the chairman for this hearing, and I look forward to gaining from your

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insights.

Mr. Burgess. Does the gentlelady yield back?

Ms. Schakowsky. And I yield back.

Mr. Burgess. The gentlelady yields back. The chair thanks the gentlelady.

[The prepared statement of Ms. Schakowsky follows:]

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Mr. Burgess. The chair asks if there are other members on the Republican side who seek time for an opening statement?

We will temporarily conclude with members' opening statements. There may be additional members on either side that may yet arrive at the committee, and we would like to give them time. Because we do know there is another subcommittee hearing going on this morning and people are toggling in between.

For the members who are here, the chair reminds members that pursuant to committee rules, all members' opening statements will be made part of the record. To be respectful of everyone's time -- the chair, then, is pleased to recognize the ranking member of the full committee, Mr. Pallone, 5 minutes for the purpose of an opening statement.

Mr. Pallone. Oh, you shouldn't wait for me, Mr. Chairman.

Mr. Burgess. So noted. It will never happen again.

Mr. Pallone. Seriously, you shouldn't. I want to thank you and the ranking member for holding today's hearing on ways to protect our seniors from fraud.

As we have seen far too often each year, fraud affects consumers of all ages, and the perpetrators of scams remain highly adept at avoiding the consequences of their criminal acts. Seniors, however, are a fast growing segment of our population and the threats to their financial security, can mean billions of dollars in stolen assets if

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we let them fall prey to scammers.

Today's seniors are living longer, more active lives and possess greater wealth than previous generations of seniors. These are obviously encouraging trends, but also represent opportunities for abuse to occur. Seniors are inundated with advertisements that promote fraudulent work-from-home arrangements, computer repair, anti-aging products, and many others. They are also targeted disproportionately for certain scams like those involving prize promotions, health-related products and services, and reverse mortgages.

In addition, more active lives increasingly means active on the Internet where a significant number of scams originate, according to the FTC. Moreover, certain types of harassment such as being constantly bombarded with telemarketing scams and feeling the need to stop answering the phone, can lead to feelings of isolation for our seniors. Most troubling, we also are seeing a rise in abuse, particularly financial in nature, committed by those closest to seniors, including family, friends, caregivers. Or other trusted advisors. Seniors who are victimized are often hesitant to report crimes to law enforcement either out of embarrassment or fear of retribution from their abuser. Others may simply be unaware of a crime committed against them.

A number of Federal agencies stand ready to assist State and local

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services in combatting fraud against seniors. The FTC and the Consumer Financial Protection Bureau both play a key role in collecting data, educating consumers, and taking enforcement actions against the perpetrators of financial exploitation. And as often is the case, much of the day-to-day fighting against fraud is occurring at the State and local levels.

I look forward to hearing from those witnesses today about what is working and where we can improve our response to fraud against seniors. Our seniors and the savings they have worked so hard build over the course of their lives are at stake. And some seniors have seen their nest eggs wiped away, never to return. We need to ensure that all levels of government are doing what they can and have the tools they need to prevent these devastating scenarios. We owe this commitment to our seniors.

I just wanted to say, when I graduated from law school, for a couple years I was actually -- I worked for an agency in New Jersey called Protective Services for the Elderly. And when I was in the State legislature, we actually put together a bill that Governor Cane, who was a Republican signed, that basically set up a program protecting the elderly from fraud and abuse. So I am particularly -- I haven't really been involved as directly since then. That is a long time ago. But it is always something that I worry a great deal about and I was actually involved with on a day-to-day basis.

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So thank you, Mr. Chairman.

Mr. Burgess. The gentleman yields back. The chair thanks the gentleman.

[The prepared statement of Mr. Pallone follows:]

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Mr. Burgess. Now, we will turn to our witnesses. We do want to thank them for being here with us this morning and taking time to testify before this subcommittee.

Today's hearing will consist of two panels. Each panel of witnesses will have an opportunity to give an opening statement, followed a round of questions from members. Once we conclude with questions of the first panel, we will take a brief recess to set up for the second panel.

Our first witness panel for today's hearing includes Mr. Daniel Kaufman, deputy director of the Bureau of Consumer Protection at the Federal Trade Commission; Ms. Stacy Canan, deputy director of the Office of Financial Protection for Older Americans at the Consumer Financial Protection Bureau; and Mr. Robert F. Harris, public guardian of Cook County, Illinois.

We appreciate all of you being here today, and we will begin the panel with you, Mr. Kaufman. You are recognized for 5 minutes for an opening statement, please.

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STATEMENTS OF DANIEL KAUFMAN, DEPUTY DIRECTOR, BUREAU OF CONSUMER PROTECTION, FEDERAL TRADE COMMISSION; STACY CANAN, DEPUTY DIRECTOR, OFFICE OF FINANCIAL PROTECTION FOR OLDER AMERICANS, CONSUMER FINANCIAL PROTECTION BUREAU; AND ROBERT F. HARRIS, COOK COUNTY PUBLIC GUARDIAN.

STATEMENT OF DANIEL KAUFMAN

Mr. Kaufman. Thank you. And good morning, Dr. Burgess, Ranking Member Schakowsky, and members of the subcommittee. I am Daniel Kaufmann, deputy director of the Bureau of Consumer Protection at the Federal Trade Commission. And I am delighted to appear before you to provide an overview of the fraud threats to older Americans, and the FTC's actions to address them.

Combatting fraud is a critical component of the FTC's consumer protection mission, and virtually every law enforcement case that we bring affects older Americans. We have adopted a multi-faceted approach in our battle against fraud that targets older consumers or injures them more than others. And that includes aggressive law enforcement, policy initiatives, and consumer education and outreach.

To address such fraud effectively, the FTC monitors fraud trends by examining data gathered from consumer complaints and surveys, and collaborating with others in law enforcement, industry, academia, and

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legal services.

Through our extensive law enforcement experience and efforts to track fraud trends, we have identified practices affecting seniors in several discrete areas. And our consumer complaint data shows that for 2015, older Americans complained primarily about government and business imposter scams, telemarketing, technical support scams, and sweepstakes and lottery scams.

While our consumer survey shows that older Americans are not necessarily more likely to be defrauded than younger consumers, the FTC has nevertheless focused on scams involving seniors. For example, in recent years, we have concentrated our law enforcement efforts on technical support and healthcare-related scams. Fraudsters frequently claim affiliation with well-known businesses or government agencies to build trust with consumers, and often use robocalls and spoof caller IDs to reach as many people as possible.

In the last year, the FTC has filed three cases against defendants engaged in technical support scams where con artists tricks consumers into purchasing technical support services and products, purportedly to fix problems on their computers. In fact, the computer problems are nonexistent and the defendants have caused millions of dollars in injury to older consumers. The FTC's actions are crucial in halting these practices.

Similarly, the FTC has filed multiple cases against fraudsters

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that have used deceptive practices to sell healthcare-related products and services to older Americans, such as medical alert systems, pharmaceutical benefits, and fake information regarding Medicare benefits. In all of these cases, the fraudsters pretended an affiliation with a consumer's friend or family member or with a well-known bank or government agency in order to gain consumers' trust.

Our law enforcement efforts have banned defendants from telemarketing, making robocalls, selling healthcare-related products or debiting bank accounts, and we have recovered money for consumers.

We have also sued money transfer services that are commonly used in scams that target older Americans. And our coordination with State, Federal, and international partners is as strong as ever. Indeed, some of the individuals sued by the FTC for defrauding elderly consumers have been prosecuted criminally.

Finally, consumer education and outreach are indispensable. In 2014 we launched an innovative and successful education effort called Pass It On that is aimed at older active consumers. Pass It On arms seniors with important information regarding topics such as imposter and healthcare scams, charity fraud, and identify theft that they can pass on to family and friends who might need it.

The FTC has an ongoing and sustained commitment to protecting older Americans by pursuing robust law enforcement, important policy work, and innovative consumer education and outreach.

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I look forward to any questions you may have.

Mr. Burgess. The chair thanks the gentleman.

[The prepared statement of Mr. Kaufman follows:]

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Mr. Burgess. Ms. Canan, you are recognized for 5 minutes for an opening statement, please.

STATEMENT OF STACY CANAN

Ms. Canan. Thank you. Thank you, Chairman Burgess.

Mr. Burgess. Would you please check to see if your microphone is on.

Ms. Canan. Thank you. Can you hear me now? Great.

Thank you. Thank you, Chairman Burgess, Ranking Member Schakowsky, and distinguished members of the subcommittee for this opportunity to speak with you today about the devastating problem of elder financial exploitation.

My name is Stacy Canan. I am the deputy assistant director in the Office for Older Americans at the Consumer Financial Protection Bureau. Our office is dedicated to providing older consumers with the tools they need to protect themselves from financial abuse and to make sound financial decisions.

The evidence is clear, older Americans have assets that make them attractive targets of fraudsters. In 2011 the cumulative net worth of consumers age 65 and older was approximately \$17.2 trillion. Older adults are victimized by a range of perpetrators, including scam artists, family members, caregivers, financial advisors, home repair

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contractors, and even court-appointed guardians. A national study found that an estimated 5.2 percent of Americans 60 and older are exploited by a family member. Other studies show that most incidents of financial abuse go unreported and under the radar. Once the fraud occurs, of course, older Americans have little time and few resources to recoup lost savings.

To address these serious challenges, we recognize that collaboration is critical. Among other things, the bureau participates, along with 11 other Federal agencies, in the Elder Justice Coordinating Council. The council fosters coordination of Federal agencies. For example, many of our initiatives support council recommendations. And this year the CFPB and the SEC jointly issued a consumer advisory on planning for diminished capacity and illness. The bureau also works on education initiatives with non-profits, community organizations, and industry groups, such as the Financial Services Roundtable and Meals on Wheels America.

I would like to tell you about a few of our initiatives to combat elder financial exploitation. One is the Money Smart for Older Adults Program which we developed jointly with the FDIC. Money Smart is a train the trainer curriculum that teaches consumers and their caregivers about different types of fraud, scams, exploitation, and provides warning signs and tips that is used by a broad range of intermediaries, including State and local governments, non-profits,

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and financial institutions.

In October 2013, we released Managing Someone Else's Money Guides. They assist people who are managing the finances for a family member or a friend who is unable to pay bills or make financial decisions. Many older Americans experience declining capacity to handle finances, which make them very vulnerable to fraudsters.

Twenty-two percent of Americans over age 70 have mild cognitive impairment. Even mild cognitive impairment can reduce an older person's ability to detect fraud or a scam, thereby necessitating the need for a surrogate to handle their money. The guides that I mentioned are user friendly how-to guides that explain the fiduciary's responsibilities and how to spot scams and exploitation.

In 2013 the CFPB and seven other Federal agencies released interagency guidance to provide financial institutions with certainty about the legality of reporting suspected financial exploitation. The guidance encourages timely reporting to law enforcement, adult protective services, and other Federal and State and local agencies. The bureau also has additional resources that help protect older Americans against fraud. Ask CFPB is an interactive online tool that helps consumers find clear unbiased answers to their financial questions. It has served more than eight million visitors since March 2012.

We also accept consumer complaints by phone, mail, fax, and

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through our Web site. As of September 30, 2015, the bureau handled over 726,000 complaints, of which approximately 63,000 were submitted by or on behalf of a consumer 62 years and older.

Congressional leadership and support is critical to implementing a multi-faceted solution to the serious problem of elder financial exploitation. We therefore commend this subcommittee for holding this hearing and look forward to continued information sharing with interested parties and stakeholders. Thank you very much.

Mr. Burgess. The chair thanks the gentlelady.

[The prepared statement of Ms. Canan follows:]

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Mr. Burgess. Mr. Harris, you are recognized for 5 minutes for an opening statement, please.

STATEMENT OF ROBERT F. HARRIS

Mr. Harris. Good morning, Dr. Burgess, chairman of this committee, Ranking Member Congresswoman Schakowsky, and members of the Commerce, Manufacturing, and Trade Subcommittee.

