



Testimony of

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On

“Protecting Americans’ Money: Combatting Scams and Frauds
Against Seniors and Savers.”

Before the

United States Senate
Committee on Banking, Housing, and Urban Affairs

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Introduction

Chairman Brown, Ranking Member Scott, and other members of the Committee, I appreciate the opportunity to provide comments on the important topic of protecting seniors and others from scams. I am Carri Grube Lybarker and I get to serve as the Administrator and Consumer Advocate for the South Carolina Department of Consumer Affairs (“Department”)¹. The Department is South Carolina’s consumer protection agency. Overall, our mission is to protect consumers from inequities in the marketplace while giving due regard to those businesses acting honestly and fairly.

My comments today are based upon the Department’s experience in administering and enforcing the over 120 statutes under our jurisdiction, processing consumer complaints and scam reports, and otherwise assisting South Carolina consumers when their personal information or money is stolen.

South Carolina Scam Data

One of the many roles of our agency is to receive scam reports. Last October we celebrated the 10-year anniversary of our Identity Theft Unit², the division responsible for processing scam and identity theft reports and providing one-on-one guidance to affected consumers. From October 2013 to October 2023, consumers filed 14,764 scam reports and reported actual losses of just over \$18 million. Potential losses reported by those who did not fall victim to the scams was nearly \$8.7 million.

While the top three scam categories often encompass the purchase of a fake good or service or a lottery/sweepstakes scam, over the past five years, the largest consumer losses have come from: (1) lottery/sweepstakes scams (\$3,771,252); (2) investment scams (\$1,947,842); and (3) romance scams (\$1,632,584). Of those who provided their age during this time period, the largest groups of people filing a scam report with the Department were 65–74-year-olds, 75–84-

¹ <https://consumer.sc.gov/>.

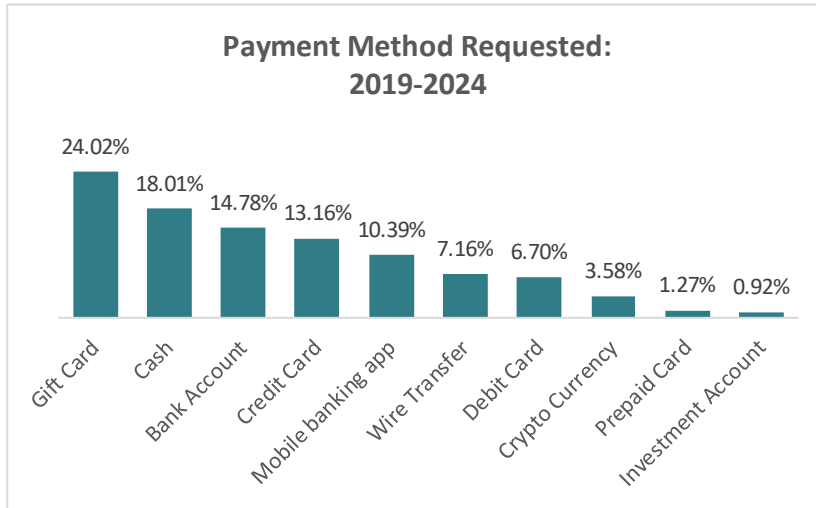
² <https://consumer.sc.gov/identity-theft-unit>.

year-olds, then 55–64 year-olds. Our office does not believe this data shows younger populations are not targeted, but instead the most money is lost amongst our older population.

The reports we receive help keep us informed of new schemes and tactics used by scammers. The baseline of any scheme remains the same. The fraudsters are trying to separate consumers from their hard-earned money or personal information through:

- Pretending to be someone they know or recognize,
- Saying there’s a problem or a prize involved,
- Pressuring the consumer to act now, and
- Requiring a payment via a specific, hard to trace method.

But there are often new types of schemes that pop up, the romance scam being an example, or a new twist, like requesting payment via mobile payment app. As technology



evolves, so do scammers’ methods. New technology has opened up pathways for scammers to gain the trust of their target or otherwise make their scheme seem more believable. A common tactic used by scammers is spoofing.

The goal of a spoofing attack is to make something look different than it really is. We initially saw this with telephone numbers – making it look like someone else is calling or sending a text message. Now, spoofing applies to every form of contact with the creation of fake email addresses, fake websites, hijacked/fake social media accounts and computer pop-up messages.

Security breaches and scams often go hand in hand as well. In this digital age, our personal information is unfortunately more accessible to bad actors and information stolen in a breach can help make a scheme seem legitimate. In 2023, the Department received reports of 130

breaches affecting over 3.2 million South Carolina residents. This amount constitutes approximately 20% of the overall number of breaches reported to the agency since 2012 – 712 breaches affecting nearly \$16 million South Carolinians. For context, South Carolina currently has a population of approximately 5.3 million.

