

**Prepared Statement by Senator Chuck Grassley of Iowa
Chairman, Senate Committee on the Judiciary
Hearing on “Protecting Older Americans from Financial Exploitation”
June 29, 2016**

Today’s hearing will examine the growing threat of elder financial exploitation. It gives us an opportunity to ask whether the federal government is doing all it can to protect our Nation’s seniors. Most importantly, we’ll hear today firsthand accounts of the impact of elder financial exploitation, and the physical and emotional toll that it takes on our loved ones.

Elder financial exploitation has been called “the crime of the 21st century.” Studies indicate that it’s the most widespread form of elder abuse, costing older Americans as much as \$36 *billion* each year. And as the number of older Americans increases, it’s likely that the scope of these crimes will increase.

We must have a firm understanding of the problem *now* and ensure that effective countermeasures are in place to prevent, deter, and prosecute these crimes. It’s equally important that we ensure appropriate support and resources are in place to help victims.

Older Americans’ trusting and polite nature, combined with their hard-earned retirement savings, make them attractive targets for criminals. In fact, it’s estimated that approximately 37% of seniors in the United States are affected by some form of financial exploitation in any five-year period.

To make matters worse, these are not just one-time crimes. Criminals have found deceptive ways to ‘set the hook’ on a particular victim and then return for more. One study found that seniors who’d been scammed out of just \$20 ended up losing an additional \$2,000 to other scams over the next five years. But the most devastating impact of these crimes goes beyond seniors’ bank accounts. Victims of financial exploitation can experience loss of independence, deteriorated health and psychological distress—all of which diminish the quality of life.

Today we see an array of schemes and scams targeted at our Nation’s seniors. We hear of the so-called grandparent scams, where fraudsters will present themselves to a senior as a grandchild in distress, in hopes of convincing the grandparent to immediately send cash or give out a credit card number. In my home state of Iowa, we’re hearing more and more about sweetheart scams, where fraudsters cultivate a romantic relationship with a lonely elder—typically online—and then convince the senior to part with his or her hard earned money.

And of course, there are also sweepstakes and lottery scams, government impersonation scams, and tech support scams... just to name a few. The form of these scams is limited only to the creativity of professional fraudsters.

But elder financial exploitation can take on a more personal nature as well. Sadly, I continue to hear of cases where an older American was deceived by a trusted family member or caregiver into signing over a deed or modifying a will. This has led to the loss of homes and even the family farm. But there’s still an alarming amount that we don’t know about financial

exploitation of senior citizens. According to one study, only 1 out of every 44 cases of financial exploitation is actually reported to the authorities. This means that our understanding of the scope of these crimes is limited, at best.

But most importantly, it means that there are people out there today who have suffered—and continue to suffer—from financial exploitation and have not received the help they need. For many victims, the feeling of shame or embarrassment is simply too strong, and it prevents them from sharing their story. And when the exploitation is by the hands of a trusted caretaker or loved one, it's even harder to report to authorities.

So, we must find ways to encourage and empower folks who believe they've been victimized to come forward. For example, we need to arm families, friends, and caretakers with the knowledge of what to look out for and who to turn to when they suspect exploitation. We also need to ensure that law enforcement is appropriately trained to respond to elder financial exploitation when it is reported.

Finally, we need to make sure that government at all levels is working to spread the word on financial exploitation, that individuals on the front lines receive proper training, and that those in the position to combat these crimes have the necessary tools and authority to do so. That's why I'm developing federal legislation to combat elder abuse and financial exploitation. I'm working with Senator Blumenthal on a bill, which we hope to unveil soon. It will promote more effective interagency coordination, training to improve the investigation and prosecution of elder abuse, victim assistance to elder abuse survivors, improved data collection, and tougher penalties for scam artists who target the nation's senior citizens.

Recently, I also sent [letters](#) to the Justice Department to learn more about its efforts to combat elder financial exploitation. I asked about what type of data the Department is collecting and how it's being used to support the Department's efforts. Yet, in its response, the Department [admitted](#) that it “does not collect data on the prevalence of elder financial exploitation nationwide.” The Department further admitted that—because of the system currently in place—it can't provide statistical information on the number of cases it's prosecuted for elder financial exploitation. So, it seems clear that we're not getting the full picture of elder financial exploitation and the adequacy of the federal government's response. I've also asked the Justice Department what it's doing to combat [IRS impersonation scams](#), which bilk millions of dollars from older Americans.

This is far from just a federal issue. State and local governments are on the front lines of the battle against elder financial exploitation. So, it's important that policymakers here in Washington listen and learn about what strategies are working. I'm pleased that we have with us today Donna Harvey, Director of the Iowa Department on Aging, who will be able to discuss Iowa's efforts in this arena and any challenges that it still faces. I'm particularly interested in how we can best protect seniors living in rural communities—such as in rural Iowa—and how we can ensure that they too have access to support and resources. So I look forward to hearing more about what Iowa is doing.

As we consider ways to improve the government's response at all levels, we must not lose focus on the victims themselves and the pain that financial exploitation has caused. Originally scheduled to be with us today was Karla Sibert, a fellow Iowan, whose elderly parents were scammed out of tens of thousands of dollars. Her story demonstrates the importance of watching out for our loved ones. Karla was unexpectedly unable to join us today, but I'm thankful that we have another Iowan here today, Joseph Marquart from AARP Iowa, who will be sharing Karla's story on her behalf. And we appreciate her willingness to have her story told here today.

No doubt, any effective solutions to elder financial exploitation will require the commitment and collaboration of folks across the aisle, and across the board. I hope today's hearing will help bring more attention to this issue. And I hope that it will bring us one step closer to ensuring that our Nation's seniors can age with dignity and assurance that what they've worked toward their whole lives will be protected.

I want to thank all the witnesses for being here today. I look forward to your testimony. And now I'll turn to Senator Blumenthal for his opening statement.