My name is Robert Harris, and I am a lawyer, and I am the Cook County Public Guardian in Chicago. I was appointed in 2004 by the chief judge of the Circuit Court of Cook County to act as the guardian for people with Alzheimer's and dementia.

I am here today to discuss the issue confronting hundreds of people under my guardianship who have severe forms of dementia and Alzheimer's and have been financially exploited. My office serves approximately 600 people right now as the guardian of last resort for people without family or others to care for them. The average age is 72, the oldest is 103, and around 70 of them are over 90 years old. Our goal is to maintain them in their own homes or in a community setting. And for approximately one-third of those people, we are able to do so with their own assets.

At this point, most of them have bought homes, saved money for their golden years. Unfortunately, there are people who view them as

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potential victims. And the problem is so widespread that at least a third of our intake cases have some form of financial exploitation. It doesn't matter if they have large estates worth over a million dollars or if they simply have a house that is worth \$25,000.

Another unfortunate fact is the exploiters can be anyone. Family members, agents acting under their power of attorney, bank tellers, attorneys, clergy, caregivers, long-time friends. We have had cases involving police officers, and strangers and others who either have or obtain a position of trust for the elderly victims.

To combat and recover assets, stolen from the people we serve, we do several things. We work with law enforcement, adult protective service agencies, and fraud protection departments of financial institutions. We work with the media to shed light on the problem within the public, and we speak at various community organizations to educate their constituents about the problem.

One of our strongest and chief tools that we use is development of a financial recovery unit that we call FRU. We have three full-time attorneys who file citation actions pursuant to the Illinois Probate Act and other causes of action to recover stolen, converted, embezzled, or concealed assets. Over the past 10 years that we have worked on this particular issue, the unit has recovered almost \$50 million in money, houses, and other properties for the people under my guardianship to be able to use for their care to maintain them in the

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community.

The types of scams that we see include, executing fraudulent deeds, unduly influencing the elderly individual to sign off over their property, or using a power of attorney to empty their bank accounts. The almost \$50 million that we have recovered for people under my guardianship is just the tip of the iceberg. And I am sure that it is only a tiny fraction of the money that individuals have been exploited of, in and around Chicago.

Some of our suggested solutions are, to help local governments establish offices such as mine, or legal clinics to establish practices that help people who have been exploited. Whether they come into the court system or whether they simply need help and aren't involved in a Probate Court case.

Educate seniors in the public regarding the dangers of financial exploitation through community organizations, and places of worship and community centers, and resources that might be available to them. To utilize organizations like the National Guardianship Association to play an important role by promoting standards best practices for guardians and probate courts, by providing education and training and provide advocacy on the issue that impact seniors including elder use and financial exploitation.

Develop court systems and processes that don't work against seniors and consider the urgency of time for the elderly, such as the

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probate and the Elder Lawyer and Miscellaneous Remedies Courts in Chicago. Because many exploiters simply try to wait out the life span of the elderly victims.

You have the written materials that I have submitted that are premised large part on an article that my deputy public guardian, Charles Golbert wrote for Van der Plas Publishers, and I would be happy to share our experiences with individual cases.

Mr. Burgess. The gentleman yields back. The chair thanks the gentleman.

[The prepared statement of Mr. Harris follows:]

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Mr. Burgess. And thanks all of our witnesses for your testimony. And we will move into our question portion of the hearing. I will begin the questioning by recognizing myself for 5 minutes.

Mr. Harris, I just have to ask you, and, I mean, I learn so much in this subcommittee. A fraudulent deed? What happens with that? Someone comes door to door and says: I will sell you some property?

Mr. Harris. Well, no, actually what they do sometimes is they do quitclaim deeds from the person, the elderly person. They forge those deeds, write their own names in, or deed it to a third party. And then they record it against the property. And sometimes those elderly people never know about the crime, and then one day someone shows up and they no longer own their homes.

Mr. Burgess. Someone has purchased the home?

Mr. Harris. Actually, they have not purchased the home, they have just developed a deed and recorded it against their property.

Mr. Burgess. And you are able to intervene on behalf of that person?

Mr. Harris. Oh, yeah. Well, what happens is, if a case is referred to our office and the person qualifies, first of all, they have to have a cognitive impairment that is severe enough to qualify for our services, we would file something like a citation action to recover their property that has been wrongfully taken from them.

Mr. Burgess. Are there other people within your county who

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would, if someone wasn't suffering from a cognitive impairment, where that could be remedied?

Mr. Harris. Yes. There is a Legal Assistance Foundation that we have in Chicago that also have a fraud department, and there are a couple of attorneys that work on cases for people who don't have guardians. Sometimes they are referred to us if there is a need for a guardian. But often they just have people that walk in.

But the office is very small. And one of the biggest issues I think that we are confronted with are not just on the deed, the fraudulent deed cases, but some of the people that we work with make the worst witnesses because of their cognitive impairment, whether this is severe or not. And so they need more help. Sometimes these are very intensive, document-intensive, financial-intensive cases that requires a lot of work and detail.

Mr. Burgess. Thank you.

Mr. Kaufmann, thank you for being here this morning. And certainly I want to thank the FTC for always been willing to come and talk to our subcommittee and having us over to your offices earlier in the year, and having me to your regional offices down in Dallas, and that was all very helpful and I have learned about a number of resources that are available.

Let me just ask you a question about your involvement when you have a foreign agency involved, a telemarketing scheme, something

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called the Jamaican Lottery, which I am not sure I understand what it is, but what enforcement tools do you have to be able to put a stop to these practices, and what have you learned about multi-jurisdictional enforcement?

Mr. Kaufman. Thank you for the question. Multi-jurisdictional enforcement is challenging. There are impediments when fraud is emanating from overseas to the United States. The tools that this committee have given us is the U.S. Safe Web Act have provided assistance, but we have also worked closely and built stronger relationships with law enforcement authorities in other countries, in Canada, in the United Kingdom.

If we talk about Jamaica, we have seen a lot of prize and lottery scams in particular emanating from Jamaica. And we have a specific group who are involved in called JOLT, which is a number of law enforcement agencies in the United States and Jamaican authorities to help assist the Jamaicans in prosecuting these kind of cases there, as well as prosecuting cases in the United States. But there are challenges with these issues.

Mr. Burgess. Let me ask both you and Ms. Canan, what do you have at your disposal for spotting trends so that you might anticipate if something is happening in one location that it might metastasize or migrate to another location? Are there tools that you have where you can keep track of things that are popping up on the radar screen?

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Mr. Kaufman. Absolutely. Our primary tool, I would say, is our Consumer Sentinel Database. We get complaints from many consumers. We also get complaints from many other law enforcement agencies and entities such as the Better Business Bureau, and we routinely track, analyze, and look for trends and look for increasing spikes in order to find targets to pursue.

Mr. Burgess. And Ms. Canan, at the CFPB?

Ms. Canan. Yes. And I mentioned in my testimony that we have a consumer response department where we accept complaints from consumers. And our office, the Office for Older Americans, we look at the complaints that are submitted by and behalf of older consumers routinely and look for trends and spikes as well.

Some of the, you know, the information that we cull from the complaints, if appropriate, we send to our enforcement division. We also will develop education materials, depending on what we find.

Mr. Burgess. Well, part of the purpose of having this hearing, or course, is the expository nature of the services that you all have. I will tell you, as a regular guy, when I was caring for my parents as they aged, I had no idea about the types of services that were available, nor would I have been completely cognizant of the risks that were out there.

And looking back on 10 or 15 years ago, I realize there were probably some near misses. But I really hope what this subcommittee

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hearing does today is make people, number one, aware of the problem, and, number two, aware of where they can go for help if they think they have been victimized.

I yield now to the gentlelady from Illinois, the ranking member of the subcommittee.

Ms. Schakowsky. Thank you, Mr. Chairman, and I appreciate your last comment. And hopefully we really can work together to drill down on this.

I wanted to ask Mr. Harris a question. You said that you are guardian for 600 people. How do those people get to you? How does that happen?

Mr. Harris. We often have referrals from judges. A senior will come into a housing court and have an issue, and we will be called by a judge. Law enforcement. We have had referrals from banking institutions as well. Neighbors. All sorts of people.

Ms. Schakowsky. So would you estimate that there are a lot of people out there who do not have the benefit of your guardianship?

Mr. Harris. Yes. I do. A lot of people who either are fearful, and there is a lot of people out there that are fearful even to call our office, because they believe that the government stepping in is going to be a bad thing for them.

So I think that if there is an appropriate person out there, a friend or a family member that can help them, I think that is always

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the preferable way to go. But I think we do offer some services that specifically are FRU unit that is able to help people that is unlike probably any other organization in our city and our State.

Ms. Schakowsky. You had said that a third of the people, so that would be about 200 of those, are victims of some form of exploitation, financial exploitation. Did you say by families?

Mr. Harris. By family members. But often it is a lot of other people. There is a lot of strangers that do it, but there is a lot of people that hold great positions of trust that end up doing it, and unfortunately it can be a family member.

Ms. Schakowsky. Yeah. I am wondering if you could describe some of the types of financial exploitation that seniors under your care have experienced.

Mr. Harris. Sure. I remember a young lady -- young lady to me. She is older, but she is still young in spirit -- who was exploited by a woman who styled herself as her personal banker. She would go to the same bank downtown Chicago, large banking institution, for years. She worked for R.R. Donnelley, which used to be a company that produced books and other things in the city. And she and her husband had amassed a small amount of money, about \$300,000. This person, she befriended her, would sit down with her every time she came into the bank. She started to rely on her to write checks for her bills, and she ended up taking about \$300,000 from her. The bank called us, and

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we ultimately, after a little contentiousness, we ultimately were able to recover the money from her.

But we have also had people who have been exploited who have gone to the hospital. Elderly gentleman, 90 years old, who had gone to the hospital, met a CNA at the hospital, who ended up volunteering to become his caregiver, who then stole about \$500,000 from him. Those are just some of the cases. We have had all kinds of cases similar to that.

Ms. Schakowsky. You know, some of these are so personal. And I think -- I don't know if all of you have, but I know Mr. Kaufmann and I think Ms. Canan also said, a lot of people don't report it. And I would think when families are involved that it becomes even more difficult. How can we -- maybe this is for all of you -- encourage people to protect themselves to actually report when family or a former trusted friend has clearly exploited them? How do we break through that?

Mr. Kaufman. Sure. I think a couple things. First, we would obviously love to have the committee members providing information on their Web sites and to their constituents about the resources we provide. It is very important to help us get the word out, and we would like the committee to assist us.

For us, our campaign Pass It On is premised on the notion that it is senior citizens helping other senior citizens and spreading the word out, and not being ashamed to talk about frauds that have happened,

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and to protect each other. So that has been the focus of our consumer education, is sort of breaking that barrier and getting seniors to talk about it with each other.

Ms. Schakowsky. Let me ask you -- did you have something, Ms. Canan?

Ms. Canan. Well, I was just going to say that similar to the FTC, we are out and about and encouraging the reporting of abuse. It is something that really needs almost a mass media attention to.

We have the Money Smart for Older Adults, train the trainer program that we are out and about, and with intermediaries training people constantly about how to spot and intervene and report when fraud is observed.

Ms. Schakowsky. Do you partner with senior citizen organizations like AARP and --

Ms. Canan. Yes. So we are a very small office with 57 million constituents. So the only way that we could effectively do our job is if we connect with service providers, State, local government entities, other Federal partners in order to -- you know, with organizations that are on the ground providing services to seniors. And many of them will engage in the Money Smart training for their clientele.

Ms. Schakowsky. Mr. Chairman, can I ask one short question in addition?

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I wondered, Mr. Harris, does the State attorney general have any role in helping your office with financial exploitation?

Mr. Harris. Yes. In terms of some of the bigger cases, people who do systemic exploitive things, they do get involved, file lawsuits, as does the U.S. Attorney's Office as well.

