

United States Senate

WASHINGTON, DC 20510

VIA ELECTRONIC TRANSMISSION

June 1, 2020

The Honorable Richard Shelby
Chairman
Senate Committee on Appropriations
Washington, D.C.

The Honorable Patrick Leahy
Vice-Chairman
Senate Committee on Appropriations
Washington, D.C.

The Honorable John Kennedy
Chairman
Subcommittee on Financial Services
and General Government
Washington, D.C.

The Honorable Chris Coons
Ranking Member
Subcommittee on Financial Services
and General Government
Washington, D.C.

Dear Senators Shelby, Leahy, Kennedy, and Coons:

As you consider additional resources to address the current pandemic, we urge you to provide the Federal Trade Commission (FTC) with an additional \$25 million to develop public awareness campaigns designed to educate seniors about frauds and scams. This additional investment is critical in the fight to protect seniors against sophisticated criminals and scam artists leveraging the global pandemic for personal gain.

While experts struggle to estimate the total financial impact of exploitation and scams targeting seniors, mainly because it is so underreported, they know it adds up to at least \$3 billion a year. Older adults are not the only group targeted by scammers, but experts find seniors are particularly at risk due to factors such as loneliness, social isolation and cognitive impairment. The pandemic is likely adding to these risk factors. Further, for many of these victims, the money stolen represents a significant source of their monthly income or their entire hard-earned life savings. And these scammers often use illegal robocalls and spoofing, which masks the identity of the caller, to reach as many potential victims as possible. In fact, according to data cited by the Federal Communications Commission, U.S. consumers received nearly 4 billion robocalls per month in 2018. In normal times, con artists use such calls to perpetuate elaborate schemes and impersonate government and business representatives. But the coronavirus has given fraudsters the ability to add even more urgency and false credibility to their schemes to steal from seniors.

Based on reports from across the country about the ways scammers seek to swindle seniors out of their savings during the current pandemic, there is reason to believe that the financial impact of these scams will be even greater. For example, some con artists have been found to be peddling false cures, vaccines, or other treatments for COVID-19, such as the "Silver Solution" which is a product that had been marketed as potentially helping to protect against and kill the

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novel coronavirus.¹ The FTC has sent warning letters, independently and with the Food and Drug Administration, to these types of marketers in an effort to stop them from selling such products.² And while the FTC has indicated that it believes almost all have come into compliance, it remains unclear how many people purchased the fraudulent products or the extent to which additional products have come on the market. According to media reports, some scammers are stealing bank account information and other personal information in order to redirect economic relief funds from those already suffering from this pandemic.³ And, con artists are reaching out to our aging loved ones pretending to be representatives of the federal government, like the Internal Revenue Service (IRS) or Social Security Administration (SSA), seeking payment or personal information in order to access newly provided or ongoing benefits.⁴

While these criminals must be caught and held accountable for their actions, it is also critical that the federal government take additional steps to prevent people from being scammed in the first place. The FTC's Bureau of Consumer Protection has developed public awareness campaigns that will help, but additional outreach is required. With the closure of senior centers and other places that seniors typically congregate, typical information sharing is not taking place. The FTC must have the resources to engage the public in novel ways. An additional \$25 million would help prevent seniors from falling victim to deceptive and fraudulent COVID-19 practices.

Thank you for your consideration of this matter. We look forward to working with you to ensure that Congress meets the needs of America's seniors and protects them from COVID-19 related scams.



Thom Tillis
United States Senator

Sincerely,



Robert P. Casey, Jr.
United States Senator

¹ Hunter, Moyler, "Televangelist Sells \$125 'Silver Solution' as Cure for Coronavirus," *Newsweek* (February 12, 2020) <https://www.newsweek.com/televangelist-show-guest-promotes-silver-solution-cure-coronavirus-1487069>.

² Federal Trade Commission, "FTC, FDA Send Warning Letters to Seven Companies About Unsupported Claims that Products Can Treat or Prevent Coronavirus" (March 9, 2020) <https://www.ftc.gov/news-events/press-releases/2020/03/ftc-fda-send-warning-letters-seven-companies-about-unsupported>; Federal Trade Commission, "FTC Sends Letters Warning 50 More Marketers to Stop Making Unsupported Claims That Their Products and Therapies Can Effectively Prevent or Treat COVID-19" (May 21, 2020) <https://www.ftc.gov/news-events/press-releases/2020/05/ftc-sends-letters-warning-50-more-marketers-stop-making>.

³ Popper, Nathaniel. "Pure Hell for Victims' as Stimulus Programs Draw a Flood of Scammers" (April 22, 2020) <https://www.nytimes.com/2020/04/22/technology/stimulus-checks-hackers-coronavirus.html>.

⁴ O'Shea, Bev. "Where Coronavirus Relief Checks Go, Fraudsters Follow" (April 18, 2020) <https://abcnews.go.com/Business/wireStory/coronavirus-relief-checks-fraudsters-follow-70223447>.