

## U.S. SENATE SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER PROTECTION

LIZ COYLE OPENING STATEMENT, AUGUST 3, 2021

Good afternoon. Thank you Chairman Warnock and Ranking Member Tillis for inviting me to speak before this subcommittee today. I am truly honored to have this opportunity.

As members of this subcommittee know, our country still is facing significant health risks tied to COVID-19, and recovery from the pandemic economy remains challenging for many and fraught with obstacles and dangers for the most vulnerable among us. Today, we're here to talk about protecting consumers from scams and fraud in the pandemic recovery economy. I am grateful to the committee for shining a light on this issue.

I would like to share with you today some of my concerns as a consumer advocate from Georgia. Every day, we work to help Georgians with the issues that impact their lives and livelihoods. The pandemic public health and economic crises further highlighted what we already knew. Those already struggling to access needed healthcare, keep the lights on, pay off debts, and live in stable housing would be much more significantly impacted by the challenges suddenly confronting all of us. Our toll-free consumer hotline started ringing on day one of this crisis and we continue to hear regularly from people needing assistance. This especially is the case among our seniors on fixed incomes, veterans, lower income households and communities of color, who long have been disparately impacted in times of crisis. We knew many consumers in Georgia were feeling desperate and vulnerable. Bad actors definitely knew that, too. From the early days, scammers and fraudsters plotted to benefit substantially from these conditions. And as we've learned from federal and state regulators, they did.

While many of today's scams look a lot like yesterday's, a newer kid on the economic block may be having an outsized influence on the current shape of fraud. Emerging financial technology tools certainly offer convenience, and for some under- or unbanked Americans, access to the mainstream economy. However, these fin tech offerings may also be used by bad actors to facilitate scam-based theft. For example, a mobile lending technology developed by a company from Georgia has been used by home repair scammers as the perfect vehicle to steal from unsuspecting, vulnerable homeowners.

We also have heard from consumers who've been scammed when using a common social media platform, Facebook. Scammers use Facebook to steal money from unsuspecting consumers. Someone might see an ad while using the platform and be tricked into purchasing a product from a fake company. When the merchandise doesn't come, they're left with nothing more than a web address and maybe an email address to a fraudulent, non-existent company.

In closing these remarks, I want to acknowledge the vitally important role played by the Georgia Attorney General and Department of Law and the Consumer Financial Protection Bureau in alerting us to emerging scams. Notably, these regulators both launched investigations and initiated enforcement actions related to the home improvement scams I just referenced. I recommend policy makers ensure our state and federal regulators have the authority they need to set and enforce rules that protect consumers and keep the emerging fin tech marketplace safe for all. Thank you again.