I have to say that to me one of the biggest tools that we can use, is to get to the smaller community groups, to go to churches, to go to synagogues, to go to other places. We work with a small agency on the West Side of Chicago called South Austin Coalition. And they, you know, they know the people. They bring folks like myself in, and these two people here from their organizations to come and talk to the various smaller groups. I have generated certain cases where we have been able to help people from those groups.

Because I am not sure how much some of the folks on the West Side, the South Side and some of the North Sides of Chicago are looking at like bigger media attention on something like that or reading some of the brochures that are really geared toward helping the seniors. So it is as simple as you can get it and as grass roots as you can get it. I think that is probably the most effective tool that I have seen, to help.

Ms. Schakowsky. Let me just say I would really like to meet further with all of you and talk about ways that we can partner on this. And I look forward to the committee following up on this. Thank you.

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I yield back.

Mr. Burgess. The chair thanks the gentlelady. Gentlelady yields back.

The chair recognizes the vice chairman of the subcommittee, Mr. Lance from New Jersey, 5 minutes for your questions, please.

Mr. Lance. Thank you, Mr. Chairman. And my thanks to all the distinguished panel for being here.

I hear from constituents all the time about being bombarded with robocalls from scammers who have spoofed their phone numbers to look like a local call or like a State or Federal agency in order to scam them out of personal and financial information. Indeed, yesterday my wife received such a call in New Jersey. Someone claiming that we were in arrears with the Internal Revenue Service. And she chose quite appropriately not to return the telephone call. She telephoned me, and our office looked into the telephone number, and it was a someone who was scamming constituents, I would imagine, across the country.

I have introduced a bill with Grace Meng of New York City, from the Great Borough of Queens in New York City, a Democrat, and Chairman Emeritus Barton of this committee, called the Anti-Spoofing Act of 2015, and I would encourage colleagues to examine that bill, and it would target caller ID spoofing and specifically expand protections of the Communications Act of 1934 to include spoofed text messages and voice over IP calls.

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Mr. Kaufmann, the FTC runs a do-not-call list. Would you please explain in detail, what my constituents and others who are on the list, should do if they believe they are being called by scammers or organizations in violation of FTC protection?

Mr. Kaufman. Sure. Thank you for the question. Robocalls are a huge challenge. The first word of advice we provide to consumers if you receive one, hang up. Don't provide any information. Just hang up.

Mr. Lance. Yes. I hope those who are viewing this hearing will take that to heart. Do not respond to such a call.

Mr. Kaufman. The technology issues are challenging, and it has become very inexpensive to blast millions upon millions of phone calls. You know, we are bringing law enforcement actions, but the cases are challenging. The caller IDs are spoofed. It makes finding the perpetrators pretty challenging.

One thing we have done at the FTC that is pretty innovative is, we have issued a number of different public challenges, to get people in the technology community interested in the issue of robocalls, in helping to figure out ways to block calls. We have had four separate events that have been successful, and it is something we are continuing to pursue. We also, again, hang up on the calls, get yourself on the do-not-call list, and we continue to work hard in this area.

Mr. Lance. Thank you. In one of the counties I represent in New

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Jersey, residents were being telephoned by those who claimed to be from the county sheriff's office. This is clearly inaccurate, fraudulent, and the sheriff of that county, the sheriff of Somerset County, New Jersey has taken appropriate action. But this happens quite frequently.

How do the FTC and the FCC coordinate to combat these scams?

Mr. Kaufman. We coordinate quite well with them. We have frequent phone calls. We are careful that we are not overlapping in terms of the law enforcement actions. And we try to harmonize our processes and our implementation as well as we can.

Mr. Lance. Thank you.

Mr. Harris, I am interested in your office. I do not know much about it. As I understand it, you are appointed by the chief judge of the circuit Court of Cook County. Is that accurate?

Mr. Harris. That is correct.

Mr. Lance. And is that true in all of the counties in Illinois, or only in Cook County with several million people?

Mr. Harris. Actually, it is only in Cook County that there is a public guardian like myself. The other public guardians are appointed by the governor.

Mr. Lance. By the governor in the various counties or are there jurisdictions?

Mr. Harris. It would be in the various counties, which becomes

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a problem sometimes in downstate because some of the counties are so small.

Mr. Lance. Yes. Yes. And then do you report to the Circuit Court of Cook County? How does that work?

Mr. Harris. Yes. I act under the auspices -- obviously I am an appointed person on each one of my cases, and so we have to report to the court on an annual basis. We file inventories. We also file a yearly accounting and kind of a goings-on of the wards. Kind of a social on what we have done with the wards. We also file a yearly annual report with the Cook County commissioners.

Mr. Lance. Thank you. Well, very good luck with your continued work. It is certainly a matter of strong public policy as well as the other members of the panel.

I yield back the balance of my time.

Mr. Burgess. The gentleman yields back. The chair thanks the gentleman.

The chair recognizes the other gentleman from New Jersey, the ranking member of the full committee, Mr. Pallone, 5 minutes for your questions, please.

Mr. Pallone. Thank you, Mr. Chairman.

I wanted to ask Mr. Kaufmann, a variety of consumer scams emerge during tax filing season, one of which is a phone call from a person who falsely claims to represent the IRS. I think that is what my

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colleague --

Mr. Lance. Would the ranking member yield for a moment? This happened to me personally, my wife personally, yesterday. Yesterday.

Mr. Pallone. I thought you were saying that when I walked in, but I wasn't sure. Thanks.

So, you know, this person threatens the victim with arrest, deportation, or suspension of a license if an amount of money is not paid immediately. And these scammers are very aggressive and may use personal information about the victim to seem legitimate. And it definitely has affected many constituents in my district. I mean, I am not making this up. People have, including seniors, one of whom was recently threatened with a home foreclosure if they didn't pay a specified amount.

So, Mr. Kaufman, I would like my constituents to be prepared when they receive a phone call from an IRS imposter. Can you confirm that an actual IRS agent would never call to demand immediate payment, ask for credit or debit card numbers over the phone or threaten arrest for not paying?

Mr. Kaufman. Yes. I can absolutely confirm that. Those are imposter scams and consumers should hang up and not provide any information.

Mr. Pallone. All right. I appreciate that. I am probably going to repeat what you just said, just so we don't -- you know, so

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people understand that in my district.

I wanted to ask also about reporting incidents of elderly fraud. Many consider financial exploitation to be a silent crime because victims are often too ashamed or embarrassed to report what has happened. Additionally, it can be challenging for many seniors to serve as a criminal witness, and law enforcement officials regularly identify lack of reporting and the difficulty obtaining relevant data as challenges to both identity and to combat elder financial exploitation.

So, Mr. Kaufman, can you explain the role the Consumer Sentinel Network Database plays in combatting senior financial exploitation? Are there any challenges the FTC faces with respect to the database, and what steps need to be taken to increase both the use of the database and reporting of senior financial exploitation in general?

Mr. Kaufman. The database is a very important tool for law enforcement agencies, and we continue to develop it and improve it. We have some enhancements in the works right now. But it really is a tool for law enforcement agencies throughout the country to have access to our millions of customer complaints, and to look for trends and to look for specific areas they might be interested in. It has been a very effective tool and many of our cases -- many, many of our cases have originated from complaints that we have received and that are in our Consumer Sentinel database.

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Mr. Pallone. Okay. Let me ask Ms. Canan, can you give us an update on the Consumer Complaint Database at the CFPB, how many complaints do you receive, what types of fraud are you seeing, and how has this information been useful to you in developing policy proposals?

Ms. Canan. Well, I will say that we know that there have been in excess of 63,000 complaints that have been submitted by consumers 62 and older, since we began accepting complaints. What we do is we cull through them. We look at them to see how older consumers are faring in the marketplace. We know from looking at the complaints that there are many older consumers who are having difficulties with their mortgages and with debt collection. Those are the two largest areas that older consumers are complaining about. Which, by the way, is not unlike their younger counterparts. There is often a misconception that older consumers are not engaged fully in the marketplace. That simply is not true. And that is borne out by the complaints that we see.

Our consumer response section for complaints, of course, is focused on consumer products and services which is what the bureau focuses on. However, consumers also add narratives into their complaints, and we have the opportunity to find instances of financial exploitation, of stories that are related to that, in the complaints as well.

Mr. Pallone. All right. Thank you very much.

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Thank you, Mr. Chairman.

Mr. Burgess. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes the gentleman from Mississippi, Mr. Harper, 5 minutes for questions, please.

Mr. Harper. Thank you, Mr. Chairman, and thanks to each of you for being here. And we certainly have a lot of issues that need to be discussed.

I know this will come as a surprise, but we do some bipartisan work on occasion. So I, along with Representative Castor, have introduced legislation in July, H.R. 3099, the Raise Family Caregivers Act, which would implement the bipartisan recommendation of the Federal Commission on Long-Term Care that Congress require the development of a national strategy to support family caregivers, similar in scope to the national strategy developed to address Alzheimer's disease.

The bipartisan legislation would require the development, maintenance, and updating of an integrated national strategy to recognize and support family caregivers. I think this is an underreported issue. Unless you are living in the middle of it, a lot of people don't understand what is going through. My mother is almost 92. We are going through issues with sitters and ourselves trying to take care of her and deal with those issues. And it is a difficult problem for a lot of families.

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And we deal with constant -- and I can just tell from personal experience, for a number of years we had phone calls, you know, credit card offers, switch your credit card over here, do this, change your phone service to the cable. And then you don't like that and you can change back and we would lose her phone number. So we finally were able to get to the point, and hopefully this would be something to do to help the families that are doing this is to tell that person to say: I won't do anything until you talk to so and so, my son, my daughter, my trusted family member. And those things, you know, sometimes will help.

But this is a question for Mr. Kaufmann and Ms. Canan as well. I am interested in whether your agencies have focused on the caregiver's role in protecting the elderly from fraud. And you mentioned some, but do you have particular educational materials or guides for these caregivers and others in a fiduciary position to seniors, and how are lawyers and financial institutions dealing with the risk of fraud against their elderly clients? Mr. Kaufmann.

Mr. Kaufman. Sure. At the FTC we have a wide range of consumer materials available. We have got materials that are focused specifically, 14 years, our Pass It On campaign has been highly effective for seniors. But I think the CFPB has more materials on specifically caregivers and financial institutions of that nature. So I think I might defer to my colleague here.

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Mr. Harper. Miss Canan.

Ms. Canan. Thank you. Excuse me.

Mr. Harper. Take your time.

Ms. Canan. I am actually very happy to have this opportunity to tell you about one of our very popular publications which we call Managing Someone Else's Money. These are how-to user friendly guides, for non-professional fiduciaries. People who are taking care of the financial matters for a family member or a friend. And it includes information that helps the lay fiduciary know what his or her responsibilities and duties are. So, in other words, if you are caring for someone and you have access to their money, it is not okay to buy a car with those funds. Simple things like that which should be known, but unfortunately sometimes there is some confusion.

In addition, in these guides we include information about how to spot scams and frauds and what you can do to protect the person who you are caring for as a financial caregiver.

We have these national guides we are just in the process of embarking on rolling out State specific guides, including a template which would allow states to do their own as well.

Mr. Harper. Okay. You mention you had 63,000 complaints involving people 62 years of age and older. You mentioned mortgage related, debt, you know, collection. Of course we have the Federal Fair Debt Collection Practices Act that deals with a lot of that. So

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of that 63,000, you are not saying that all 63,000 were fraud, you are just saying those were complaints that were registered. Correct?

Ms. Canan. Correct. That is correct.

Mr. Harper. All right. If in the time that I have for both you, Mr. Kaufmann, and Ms. Canan as well, I am certainly very interested in the cross-agency initiatives that protect seniors from fraud, abuse, neglect and exploitation.

Would you both very quickly discuss your work with the Elder Justice Coordinating Council housed at the Department of Health and Human Services, whether the council's efforts have been constructed towards your agency's efforts, and what do you think could be improved? if I may be allowed to continue, Mr. Chairman, to an answer on that or --

Mr. Burgess. Proceed.

