



**Statement of Tobie Stanger, Senior Editor, Consumer Reports
Before the U.S. House of Representatives Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade**

**"Fighting Fraud Against the Elderly, an Update"
Friday, October 23, 2015**

Chairman Burgess, Ranking Member Schakowsky, committee members, thank you for inviting me to speak. I come here today as a representative of Consumer Reports, and its advocacy arm Consumers 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 first asked to testify, I was 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 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.

Edna was one of eight victims who spoke with me for a recent article on elder scams 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 older scam victims. Most elder fraud cases go unreported. The victims are embarrassed and ashamed. Among other things, they're scared that if they tell, people will think they're unsophisticated or stupid, or losing their cognitive abilities.

But honestly, these scams can victimize anyone. The criminals catch people off-guard and 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 scammers know that seniors, because they're 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's my point today. These scams are rampant. They're growing in number and in 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, seniors are concerned about losing independence if they admit they've been taken, or need help avoiding getting conned. But there are measures they can take that preserve their dignity and independence. For example, there's 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've 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 very effective. But it's not available on traditional land lines, which often are what seniors have. There's 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 500,000 petition signatures. We're 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. Elder financial exploitation needs to be part of the national conversation. We've published articles about it, but I'd love to see a Hollywood movie, too. It's a plot with poignant stories, heroic investigators and victims, piles of money, and even some exotic locales.

Thankfully, some seniors are willing to speak out. There's 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 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 family, but they'll 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's safe to talk about it with law enforcement, and with their families. As one of the actors in the Stop Senior Scams program said, "Don't keep it a secret. You're not the only one."