

**Opening Statement of the Honorable Fred Upton
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Fraud on the Elderly: A growing Problem for a Growing Population”
May 16, 2013**

(As Submitted for the Record)

Defrauding anyone of their hard earned savings is despicable. While the Federal Trade Commission indicates the overall rate of fraud against our senior population is no more prevalent than fraud against the rest of the population, there are reasons to be concerned about this group in particular.

Demographics are changing in this country, and quickly. The baby boom generation is just beginning to retire and will increasingly swell the proportion of our population enjoying their golden years. In Michigan, out of a population of just under 10 million people, we have 1.3 million citizens over the age of 65, and another two million between the age of 50 and 64. This developing increase means that the number of fraud cases against the elderly will rise for many years to come, even without any change in the overall historical rate of fraud.

Adding to this dynamic is the financial reward to criminals of targeting the elderly. Most workers nearing retirement aspire to begin those years with a nest egg that will last them two or more decades. To do so they have accumulated far more assets and benefits over their working career than the younger people who are still working. And statistics indicate the wealth gap between today’s retirees and their younger counterparts has widened over the past few decades. These facts would suggest that the elderly will increasingly be targeted by criminals. Just as the infamous Willie Sutton targeted banks for his robberies, more retirees with more wealth are an attractive group to criminals because “that’s where the money is.”

There are additional reasons to be concerned for the elderly. We are living much longer, healthier lives than ever before. But the longer we live, the greater the odds of diminishing mental acuity that can affect our decision making and make us more susceptible to scams. And as Internet broadband adoption expands, we are also seeing a growing proportion of elderly going online and opening up a potential new avenue for scam artists to target them. Though it may pose new challenges, the good news is the Internet can also be a great research tool for seniors to help prevent fraud.

It is our duty to make sure government resources are allocated accordingly to help our citizens prevent these crimes. As the saying goes, an ounce of prevention is worth a pound of cure. So education can and should be the first line of defense. From the federal government down to media to community organizations, there are plenty of resources available for consumers to stay informed about scams and learn how to protect themselves or their loved ones. The hurdle seems to be getting the message to everyone and alerting them to the dangers that exist – whether it’s online or over the phone.

I am pleased to see the issue is clearly in the focus of our relevant state and federal agencies and you share our goal to prevent this from becoming a bigger problem than it is today. I look forward to learning more about the efforts to prevent these crimes and hear any recommendation we should consider further.

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