Mr. Harper. Okay. Thank you.

Mr. Kaufman. We are members of the council. We have participated in a number of events. We have partnered with organizations throughout the country, senior organizations. We found it to be an effective tool for sharing information with other law enforcement agencies. And I can't think of any improvements at the moment.

Mr. Harper. Thank you.

Ms. Canan. Yes. So we are one of the 11 Federal agencies. We

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have been very active in participating in the Elder Justice coordinating Council. We too find it very helpful for coordinating our actions. You know, each agency brings to the table different expertise in different jurisdictions. It is clearly a situation where we need all hands on deck and our work often will compliment those of our sister agencies.

Mr. Harper. Thank you very much.

I yield back.

Mr. Burgess. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes the gentleman from Massachusetts, Mr. Kennedy, 5 minutes for questions, please.

Mr. Kennedy. Thank you, Mr. Chairman. Appreciate it. Always a pleasure to hear you get Massachusetts out of the -- as often as we possible can from our friends from Texas. So thank you very much.

To the distinguished panel, thank you very much for being here. It is a pleasure to have you here. And I wanted to focus on an aspect of Medicare if we can.

Their open enrollment period started on October 15 and runs through December 7. For the Nation's 54 million Medicare beneficiaries, this is an important time to consider changes to their health and drug plans. However, Medicare beneficiaries should be vigilant as this period also represents an opportunity for fraud.

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According to a recent article by U.S. News and World Report, a common request for Medicare scams is that a victim reveal their Medicare number. It is important that our seniors know how easy it is to spot these open enrollment scams.

So, Mr. Kaufman, I would like to start with you, sir. I understand that the FTC won a victory in Federal Court last October after filing a complaint against a telemarketing scheme that was designed to trick and did trick seniors by pretending to be part of Medicare. Could you describe the specifics of that case and why that victory is so important for consumers?

Mr. Kaufman. Sure. Thank you for acknowledging this case. It is a very important case. The entity was called Sun Bright. Telemarketers were claiming to be affiliated with Medicare. They falsely promised new cards for consumers and required people to provide their bank account numbers. They of course used those bank account numbers to withdrawal several hundred dollars from the consumers that were contacted.

It is very consistent with the cases we have seen repeatedly where they are misrepresenting affiliations with government entities or other entities in order to scam consumers out of their personal information and then out of their financial benefits.

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RPTR BAKER

EDTR HUMKE

[10:15 a.m.]

Mr. Kennedy. So how does the FTC then coordinate with CMS to prevent this type of fraud?

Mr. Kaufman. We do work with them. We talk to them. We also issue alerts. When there are changes in health benefits that are publicly available, we know that the frauds will follow. That is one thing we have always seen at the FTC. When there is a new program, a new scare, frauds will always follow from it. So we will always issue alerts and scam alerts and blog about it.

Mr. Kennedy. And just so everyone is clear, Mr. Kaufman, is it true that Medicare will never call or email seniors with products offered or for requests for their Medicare number?

Mr. Kaufman. That is correct. And they will not ask for your bank account information in particular.

Mr. Kennedy. And insurance agents are not allowed to visit your home to sell or endorse any Medicare product. Is that right?

Mr. Kaufman. That is my understanding, but I would have to verify that and get back to you if that's okay.

Mr. Kennedy. My understanding as well. But thank you. So what should consumers do if they or someone they know has received one of

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these fake Medicare solicitations?

Mr. Kaufman. Hopefully they have not provided their information. If they have, they should contact their bank immediately and try to rectify the situation. They should also file a complaint with the FTC at [ftc.gov/complaint](https://www.ftc.gov/complaint).

Mr. Kennedy. Great. Thank you very much sir. Any of the other witnesses have anything to add?

With that I yield back.

Ms. Schakowsky. I was just going to dig in my purse for my Medicare card. Every once in awhile we hear from people who say how come Social Security numbers are on the Medicare card? So it is in the wallets of everybody who is over 65, and we are told that it would be very cumbersome and costly to change that, but is that a bad idea? Either one of you can answer. It is right there. That is the number. So when we talk about Medicare number, it is a Social Security number.

Mr. Burgess. Will the gentlelady yield on that point?

Ms. Schakowsky. Yes.

Mr. Burgess. And I am not sure about this, and I will to look into it for you, but I believe in the Medicare reform that we passed in March and April of this year, the removal of the Social Security card, that was one of the Ways and Means provisions that was added to the bill called MACRA that was passed earlier this year, the bill that repealed the sustainable growth rate formula. But I will find out

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about that because that was a weakness inherent in the system.

Mr. Kaufman. But I very much agree with you. It is important that Social Security numbers not be shared or readily accessible or publicly displayed, but we would be glad to talk to you more about that issue.

Ms. Schakowsky. Okay. And maybe we did fix it. That is good.

Mr. Burgess. Every now and then we fix something. The chair thanks the gentlelady. The chair recognizes the gentleman from Oklahoma, Mr. Mullin, for 5 minutes for questions.

Mr. Mullin. I can honestly tell you I can't tell you what a card for Medicare looks like. I haven't got one. Anyways, thank you so much for being here.

Something started happening to us about a month ago in our office which was very odd. We started getting people calling us, saying they had received a call from our office, pretending to be from our office to get personal information. And it worries me because their automatic trust that we have built with our constituents is getting phone calls from people supposedly being from our office.

Now, I can imagine in business we use a rule that you only receive roughly around 1 percent of your actual complaints, and I would wonder if that factor would play true that I am only receiving about 1 percent of those that are receiving those calls. Now, is there an enforcement that -- do we lack enforcement? Do we lack the ability to go after

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these individuals even if we get their information? What is the penalties for doing this? And Mr. Kaufmann or Ms. Canan, can one of you guys talk on that?

Mr. Kaufman. We have definitely seen a rise in imposter scams. I have also received phone calls in my office from people who have been contacted by me who were not contacted by me. So it is definitely a prevalent scheme and fraud that is out there.

The FTC is bringing actions when we can find the perpetrators. We are a civil law enforcement agency, so we can only bring civil actions. We also know criminal law enforcement is looking at it as well. But consumer education is a really important focus here.

Mr. Mullin. Well, we talk about consumer education, but I will just use my grandparents for example. They are checked out. And I am not saying that in a bad way. My grandpa is Papa, he is 94 years old. Grandma is I think 89. They are not reading these manuals that come out. They are not getting online. They are not reading this stuff. We are talking about the most vulnerable. Ones that didn't grow up with the computers, one that has a cell phone but the numbers are this big on it. Information is for younger generations, not these other generations.

Mr. Kaufman. Well I would encourage you to take a look at our Pass it On brochure. We have a one-pager on imposter scams. It is about three paragraphs long. It describes what the scams are, what

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they are trying to do, and what consumers should do. We researched with seniors to find out effective ways to communicate it.

Mr. Mullin. Right. I get that, but what I am saying is, is there an enforcement problem here? Because it is growing. It is not going backwards, and obviously it is profitable or they wouldn't be doing it. So how can we help you on the enforcement side of it? There has to be someone knowing that if you do this there is a better chance you are going to get caught, not a very slim chance you are going to get caught.

Mr. Kaufman. We continue to bring cases. There is always more that we can do. We are also getting more and more criminal law enforcement agencies interested. So I think the combination of the FTC working with other law enforcement agencies is starting to make a dent, but it is a problem.

Mr. Mullin. Mr. Harris, I believe, if I understand it correctly, you guys have recovered roughly, is it \$50 million in stolen assets?

Mr. Harris. Yes.

Mr. Mullin. What are your best tools? Maybe we can work together here, because if they were able to recover that out of one county, I am just floored.

Mr. Harris. I think, you know, we too are a civil litigation organization, and for us the more practical thing is to get the money back because they need it. You know, the people we work with need it.

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I think that criminal enforcement is important. And when I first became public guardian almost 11 years ago, I think there was fewer criminal cases being brought against people, again because of problems with witnesses and recordkeeping and telling. But since then it has increased, the amount of litigation, both from the State's Attorney's office in Cook County as well as the U.S. Attorney's Office.

Mr. Mullin. So, Mr. Harris, what I am trying to get to though, is what is the most effective tools you are using, to make that happen in one county, to recover \$50 million?

Mr. Harris. We largely work with the Probate Act, and there is a specific section of the Probate Act called the Citations Section in which we can recover properties that have been embezzled, stolen, concealed from wards. It is really just us lawyers doing our work and doing our job.

Mr. Mullin. How do you find the people?

Mr. Harris. We get referrals from all sources, from banks, from neighbors, from churches, from hospitals. And once we have an intake and if they qualify, then those are cases that we go after.

Mr. Mullin. So really basically you have to just spend the time. You have got to be able to have the resources to be able to spend the time to go after and follow the lead --

Mr. Harris. That is absolutely true. When I first became public guardian, we had one person working on it. Because of the growth in

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this area, we have added more resources, and I work on it and other people as well.

Mr. Mullin. Mr. Harris, I appreciate it.

And, Mr. Kaufman and Ms. Canan, I do appreciate what you are doing, but I really think we are going to have to step up the enforcement side of it. As I go back to say what I said earlier, we have got to make it to where they believe there is better chance they are going to get caught than a slim chance they are going to get caught.

Mr. Chairman, I yield back.

Mr. Burgess. The chair thanks the gentleman. The chair recognizes the gentlelady from Indiana, Mrs. Brooks, 5 minutes for your questions, please.

Mrs. Brooks. In my home State of Indiana, our Attorney General is taking a lead in combatting fraud targeting seniors. Six years ago they launched a free senior consumer protection workshop that has actually traveled to all 92 counties in Indiana, and has reached over 2,000 elderly Hoosiers and their families. And I appreciate that we have to take a multi-level approach in working on this, whether it is the Federal, State, or local levels.

And I do have to say that when you think about retirement security, and I talk about security a lot, and retirement security is part of that, when I am out talking with constituents, people often are embarrassed. They don't want to share if they have been scammed. And

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I appreciate the work that you all are doing. They don't want to share with their families. They don't want to share, they don't want to talk about it, and it might even take a while for them to realize it.

I am a former U.S. attorney, and I am curious whether or not any U.S. attorney's offices, whether in the civil division or the criminal division, are engaged? I know they are on identity theft because that is something that we have been working on for a very, very long time, as the Justice Department has worked on it. I am curious whether or not any of you are working with any U.S. attorney's offices on any task forces, whether it is a civil division or a criminal division? This is for any of you.

Mr. Kaufman. Sure. We work closely with a number of U.S. attorneys throughout the country. We have the Criminal Liaison Unit at the FTC. Although we lack criminal authority, we realize that a lot of our cases should be prosecuted criminally, and we provide referrals, leads, information to the Court, to criminal law enforcement.

Indeed, since we started this program in 2003, well, over 700 of our defendants have been prosecuted criminally on a variety of frauds, not just seniors.

Mrs. Brooks. Right. Okay. Terrific. Mrs. Canan?

Ms. Canan. So I am in the consumer education division in the bureau, and I would have to get back to you regarding whether our

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enforcement teams are engaged with U.S. attorneys. I suspect that they are.

I know that we are in frequent contact with the Department of Justice, and we have frequent communications with DAs around the country who are prosecuting elder exploitation and abuse.

Mrs. Brooks. Terrific. Mr. Harris?

Mr. Harris. In our small office we do work with the U.S. Attorney's Office. I think it is the relationships have developed over the years in working with cases. It has worked out very well. We have even worked with the postal inspectors on some cases as well.

So I think it becomes for us, it becomes relationship building, and I think we have established that, at least in Chicago.

Mrs. Brooks. Okay. Thank you. Just with respect to your respective agencies, I am curious; how many people work on this specifically? How many FTEs, going back to my days in Justice. How FTEs are kind of focused on this?

Mr. Kaufman. At the FTC we don't have our attorneys designated as working specifically on senior issues, so they are really spread throughout our Bureau. We have about 440 people in the Bureau of Consumer Protection, working on a wide range of issues, but we have brought a number of cases affecting seniors, and it is an area of interest throughout our Bureau.

