

**Congresswoman Tammy Baldwin**  
**Statement for Subcommittee on Crime, Terrorism, and Homeland Security**  
**Hearing on H.R. 3040, the “Senior Financial Empowerment Act of 2009”**  
**Tuesday, May 25, 2010**

Thank you Chairman Scott, Ranking Member Gohmert, and members of the Subcommittee for allowing me the opportunity to testify today on the Senior Financial Empowerment Act of 2009. I think it is appropriate that we are all convened here to discuss these issues during the month of May, which is Elder Abuse Awareness Month.

I want to thank my colleague from North Carolina, Mr. Coble, for his leadership on this issue. It’s been a pleasure working with you to advance this legislation. I also want to extend my thanks to our panel of expert witnesses. Thank you for being here this afternoon.

My own experiences as the primary caregiver for my grandmother opened my eyes to some troubling exploitative tactics targeted to America’s seniors. Growing up in Wisconsin, I was raised by my maternal grandparents. Though I went east for college, I returned to my hometown, Madison, after graduation to be there for my grandmother, by then widowed, who had sacrificed so much for me. Eventually, I became her primary caregiver.

Around the time that my grandmother turned 90, she asked me to help her sort through her mail and balance her checkbook. First, I was struck by the sheer volume of solicitations she was getting. I was also shocked by how many fly-by-night and “look alike” charities were writing her monthly. Their pleas for donations looked and sounded legit, but I had my suspicions. So I dug a little deeper.

I was also disturbed by the amount of money my grandmother had been giving to these entities. She believed that those able to do so, ought to be as generous as possible to those in need, but she had no way of determining the legitimacy of the entities that were contacting her.

That experience opened my eyes to the very real exploitation of seniors like my grandmother, through mail, telephone, and Internet fraud. Millions of Americans become victims of similar financial exploitation each year – and it is not just the isolated and lonely who may fall prey to these scams.

One only need to read the newspaper in my home district in Wisconsin to confirm this issue is widespread. Over the years, there have been ongoing reports about “notch baby” schemes, where Social Security beneficiaries born between 1917-1921 are asked to send money to organizations that promise to change federal laws to increase their benefits. These organizations go so far as to ask if seniors would like their federal money in a lump sum or in monthly payments!

Just last month in Madison, the Capital Times reported that an 84-year-old Madison woman was duped out of nearly \$3,000 after a phone scammer convinced her that her granddaughter’s boyfriend was in a Canadian jail and needed bail money. Madison police reported that she received a phone call from a man who called her “grandma” and told her he was in a Canadian jail after being picked up for drunken driving. To convince the elderly woman, “Officer Jacob Harris” came on the line and convinced her of the need for bail money for her “granddaughter’s boyfriend.” This elderly woman wired the money and fell victim to a disturbingly common scam.

I also read that not days after President Obama signed the historic health reform bill into law, fraudsters were figuring out how to scam seniors – a cable TV advertisement exhorted viewers to call an 800-number so they wouldn't miss a "limited enrollment" period to obtain coverage. And there have already been reports of door-to-door salespeople peddling "Obamacare" insurance policies. We all know that there is no limited enrollment period for any coverage, and no such thing as a new federal insurance policy named after the president.

Though we have all read or heard these anecdotal stories, it is difficult to estimate the prevalence of financial exploitation cases due to severe underreporting. According to a 2009 report by the MetLife Mature Market Institute, for every case of abuse reported, there are an estimated four or more that go unreported.

We do know some facts. This same study found that the annual financial loss by victims of senior financial abuse is estimated to be at least \$2.6 billion.

In 2007, postal inspectors investigated almost 3,000 mail fraud cases in the U.S. and arrested more than 1,200 mail fraud suspects.

Further, the FBI has confirmed that criminals are modifying their targeting techniques to include online scams such as “phishing” and e-mail spamming.

Given the prevalence of financial fraud targeting seniors, Mr. Coble and I introduced the Senior Financial Empowerment Act with a very precise goal in mind: empowering seniors and ending all abuse, neglect, and exploitation of America’s elders. The bill builds on good work already being done by the Federal Trade Commission and the Department of Justice and seeks to empower these agencies to support local and state efforts to combat financial fraud and empower our seniors.

We seek to accomplish this in three specific ways. First, the legislation creates a centralized service for consumer education on mail, telemarketing, and Internet fraud targeting seniors.

Second, the bill authorizes the Attorney General to award competitive grants to carry out locally-focused mail, telemarketing, and Internet fraud prevention and education programs for seniors.

And finally, it declares that a week in the month of May (Elder Abuse Awareness Month) should be designated as “National Senior Fraud Awareness Week.” It also encourages the President to issue a proclamation supporting increased public awareness.

Mr. Chairman, before I wrap up my testimony, I want to again commend you for your longstanding commitment to America’s seniors. When I saw my grandmother through the last years of her life, I made a pledge to help make sure older Americans have the tools they need to protect themselves from those who would prey on them. Mr. Chairman and Members of the Committee, my sincerest thanks to you for helping us see this through. I believe the bill before us represents one of the best examples of what a bipartisan, collaborative committee process should look like.