Mrs. Brooks. Thank you. Ms. Canan?

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Ms. Canan. So our office is small. We are determined and dedicated, but we are small. We are under 10 full-time employees. But we have the benefit of being able to work with other divisions and offices throughout the Bureau.

So, when we become aware of a particular problem where it appears that it may include violations of the law, we bring in other divisions that have the ability to engage in enforcement or supervision. We also have a market division and research division, too. So we are frequently working. So even though we are small, we have the benefit of being able to work with others around the Bureau.

Mrs. Brooks. Thank you. Mr. Kaufman, when the FTC does, on those rare occasions when you recover the funds, how is it determined, how do you ensure that the victims ever receive the funds?

Mr. Kaufman. That is always our first priority. If there is enough money to get back to consumers, we get customer lists, and we will do some sort of pro rata distribution. There are cases where we are very successful on that. There are cases where the funds are no longer available and we can't find them. But our number one priority -- well, number one is stopping the conduct. Number two is getting money back to the consumers.

Mrs. Brooks. How does that happen actually?

Mr. Kaufman. We actually have a redress office in our Bureau that coordinates it. We have contractors we work with. Depending on the

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nature of the fraud, often we will have customer lists and we can just send out checks. Sometimes there might be a claims process. It varies depending upon how the consumers were defrauded and what information we have.

Mrs. Brooks. Okay. And just one last question if I might, Mr. Chairman. How do we make sure, Mr. Harris, when so many of these financial abuse go underreported, underrecognized, underprosecuted, what would you like for us to do?

Mr. Harris. I think one of the things that is lacking are organizations like mine, not necessarily that do guardianship work, but that focus on recovering moneys on a local level for seniors. There is a lot of people we can't help, and if there is some way that the Federal Government can support legal assistance foundations, or other legal services, you know, for establishing attorneys in those offices that focus specifically on this area, I think that would be very helpful.

Mrs. Brooks. Thank you all for your work. I yield back.

Mr. Burgess. The chair thanks the gentlelady. The gentlelady yields back. The chair recognizes the gentleman from North Carolina, Mr. Butterfield, 5 minutes for questions, please.

Mr. Butterfield. Thank you very much, Mr. Chairman, for convening this important hearing today, and thank you to the three witnesses, Mr. Kaufman, Ms. Canan, and Mr. Harris. Mr. Harris, I am

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not going to be able to get to you today, but these questions going to be directed to the other two. Please don't take that personally.

But I know a little bit about the Cook County Public Guardian Program. It is one of the best in the Nation. What was your predecessor's name, the gentleman that was there before you.

Mr. Harris. Patrick Murphy.

Mr. Butterfield. Patrick Murphy, that was his name. My daughter, stepdaughter, Tracey Caveness Glass -- don't get surprised, but that was my stepdaughter. She worked for Patrick for some years there in Chicago.

I never heard of the Public Guardian Program until she went to work there, and I have the greatest amount of respect. So thank you for the work that you do.

Mr. Harris. Thank you.

Mr. Butterfield. The FTC recently created a program called Pass it On, in which the Commission reaches out to older Americans with information about avoiding common types of fraud by contacting them at places where they gather and interact, like libraries, clubs, and adult living facilities.

And so Mr. Kaufman, let's start with you. Can you explain why that approach might be more effective at disseminating the antifraud information than, say, publishing the information on a Web site or even a mailer?

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Mr. Kaufman. Absolutely. We engaged in research before we instituted the Pass it On program. We met with seniors, we met with people who provide support with seniors. We discussed what is the best way to effectively communicate information in short, clear, concise information on specific topics. We have so far given away I think about 3 million copies of it to I think it is more than 8,000 different organizations around the country. So there is a lot of research and thinking that went through it, and we are going to issue additional aspects of it in the coming year.

Mr. Butterfield. The Pass it On initiative seems to emphasize the importance of striking the right tone in educating seniors about potential fraudulent schemes that is respectful and nonjudgmental. Do you find that seniors, Mr. Kaufman, respond better to advice given to them by people of their own age, their own generation? How can the financial literacy community honor this preference going forward?

Mr. Kaufman. Our research has shown that it is an effective tool. This is a campaign that we launched about a year ago. We are continuing to explore it, but it has shown effectiveness, and it has been very successful. We have gotten a lot of very positive feedback about the program. We will continue to monitor it and see how it can be modified and improved over time.

Mr. Butterfield. And Ms. Canan, as someone who also promotes financial literacy, do you agree with this approach in general?

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Ms. Canan. Yes, we do. And we have very similar materials, or at least the type of materials that are written in plain language that are nonjudgmental, and we frequently will actually use the FTC's materials, its Pass it On materials, and we go to conferences together and share tables and distribute our materials jointly.

Mr. Butterfield. All right. Finally, Mr. Chairman, the FTC conducted a workshop in October of last year that explored some of these issues, including how fraud affects different communities in different ways. Mr. Kaufman, what were some of the outcomes from this workshop in terms of the senior community? Do consumer groups and the industry know how to address the problems that are really, really unique?

Mr. Kaufman. Yeah. Our Every Community Initiative, we kicked it off about a year, year and a half ago. Actually Pass it On is one of the results of that. We realized we had experts on senior issues that provided information about best ways to reach seniors.

We also focused on issues affecting Spanish-speaking Americans, African Americans, and that continues to be a very important issue for us. We are looking for law enforcement actions and targets where they are targeting specific populations, and we want to make sure that our law enforcement and our education programs reach all Americans.

Mr. Butterfield. Very well said. And I thank all three of you. Mr. Chairman, I am going to set a record today. I have got to be in the Cannon Building in about 30 seconds, and so I am going to yield

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back. I yield back.

Mr. Burgess. The chair thanks the gentleman. The chair recognizes the gentleman from Kentucky, Mr. Guthrie, 5 minutes for your questions, please.

Mr. Guthrie. Thank you very much. I appreciate that. And thank you, Mr. Chairman. Thank you for being here. I have been in another hearing of the subcommittee of the same committee, so I apologize, I missed some of it. Mr. Kaufman and Ms. Canan, I want to ask you a couple questions on your regional offices. How involved are your regional offices in combatting fraud against the elderly?

Mr. Kaufman. Our regional offices, we have eight throughout the country, are incredibly involved. They do a good deal of our litigation. They do a lot of our fraud work, and they also do a lot of outreach on the local level.

So, actually our regional offices provide enormous benefits to the Bureau, and it is very important to us that they are there and they are on the ground and bringing actions and doing outreach.

Mr. Guthrie. Okay. Ms. Canan?

Ms. Canan. So I may have to get back to you with more detailed information because I don't want to say anything that may be incorrect, but it is my understanding that our regional offices are mostly occupied by our examiners. We have a full team of examiners that are examining financial institutions.

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And nonetheless, in our headquarters we have a nationwide approach. And our enforcement actions are nationwide. Our consumer education engagement is nationwide as well.

Mr. Guthrie. Okay. Do either of you guys -- it may not be as applicable to you, Ms. Canan, given the setup of your regional offices -- but do either of your agencies measure engagement on this issue on a regional level to see if there are trends that either target or scam seniors in one area more than another?

Ms. Canan. I will start. Yes, absolutely. So, we are frequently going through our consumer complaints, just as one example. And in the process of doing that, we look for geographical, you know, spikes in complaints and things of that sort. In addition we are frequently conferring with stakeholders that are nationwide around the country, having calls and hearing from people on the ground about particular problems that they are seeing.

Mr. Guthrie. Okay.

Mr. Kaufman. And at the FTC we have hosted over the past few years, 30 different what we call Common Ground Conferences throughout the country. We get together law enforcers from other Federal agencies, local authorities, consumer organizations, and we have a day-long discussion of the issues that they are seeing. So it is a way for us to get more information to develop relationships and to keep abreast of trends that are happening.

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Mr. Guthrie. Okay, thank you. And then also, Mr. Kaufman, actually Mr. Butterfield kind of went down the path I was going to go. I wanted to hear more about the Pass it On program, which I think you have explained well. You said you are going to be looking at the effectiveness of the Pass it On. I know you have other programs. How do you all measure the effectiveness? What do you all when do you a review of effectiveness?

Mr. Kaufman. You know, it is challenging to measure effectiveness in fraud. That is something we wrestle with. We bring a lot of law enforcement. We do a lot of consumer education. Our materials seem to be popular. There is a high demand. We get a lot of requests for it. We have a lot of organizations that take our materials and just stamp their logo on it and use it, and we are delighted when they do that. We just want to get the message out.

But measuring effectiveness is challenging. We keep bringing more cases, and that is one measure of our success. And the receptiveness people have to our materials is one measure as well, but it is a challenge to precisely measure how effective are we being. We also, I will say, do a survey every year of one of our consumer education Web sites to see whether consumers are satisfied with it, and we have done quite well there as well.

Mr. Guthrie. Okay. A lot of times it is hard to measure the crime that you prevent from being committed. It is hard to define that.

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I understand that. Well thank you, and I will join Mr. Butterfield in yielding back time.

Mr. Burgess. The chair thanks the gentleman. The chair recognizes the gentleman from Florida, Mr. Bilirakis, for 5 minutes of questions.

Mr. Bilirakis. Thank you, Mr. Chairman. I appreciate it, and I thank the panel for their testimony. Mr. Kaufman, in your testimony you state the importance of the FTC recognizing trends in fraud against the elderly as the population of older Americans continues to grow. As you may know, the census estimates that the number of seniors 65 and older will surpass Americans under age 18 for the first time. Actually we are 18 years away from that, 2033.

So what resources is the FTC putting toward following trends and fraud against the elderly, allocating resources to enforce against criminals targeting the elderly and educating seniors of the risks?

Mr. Kaufman. It is a very important priority area for us. Our Consumer Sentinel database, which has millions of complaints, is an incredibly important tool for us. It is self-reported information that we get at the FTC as well as other law enforcement agencies, the BBBs. They all share information, put it into this database, and we are very frequently analyzing it, looking for trends, and looking for developments. We are also continuing teaching more law enforcement and more outreach. It is a very important priority for us.

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Mr. Bilirakis. Okay good. And I want to commend you. I have had several senior seminars in my area in central Florida, and you participated, the FTC has, and they have done a wonderful job.

And maybe this question also is for Mr. Harris. Is there a line, maybe anonymous line, where someone, a friend of a loved one who is having trouble, and elderly person is having trouble or maybe has been taken advantage of where a person can call and report an incident?

Mr. Kaufman. We collect complaints as ftc.gov/complaints, and we also have a toll-free number; it is 1-877-FTCHELP.

Mr. Bilirakis. Very good. Sir, is there a number -- I know that you do a wonderful job but most seniors do not qualify for your services. Do you refer some seniors to other programs where they can be helped? And also is there an anonymous line or maybe a 211 -- we have 211 in Florida -- where a person can call and be made aware of some of these services?

But specifically is there an anonymous line where maybe a friend of a loved one who is having difficulty can share those concerns with your particular program?

Mr. Harris. With my office you can call our office directly at 312-603-0800, and we would refer you to either to an adult protective services agency that is monitored by the State of Illinois, or the City of Chicago, or you can call 311 quite frankly in Chicago and get help in that way as well.

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Mr. Bilirakis. What are the ways that you gather information with regard to maybe candidates that need your services?

Mr. Harris. We talk to their medical providers, doctors. We also have some investigatory power to look at previous reports of adult abuse or exploitation of some of our wards. We also have some access to financial records, vis-à-vis an investigatory process if we opened it for an intake.

We use subpoena power once we have a case that is opened and other legal tools like depositions and other discovery tools.

Mr. Bilirakis. Very good. Thank you. And I will follow the trend and yield back my time. Thank you, Mr. Chairman.

Mr. Burgess. The chair thanks the gentleman. The chair just does want to observe because questions did come up on Social Security numbers on Medicare cards; and that, indeed, was part of the law that was passed in April. My understanding, and I have got crack staff who are always watching me, and they provided me the information. I think it is within 4 years time. It is an agreement between the Secretary of Health and Human Services and the Commissioner for Social Security, but that is a change that is coming. It is not going to be an immediate change. If anyone gets their Medicare card in the next couple of months, it may very well not have reflected that change, but it was passed by the House and Senate, signed into law by the President, so one of those times where things did work as intended.

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Seeing that there are no further members wishing to ask questions for the first panel, I wanted to thank our witnesses for being here today. This will conclude our first panel, and we will take a 2-minute recess to set up for the second panel.

[Recess.]

Mr. Burgess. I want to welcome everyone back. Thank you for your patience and taking time to be here today. We will move into the second panel for today's hearing. We will follow the same format as the first panel. Each witness will be given 5 minutes for an opening statement followed by a round of questions from members.

For our second panel, we want to welcome the following witnesses: Professor Charles Wallace, the Undergraduate Program Director For Computer Science at Michigan Technical University; and Ms. Tobie Stanger, Senior Editor for Consumer Reports. We appreciate both of you being here this morning. We will begin with you, Professor Wallace, and you are recognized for 5 minutes for an opening statement, please.

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STATEMENTS OF CHARLES WALLACE, ASSOCIATE PROFESSOR AND UNDERGRADUATE PROGRAM DIRECTOR, COMPUTER SCIENCE, MICHIGAN TECHNOLOGICAL UNIVERSITY; AND TOBIE STANGER, SENIOR EDITOR, CONSUMER REPORTS

STATEMENT OF CHARLES WALLACE

Mr. Wallace. Very well. Thank you, members of the subcommittee, for the opportunity to speak at this meeting. And the students in my discrete math course, who get the day off, also thank you.

My name is Charles Wallace. I am Associate Professor of Computer Science at Michigan Technological University. Michigan Tech is a researched-focused university located in the upper Peninsula of Michigan with an emphasis on technology, engineering, and scientific degree programs.

For the past 4 years, our Breaking Digital Barriers Group, at Michigan Tech, has organized and participated in an ongoing outreach program in conjunction with the local public library called Online at the Library. It trains elderly residents of our rural community in digital literacy skills and exposes our students to the realities faced by digital non-natives.

Through our experiences, we have identified recurring themes.

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Of these, the theme most germane to the current hearing is anxiety versus exploration. Lacking appropriate grounding in this new technology, our senior patrons alternate between naive trust and paralyzing suspicion, neither of which leads to comfortable, productive use. Our program addresses this problem by providing a safe place for learning among peers, interaction with mentors who model appropriate use, and develops a healthy balance between caution and exploration.

Residents over age 65 constitute over 15 percent of the population of our rural area. Because of the larger-than-average number of elders without family support, many of whom are below the poverty line, there is a strong need to help with digital literacy in this community. The experience of using a computing device is well known to cause anxiety in elders, and our experiences bear this out. Many learners are fearful of going online because of stories of fraud and identity theft they have heard in the media and experiences of relatives and friends.

Without a basis of understanding for how malware and other threats work, they have no model for how to minimize their threat level. Anything can be a threat. So many learners fear using a computer altogether. One unfortunate consequence of this anxiety is the reluctance to explore. And for newcomers to a software product or service, this is a vital form of learning, exploration.

To complicate matters further, in practice it is often far from

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clear whether a user is a victim of true criminals or simply aggressive businesses pushing a product. For example, Mitch, a 60-year-old recreational computer user runs a small service-based local business. He paid a company hundreds of dollars because they convinced him, after many hours on the phone, that his business needed to be on prioritized search lists through Google and Bing. However, Mitch did not know what the service was or how it helped his business, how he could access his accounts with the service, or where he would be able to see the effects of the service.

After several months, he attended as a participant in the library help sessions and described his experience. Tutors determined after a lot of exploring and calling the company that sold the service to him, what the service does and explained to him what he had paid for. Mitch's business has no online presence, and being a local business, being searchable as an advertiser on search engines does not help him. In this case, Mitch was not a victim of fraud or theft strictly speaking but paid a legitimate business to help him without understanding the services he was paying for. It is clear that basic literacy and secure online behavior is an essential weapon in fighting fraud against the elderly.

We believe that Online At the Library serves as an effective and replicable learning model, a safe place for learning, asking potentially embarrassing questions, and gaining strength from seeing

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peers in the same position, personal contact with mentors who can model appropriate behavior and attitudes. Development of healthy online behavior, finding a balance that keeps seniors safe without stifling their creativity and productive energy.

Breaking Digital Barriers, members are developing a socio-technological approach to help older learners with strategies for navigating the Internet. This approach involves small interactive group learning activities, along with software tools to help them with navigation. Over the next 2 years Breaking Digital Barriers will help similar learning programs around the upper Peninsula of Michigan and through the rest of Michigan. More information can be found at our Breaking Digital Barriers Web site at mtu.edu/bdb. Thank you.

Mr. Burgess. The chair thanks the gentleman.

[The prepared statement of Mr. Wallace follows:]

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Mr. Burgess. Ms. Stanger, you are recognized for 5 minutes for questions, please.

STATEMENT OF TOBIE STANGER

Ms. Stanger. Chairman Burgess, Ranking Member Schakowsky, committee members, thank you for inviting me to speak. My name is Tobie Stanger. I am a Senior Editor at Consumer Reports. And I also represent today its advocacy arm, Consumer Union.

You may wonder why Consumer Reports, which is better known for rating products and cars, would highlight elder scams. Retirement security is at its core, a consumer issue. People have a right to expect that their hard-earned savings are protected. When I was asked to testify, I was a bit nervous, but then I thought about Edna Schmeets, an 86-year-old great grandmother from Harvey, North Dakota, who had the courage to testify in Federal court earlier this year against a man from Jamaica who was part of a vast conspiracy to defraud dozens of people, mainly seniors, in a sweepstakes scam. Edna herself lost nearly \$300,000, her life's savings.

Most seniors would not be willing to talk, but Edna was angry and she wanted her money back. So in spite of being nervous and scared, she spoke out. Sadly, her money may never be returned, but she helped convict a really bad guy.

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Edna was one of eight victims who spoke for me for a recent article on elder scams that you mentioned that appeared in Consumer Reports. I am truly grateful for their willingness to have their names and portraits published. They told me they did it to warn other people so others might be spared. This isn't typical of elder scam victims. Most elder fraud cases go unreported. The victims are embarrassed and ashamed. Among other things, they are scared that if they tell, people will think they are unsophisticated or stupid or losing their cognitive abilities. But honestly, these scams can victimize anyone.

The criminals catch people off guard. They sound very convincing. They require their victims to make very quick decisions, and they insist on secrecy. This is their job. They do it all day long. Their tactics could work on anyone in the right circumstances, but the scammers know that seniors, in part because they are proud and want to retain their dignity, often keep quiet, so we don't hear about these crimes as often as we should, and that is my point today.

These scams are rampant. They are growing in number and complexity. They run the gamut from sketchy phone and mail solicitations to shady contractors to dishonest financial advisers. We need to document them better, and seniors need to feel safe about speaking up about their victimization and getting help.

Understandably, they are concerned about losing independence if they admit they have been taken or need help avoiding getting conned

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in the first place. But there are measures they can take that preserve their dignity and independence. For example, there is a web-based service called EverSafe. The service identifies any unusual activity in a senior's account and then sends alerts to the senior or to a trusted adult child or other third party, but the senior doesn't have to allow direct access to the account, so the senior can retain control.

Of course, Consumer Reports recommends signing up for the Federal Do Not Call Registry and the Direct Marketing Association's mail preference service to reduce unwanted calls and mail. We have also tested and recommended some call-blocking machines that block robocalls which can be the basis of phone scams. Notably we found a free robocall blocking service called Nomorobo, and it is very effective; but it is not available on traditional land lines, which is what seniors often have. There is no reason why tools to block unwanted calls can't be made available on land lines, but the three top land-line providers don't offer them.

So Consumers Union has an End Robocalls campaign that has gathered more than half a million petition signatures. We are soon going to deliver it to the phone companies to demand that free, more effective tools be offered.

These developments can help stem elder scams, but they must be supplemented by communication and education. Elder financial exploitation needs to be part of the national conversation. We have

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published articles about it. Other publications have. But I would a lot of to see a Hollywood movie on this. It is a plot with poignant stories, heroic investigators and victims, piles of money, and even some exotic locations.

Thankfully, some seniors are willing to speak out. There is an acting troupe in Los Angeles called the Stop Senior Scams Acting Program. The actors are all seniors. The oldest is 97. They write skits dramatizing scams, and they perform them in senior centers and other locations. Some of the actors themselves have been scam victims, so they can speak from experience. After performances, audience members often come up to them to report that they, too, have been scammed. These people might not be willing to tell their own families, but they will tell their peers.

There is no dearth of creativity, initiative, and will, to make a dent in this horrific crime. But seniors themselves need to feel it is safe to talk about it with law enforcement, adult protective services, peers, and their families. As one of the actors in the Stop Senior Scams Program said, don't keep it a secret. You are not the only one. Thank you.

Mr. Burgess. Thank you.

[The statement of Ms. Stanger follows:]

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Mr. Burgess. And I thank both of you for your testimony. We will move into the question portion of the hearing. We will begin the questioning on this side. I will yield to Mr. Harper 5 minutes for questions, please.

Mr. Harper. Thank you, Mr. Chairman, and thanks to you both for being here. Some great stories. I know your class is very excited today. They are probably watching as we speak, so we wish them well, just in case they are there.

Ms. Stanger, you have spent obviously a significant amount of time putting together the Lies, Secrets, and Scams piece for Consumer Reports. What was the most shocking thing you learned while you were researching the article?

Ms. Stanger. I think the most shocking thing is that it really is so rampant. It seems everywhere. Every person I turned to in the elder justice community and adult protective services, when I would call them and say I was doing this, they would say, thank you. We need to have this publicized. Please. It is everywhere.

In my own family with my husband and I together, we can think of four instances of various elder abuse situations. It is everywhere, and it is really underreported. It was very hard to get eight people to talk with me. It took a lot of effort, and I am very grateful for their bravery, because people are afraid to talk. And so the conversation, I think, needs to change to not being afraid.

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Mr. Harper. And it is so humiliating for them to have to share that, and they would rather just suffer in silence, so that does take a lot of courage to do that. I know dealing in the last year with a gentleman, a senior, who fell for one of the scams of, you know, send us some money and you are going to get a lot of money back. He was thinking this will help me pay for my adult kids' graduate school, and I am going to take care of my wife, and we said don't do it, and he did it anyway, and he kept doing it to the tune of probably most of his savings, even though his wife -- I don't know yet that he still has grasped what he has done.

And it is a very difficult thing because when you have people that can't really control that, and fall prey to that, and they don't have someone overseeing, it is very difficult. I know in your article you talk about some of the great senior-led initiatives to educate their peers about the fraud risk. Have you seen any similar initiatives to educate caregivers, and what experience with the caregivers to the seniors did you have in your research?

Ms. Stanger. Well, I think the CFPB's program that they talked about where they have got several booklets to educate caregivers and people who have fiduciary duty over seniors' accounts, I think those are very helpful. Those are pretty new, and as I understand they are being promulgated in different States, so I think that is very helpful. But yes, I think caregivers need more education. That is something

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we can started to do in our publication.

Clearly, I spoke with one woman who, exactly the same thing, her father and mother were involved in a scam, and she just did not know how to stop them. And so widespread education can be very useful. I found a victim specialist from the FBI in Los Angeles who people come to her when they have relatives who are repeat scam victims. And these are often the toughest because they have developed an emotional relationship with the scammer often, and they really trust them. And this woman from the FBI, she tells people call me. If somebody calls you, you call me, and I am going to walk you through this. I am going to keep you from getting scammed again. And sometimes it requires really, you know, hand-in-hand cooperation.

Mr. Harper. And some of these, you will see that they will get into it. They will send them a few thousand dollars, and, well, we have got these additional costs over here we are going to have to cover, and all of a sudden they think, well, I am in this far and they keep going and going. And it is just heartbreaking what you see. But thanks for your work on that. And I really do appreciate it.

Professor Wallace, in your testimony you talk about how in your experience you have seen a lot of anxiety about using technology, and very naive trust about technology that pose risks for consumers, and things are constantly moving as we see; and my adult daughter has, because I know we are on the record here, has quit using Facebook once

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my wife, her mom, started getting on Facebook.

Mr. Wallace. Facebook is for old people.

Mr. Harper. There you go. There you go. So we are seeing all this transition there. So what are the most effective methods you have found to teach seniors that they can be safe online without thinking they are going to break their device or trusting every single popup that comes through on the screen?

Mr. Wallace. Yeah. It is a tough problem. One thing that helps a lot is being among peers, and realizing that they are not alone and that other newcomers to the technology are struggling with the same kinds of issues.

One exercise that we have done in the past that I think has been pretty effective, has been considering what they do with physical postal mail that they get, that looks suspicious. It has a certain smell to it, right? And you get something in the mail and you look at it and say, no, I am going to -- I am going to throw this in the waste bin right.

Mr. Harper. Professor Wallace, my time is long over. I am going to yield back and hopefully they can finish back up on this later.

Mr. Wallace. Oh, okay. Sure. Sure.

Mr. Harper. Thank you.

Mr. Burgess. The chair thanks the gentleman. The gentleman yields back. The chair recognizes the gentlelady from Illinois,

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5 minutes for questions, please.

Ms. Schakowsky. First, Ms. Stanger, during our first panel we talked about shame, and we have talked about it again in this panel. So I am wondering if there are tools, other than the individual having to report, that couldn't be more effective? In your article you mentioned several cases in which a bank allowed older people to repeatedly withdraw large amounts of money.

And presumably when it was out of order for that particular person, and actually did nothing to investigate whether fraud was involved, and perhaps didn't even notify anybody, until the point at which the person attempted to get a loan from the bank. So what should be, or is being done, to encourage banks to take a more active role in intervening in these situations.

Ms. Stanger. So I don't have that much information on this except that there are some banks that are making it part of their companywide effort, such as Wells Fargo, I understand, where they are educating everybody to be a reporter. Not every State has the same law, in terms of who is supposed to be a, you know, has to report when they think elder fraud is happening. It varies from State to State.

There are companies themselves that are taking it upon themselves to do this. And I can't speak in great detail about what the bankers associations are doing, but there are some banks that are saying if you think there is something going on, you need to speak up right away

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and not wait until time goes by. But certainly more education at all levels from the teller -- you know, the teller is often the person that sees the senior taking out the money, and it is a fine line between letting them have control over their money and putting up a red flag.

We also think it is a good idea for family members to have a relationship with the local bank. Often seniors do go to local branches. I don't know how much they are doing their banking online, as opposed to other population groups, but often seniors go to the bank, especially if they are going to be taking out a large amount of money. They are going to go to the teller, and so it is a good idea for the families to have a relationship with the bank so that this kind of conversation can be had.

Ms. Schakowsky. I have a feeling if that woman who was trying to help her son Will, purportedly in Peru and needing help, even if the teller would have said you are taking out a lot of money, that she might have shared that story. Oh, my grandson is in trouble, and I am trying to help him. It just seems like those kinds of conversations even could help. I don't know how one enforces that however.

I have one other question for you and then for Professor Wallace. I think some people think that these might be small scam operations, but you pointed out that actually some of these are fairly big-time operators. I wonder if you could talk about that a little bit?

Ms. Stanger. So we looked at something called the Jamaican

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lottery scam, which, you may have heard about. It operates not just out of Jamaica, but other foreign countries as well, Costa Rica, Israel, Canada, I think. This is where people are called, elderly people are called. The scammers have a list that they have collected. It may be because somebody has responded to something in the mail, and then they sent something back, their name, maybe a phone number, maybe even some money because they think they are going to be receiving something.

And these lists are created, and these scammers get a hold of these lists, and they know now that this is somebody who has already responded once to a mailing. And so, then they will call these seniors, and they are very, very organized. They know how to get seniors' emotions. They know how to draw the senior in, and they often use threats, and these things go on for months and months, and people lose hundreds of thousands of dollars. So they are very organized.

Ms. Schakowsky. Mr. Wallace, your testimony mentioned the Breaking Digital Barriers program at Michigan Tech, that could serve as a national model. What are some of the common themes that you observed in seniors that have taken that course, and do you believe these trends will be reflective of seniors nationwide?

Mr. Wallace. Yes. Certainly the anxiety and the fear of adopting the technology is a profound one, and we need to balance this concern about fraud, which is absolutely legitimate, with something that encourages them to explore in a safe way.

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And so finding that balance is really a key issue for us. And we still struggle with it, but we are looking for metaphors and ways in which we can relate it to their life off line. What do you do to be sensible and safe and secure in your regular life? Can you transfer those kinds of skills over to the digital world? And so, that is one of the things that I think is certainly --

Ms. Schakowsky. Although I do want to say that, the Pew Research Center reports 35 percent of Americans age 65 and older currently use social media, up 27 percent from 2014. So more and more people are. And in 2014, Pew reported 59 percent of this age group using the Internet, with 71 percent going on daily. So we are seeing more and more seniors.

Mr. Wallace. For sure. And especially in our area, it is vital for them to go online because so many of their family members live far away now. And so it is a tremendous asset for them, really a lifeline in a way. So it is important for them to adopt this technology.

Ms. Schakowsky. Thank you. I yield back.

Mr. Burgess. Great. The gentlelady's time has expired. The gentlelady yields back. The chair recognizes Mr. Mullin of Oklahoma, 5 minutes for your questions. Please.

Mr. Mullin. Thank you, Mr. Chairman, and thank you both for being here. Professor Wallace, what gave you the idea to even start this up? Just taking a look at you, I am very impressed -- not by your

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looks -- I am just very impressed by the idea that you would take this initiative. I mean, was this something driven by you, by your students, what made you even think of this?

Mr. Wallace. One driving force is, the type of material that I teach to our students involves understanding users of the technology that they are developing. So our students are going to be developing the software that we all are going to be using in just a few years. I want them to understand what regular people are like and certainly people who don't have that kind of deep understanding of the technology that they do.

Very often what happens is software people will develop software for other software people, and so we need to have a broader view of what the user base is going to be like. And by the way, one thing I want to insert here -- I got a message from one of my colleagues in Breaking Digital Barriers -- this is not exclusively a senior problem. Digital literacy is something that is a concern for people across age groups.

We have worked with people who are, well they are younger than I am, so by definition, they are not old, who struggle with the technology, too. And so in general this is a larger issue that impacts seniors greatly, but I think we also need to keep in mind it is a broader issue.

Mr. Mullin. Thank you for seeing a need. And then I am assuming

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that once you started down this path, it became a passion because the amount of work you have put into this, this wasn't just a class project. Did you get personally involved in it to some degree, surprisingly?

Mr. Wallace. Yeah. I think it is fair to say that everyone who has participated in it, students, faculty, really take a personal interest in it. And it is the kind of work that is so much fun that it doesn't feel like work.

Apart from the learning that goes on in our sessions, it is also a social session, and it is a way for generations to meet and work together in a productive way. It is just a lot of fun.

Mr. Mullin. Well, thank you. Ms., I hope I say this right, Stanger did I say that right?

Ms. Stanger. Yes that is right.

Mr. Mullin. Now, kind of the same question applies to you, too. The way I understand this wasn't exactly your background. You just started down this path, and one door opened to another, and now it has become almost a passion if I am seeing that right. Was there something that led you down this road?

Ms. Stanger. Well, I would say number one, it is my passion. But I am a personal finance editor. I am a senior editor in personal finance at Consumer Reports. This is actually the second piece we have written on this.

Two years ago we wrote more about scams, or I should say fraud

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committed by family members and people that the seniors know. This one is more about scams by strangers. But, yeah, I feel very strongly about it.

And Consumers Reports and Consumers Union, retirement security is very important to us. I write on all sorts of retirement issues, so I am very interested. But you can't help when you speak to these seniors, even one or two of them, you have to get drawn in because it is just, it is heartbreaking, and there is so much that we can do, I think.

Mr. Mullin. If you could pick maybe two things that you would like to see for, maybe there has to be a required personal interaction, there has to be something signed before you could do it, what would you give this panel or this hearing, what would you give us two suggestions to say, hey, work on this?

Ms. Stanger. Believe it or not, I think this Stop Senior Scams dramatic group was very impressive, the only one I know of in the country. And I don't think it is particularly difficult to fund a little theatre group in all communities in the country where they could be communicating to each other. This is senior to senior. It gets the actors themselves out of the house.

You know, isolation is a major part of this. Getting people out, getting people into the community to talk to each other is very important, and there is that communication. So that is, I just think

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dealing at a grass-roots level can really make a difference, and I think that was reflected in many other of the statements.

What else? I think just supporting the work, I think the FTC is doing some wonderful work. The Pass it On really is a very useful and, again, grass-roots effort, and I think the, CFPB's, specifically collection of anecdotes from people is very helpful. Obviously they don't always know what the age is, I think, am I right that they don't collect the ages of all the people who report, but certainly if people are reporting about problems with reverse mortgages, they know that is somebody 62 and older.

The more we can get in anecdotes, that helps me as a reporter, and it just helps in collection of data. We need more data.

Mr. Mullin. Thank you for the work that both you all do. Mr. Chairman, I yield back.

Mr. Burgess. The chair thanks the gentleman. The gentleman yields back. The chair recognizes the gentlelady from Indiana, Mrs. Brooks, 5 minutes for your questions.

Mrs. Brooks. Thank you, Mr. Chairman. Professor Wallace, prior to coming to Congress, I was at IV Tech Community College, as a senior administrator, and I was there during the recession from 2007 until 2011. And I must say that college and community college exploded in enrollment during that time period because so many people had gotten laid off of their jobs, of all ages, but particularly those who were

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40, 50 years old, who had gotten laid off their jobs needed to come back to college because they had no digital literacy skills. And they couldn't even apply for jobs online because of that digital literacy or lack, illiteracy.

So I am very pleased that you are doing this. How would you encourage other schools? I mean, how much are you talking about this? Obviously this is a nice platform for you to publicize, but how are other communities, you know, are they taking up your baton and, you know, doing what you are doing, or are you a unique program in the country? I am really not that familiar with the various programs.

And then, secondly, what are some of the strategies you are using that are actually teaching the seniors?

Mr. Wallace. We are certainly not unique. There are several other efforts in this regard. I want to include SeniorNet, Cyber-Seniors, Generations Online. There are a lot of groups that are doing similar kind of work in this space.

Mrs. Brooks. Do they actually go into the communities like you are doing, or are they more online educational tools?

Mr. Wallace. There are a variety of approaches. Some of them are truly working one-on-one. So, I don't want to claim that we are the only ones doing this kind of work.

Obviously this is a tremendous platform to raise awareness. I was also invited to the White House Conference on Aging over the summer

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which also gave me a platform to speak out about this.

And certainly within the State of Michigan, there has been a tremendous amount of interest that has come up from that, and so we are working now in conjunction with other universities. I feel like it is a very easy model to implement, and what we are in the business of doing right now is, codifying what we do at Michigan Tech so that we can distribute that to other schools and give them a leg up on the whole process.

Mrs. Brooks. What are some strategies that you have found that have worked best when you are teaching?

Mr. Wallace. Well, as I said in my statement, having tutors sort of model their own behavior and speak out loud about it is an important piece of it. So having an experienced computer user say, well, looking at what is on the screen, well, in this case I would be thinking about this, and I would be worried about this, and I would want to try out this.

And working out what is going on in their minds, saying it out loud is an important piece to articulate that this is a process just like working with any other aspect of life. You have to weigh the pros and cons and think about things in a sensible way. For instance, looking at junk mail that you get in your mailbox compared to a potential scam by email. That kind of brings it back to familiar territory, which I think is useful. This is not something entirely new. It is

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different, and you have to learn how to use it, but it is not entirely.

I just want to say that Ms. Stanger and I are both in solidarity on this issue, that education in this regard is an extremely effective and low-cost way of addressing this problem of fraud online. A little bit of education I think can go a long way to stem some of the problems that we see that take immense amounts of time and efforts to cure later.

Mrs. Brooks. Thank you. I know we focus a lot on education of our young, of the children getting online, but we don't spend nearly enough time educating seniors. Ms. Stanger, I would like you to know that every time I go home and visit my parents, Consumer Reports is front and center.

But I do want to ask you, are there enough, in you research, available and accessible tools, for seniors to report? Have you found in your research, are there enough tools, and do they know what they are?

Ms. Stanger. I think the last part of your question is the important thing. There are plenty of tools. We have several, in our article, several places where people can report. Obviously AARP is very involved, and they have their scams and fraud page. The CFPB, there is something called the Financial Fraud Enforcement Task Force stopfraud.gov, where you can report.

On the Senate side, they have the Special Commission on Aging Hotline, and that is a good sort of place you can call up, and they

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will tell you where to go for help. But I think a lot of people, the first person they might go to report it to is the police first, is local law enforcement. And my understanding is that there could be more training with local law enforcement. I spoke with local prosecutors who said, you know, there are still police who when somebody comes to them and say I have been scammed and this person called me, the cop said, well, is thinking to themselves, well, that was kind of stupid. Why did you do that? And they have to be trained.

I understand that the Justice Department is getting involved in training local police to spot elder abuse, not just financial elder abuse, but also physical abuse and emotional abuse and so forth. So at the very local level, where people are doing the reporting, I think there has to be better training. In some communities, some large communities there are task forces, in Seattle, I think in San Diego, where different groups have come together and really created a public face. And that can help.

In San Diego there is a fellow named Paul Greenwood who is an assistant -- what is his title -- assistant district attorney I think. And he is very well known, and one of the people that we profiled was involved in a scam. He got caught -- he didn't get caught, he sent money in a scam, and then he thought better of it and he told a friend, and the friend went to Paul Greenwood's office, and Paul Greenwood working with I think it was Wells Fargo, was able to stop the payments

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that he was making to a scammer.

So it can work, not always, but it can work sometimes if people report it quickly and they know where to go. And on a local level, I am not sure that that always happens.

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EDTR HUMKE

[11:24 a.m.]

Mrs. Brooks. Thank you. Thanks for your efforts in protecting our seniors to both of you. Appreciate it.

I yield back.

Mr. Burgess. The gentlelady yields back. The chair thanks the gentlelady.

The chair recognizes the gentlemen from Kentucky, Mr. Guthrie, 5 minutes for questions, please

Mr. Guthrie. Thank you very much. Thank you for being here. And I guess a lot of us prepared the same kind of a question. So it is very similar, because I was going to ask you what the biggest take-away is you got from the aged seniors. But what in your, Ms. Stanger, in your article, but what do you think was the common -- was there a common thread -- you said isolation. I think there seems that people are isolated, and so when the phone rings they answer the phone and engage in conversation. But is there something common among the aged that we should be looking for, or several things that were common?

Ms. Stanger. So one common thread is that they -- well, in many of them they were acting, sadly, because they wanted to provide for somebody, for children or grandchildren. They thought this would be

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great. You know, I am getting these winnings and it can help me. The priest that we -- Father Ortiz who we profiled, he was hoping to get the money and use it to fund a school.

The scammers know this. They really know how to just push those emotional buttons, and that is what is sad. The oldest people who were scammed, people in their 80s, those I have been told, and it seemed to be true from my research, they get scammed for bigger amounts of money. Younger people maybe are a little bit more likely to report, and maybe they don't go as far.

But in general it is because people really were -- they really trusted these scammers at some point, and the other major thing is that they were told: Don't tell anybody, and so they kept it to themselves because they were afraid of what would happen if they did tell. And that is why they were scammed by so much.

And finally when it finally either somebody caught on or they themselves thought, you know what, this isn't sounding right, and then they reported. So it is the secrecy.

Mr. Guthrie. Yeah, no, I guess another question I would say what do you think we should be looking for in our district. But I have a friend who had a older brother that was being scammed and for several hundred thousand dollars and knew it was going -- and tried to get him and he couldn't get him to stop. And there is no legal way because then he was just an adult. Have you seen that in -- were some of the

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others trying to -- family members saying: Don't do this. This is scamming and it just keeps going or --

Ms. Stanger. Yeah. I mean, I did --

Mr. Guthrie. And I think that is the trust they build. I didn't think about that case. You just said that. It was the trust that they build with the scammer.

Ms. Stanger. That is right.

Mr. Guthrie. Which is an oxymoron, I think. Trust with a scammer, but --

Ms. Stanger. It is true. Unfortunately some of the worst cases, the repeat cases, they develop a relationship with the scammer. And relatives are saying, you know: You can't do this, Dad. No, no, no. This is true, you know. And they trust the scammer more than they trust the adult child.

I am at a loss, really, to know what to say except that, if a senior can at least be told, you know what, they can be -- if they can be shown some of the things that don't make sense, then maybe they will start to realize: Oh, you know, this web address, that doesn't seem right. It doesn't have a dot gov at the end. Right.

Mr. Guthrie. Right.

Ms. Stanger. You know, some of these things that seniors may not think about, the URLs and so forth that somebody younger knows about, just knows. You know, the pop-up that says Microsoft says that you

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have a problem with your computer. Click here. Well, a lot of younger people, not all, but a lot of younger people will know, ugh, ugh, ugh. I am not going there. But somebody who is not as familiar won't know. And so it is just education.

The victim specialist in Los Angeles said that was some of the victims that the she dealt with she actually wrote down something like a script for them to put next to the phone so when somebody called they knew what to say. It requires real preparation. It is almost an addiction for some people, sadly.

Mr. Guthrie. So, professor, it might have been in this case, I was -- Professor Wallace, I know Ms. Schakowsky asked you some questions. And ones she asked I was going to ask, but I don't know if you ever got done your answer, because there were several questions was: What trends do you see in your online program? What are the trends and are there some sessions more popular than others?

Mr. Wallace. Trends. Well, certainly a trend toward mobile devices now. We get a greater variety of types of devices coming in, which makes it harder for us to keep track of -- we are not familiar with all of them ourselves, and so it takes a little while to learn them.

Actually, that speaks to one thing that I think we try to get across to our learners is that we don't know everything. Even the tutors don't know everything. But we have sort of ways of approaching

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something new. So maybe it is a new device, but it could also be, you know, a new Web site or a new service of some kind. And so we have ways of looking at it, checking it out, making sure it is legitimate, you know, and moving on.

So there is certainly a greater diversity, both in terms of the actual physical devices but also, really, in terms of the kinds of services that people are using. So that means that we have to teach them a more kind of agile way of approaching the technology. We can't just teach them how to use, you know, gmail in its current form right now because if we lock them into that, it is going to change. The interface will change over time. And so we need to teach them these kind of deeper skills.

Again, it is getting back to the idea of what kinds of approaches do you use in the physical world to ensure yourself that this is something legitimate and perceived from there. So those kinds of techniques, we try to transfer them over to this digital world.

Mr. Guthrie. Well, thank you. And I appreciate you guys doing this. And my time is expired so I will yield back.

Mr. Burgess. The chair thanks the gentleman.

The chair is going to recommend himself for 5 minutes for questions.

I did let the other members go first because I knew we were coming up on a vote, but it looks like we have got enough time to conclude

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this and adjourn the subcommittee before we go to record our votes.

Ms. Stanger, I just wanted to know from you, what sort of response have you had since publishing the article that you did in Consumer Reports?

Ms. Stanger. People seem to be -- I mean, people in the elder justice community, those are people who deal with, you know, lawyers and people in communities, workers who are -- they are very happy that it is out there because they think it gets the word out.

Apparently the FTC called this little dramatic group to congratulate them. And maybe they will work together. That would be great. I haven't looked at the letters we have got recently so I don't know what readers are saying. We just hope that having it on the cover of a national magazine will get people to think more about it and think about it in their own lives.

Mr. Burgess. Certainly drives the interest factor.

Professor Wallace, you may have noticed that you have arrived in a digital-free zone, and it is ironic because we are the principal committee in the United States House of Representatives that deals with technology and communications, and they provide us a pad of paper and a pencil. So there is room, there is room for improvement.

But I just wanted to ask you, in the healthcare space we have something known as syndromic surveillance where, for example, tissue sales and decongestant sales at a drugstore may be an early tip-off

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that there is a flu epidemic in a community. Is there any way to use that kind of surveillance in your world where there is an increased level of scamming activity?

I can remember as a kid reading in the newspaper, they used to call them pigeon drops where someone would come to town and take advantage of people. And you'd see an article in the newspaper about there is some scammers in town so be careful. Is there any way now in the digital world that you have of getting tipped off and then getting the information out that there is an uptick in this type of activity?

Mr. Wallace. Boy, I do not know of any effort in the that regard. But you have given me a great idea to take back to some of my faculty colleagues at Michigan Tech who work in that space. If it doesn't exist right now, I think that is a great idea.

Mr. Burgess. Well, I don't even know if it is possible, but I also did not know, Ms. Stanger, in your article, about the little scratch-off money cards that people have. I didn't even know you could do that. So, and I don't know if there is any way of watching that kind of activity. That almost seems like legalized money laundering to me.

Ms. Stanger. Well, that I understand that the green dot card doesn't have that capability -- that particular green dot card doesn't have the capability anymore. So I think they are trying to, you know, eliminate that. But the scammers come up with new things. Somebody

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told me that now the iPhone cards, I guess they are cards that you can -- or I don't know, something --

Mr. Burgess. Apple Pay.

Ms. Stanger. Excuse me?

Mr. Burgess. Apple Pay.

Ms. Stanger. Apple -- something is being used. I don't know if it is that, is being used. The scammers move on. They move on to new payment. They figure it out, unfortunately.

Mr. Burgess. Yeah, they are much more facile than the United States Congress.

And both of you have mentioned and it has come up in several Members' questions, the isolation factor and how that is used and almost monetized to take advantage of people. Hard to know how to overcome that except that making families aware that that is a risk factor in this population.

Mr. Wallace. It is ironic because the isolation is something that really motivates their computer use, at least in our case. A lot of people don't have relatives nearby, and so a great way to communicate is through social media and so on.

And so the irony is of course then they are isolated and don't have feedback. But hopefully we are providing a service for them that does provide that. Working together as peers and working with mentors who know is a help.

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Mr. Burgess. And just as a general word to families to be on the lookout for when you know you have a family member who has tended to be isolated that they are perhaps at risk for being targeted by this type of activity.

Professor Wallace, I just have to ask you one last brief question. It is off topic, but you referenced that Facebook was for old people. What is up with that?

Mr. Wallace. I am just echoing the sentiment of my children who say that young people don't use it anymore.

Mr. Burgess. So where are they? They are not on Facebook, where are they?

Mr. Wallace. You think they are going to tell me?

Mr. Burgess. They will tell you. Okay. It is in development. All right.

I will yield back the balance of my time. And seeing that there are no further members wishing to ask questions for this panel, I do want to thank our witnesses for being here today.

Before we conclude, I would like to submit the following document for the record by unanimous consent, a story by Ms. Stanger in the upcoming issue of Consumer Reports magazine. Without objection, so ordered.

[The information follows:]

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***** COMMITTEE INSERT *****

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Mr. Burgess. Pursuant to committee rules, I remind members they have 10 business days to submit additional questions for the record. And I ask the witnesses to submit their response within 10 business days upon receipt of such questions.

[The information follows:]

***** COMMITTEE INSERT *****

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Mr. Burgess. Without objection, the subcommittee is adjourned.

[Whereupon, at 11:35 a.m., the subcommittee was adjourned.]