Outreach and Educational Efforts

The Department actively tracks the types of scam reports received and uses the information for our outreach efforts. Education is a core component of our mission and we recognize that it truly is the best defense to avoid becoming a victim. We want to make sure consumers and businesses are aware of their rights and responsibilities under the laws and have the tools at hand to spot, avoid and recover from a scam.

Our outreach and educational efforts span traditional and nontraditional media distribution, including media coverage, social media, presentations and publications. We issue press releases and scam alerts as new information comes about or data shows an uptick in a particular scam. We have also adapted to technology, becoming an early adopter of social media channels to get the word out. Most recently, we became the first South Carolina state agency to be active on NextDoor. It is a tool that we can use to get our message in front of a large portion of our state that we normally would not be able to reach as their platform allows our posts to potentially reach each person in our state who uses their service. Since our first post in October 2021, we have had over thirteen million views. We credit this exposure to increasing our weekly website visits, YouTube video views³ and webinar attendance.

Presentations really are the foundation of our educational initiatives. Over the past five years, the Department has given over 750 presentations to nearly 31,000 attendees. Last fiscal year alone our office gave 160 presentations to more than 4,000 attendees. Staff conducts presentations both in-person as well as via webinars. We speak to community groups, senior centers, churches, libraries, teachers and students and at various conferences. We also present to regulated industries, professional associations, law enforcement and front-line workers.

³ <https://www.youtube.com/user/SCDCATV>.

Our most popular presentation topic is Identity Theft and Scams, which correlates to our newest offering – Ditch the Pitch Bingo⁴. Each number called during the game has an educational tip on scams or how to protect your personal information. Some tips include how to apply a security freeze on your credit report, common red flags of scams and what cybersecurity tools are a must if you are using digital devices. The idea came from a meeting with the US Attorney’s Office when they introduced us to Pennsylvania Department of Banking and Securities “Investment Fraud BINGO.”

We decided our number one publication, “Ditch the Pitch, a guide for guarding against scams” (“Ditch the Pitch”)⁵, would be a great template for the Bingo game and it has taken off. Out of our fifty plus publications on topics ranging from money and credit, dealing with debt, privacy and scams, “Ditch the Pitch” is our most popular. The Department first released “Ditch the Pitch” in 2015. The guide addresses common scams, how to avoid them and what to do if a consumer reveals sensitive information to a scammer. Over the past five years, we’ve given out over 50,000 guides and have had other states and countries reach out and ask for permission to use the content for their own education. In August, we released an updated version marking the 50th anniversary of the signing of the law that established the Department.



This extensive outreach would not be possible without the help of partner agencies and organizations. Whenever engaging in outreach, we think about the channels we can use to get the message and/or materials out to our target audience. We can create great, helpful content all day long, but efforts are futile if we do not get it into the hands of those who need it most. Our recent release of “Ditch the Pitch” is a great example of leveraging partnerships. The South Carolina Department on Aging teamed up with us to distribute the revised publication to more than 9,000 consumers statewide who are served by the Department on Aging’s home delivered meal program⁶.

⁴ <https://consumer.sc.gov/news/2022-09/play-bingo-while-learning-how-avoid-scammers>.

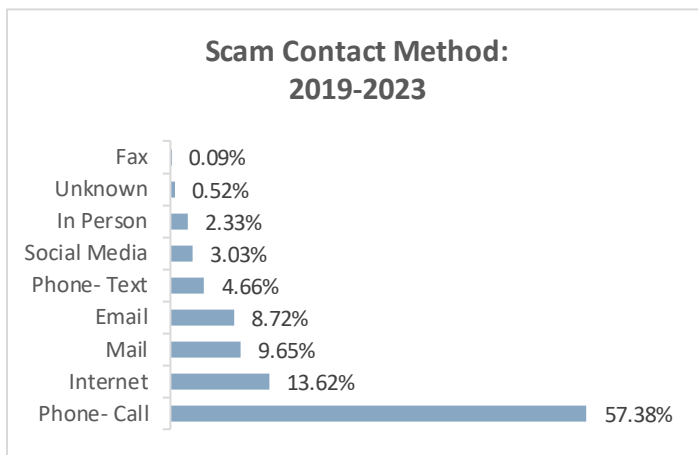
⁵ https://consumer.sc.gov/sites/consumer/files/Documents/Ditch_The_Pitch_2024.pdf.

⁶ <https://consumer.sc.gov/news/2024-08/scdca-and-department-aging-partner-warn-seniors-about-scams>.

As a small agency of 47 full-time employees and one office, leveraging resources is vital to our mission fulfillment. We partner with local, state and federal agencies as well as private organizations. Examples of other fruitful partners include AARP with their TeleTown Halls we are able to educate thousands of their South Carolina members in one sitting⁷; and the World Elder Abuse Task Force – a group of about thirty government and non-government organizations who serve senior adults, the partnership offers presentation and outreach opportunities, including for frontline workers offering services to SC’s seniors, and networking to ensure knowledge of one another’s services and correlating referrals.

Additional Tools for Fraud Prevention

Education is key to keeping consumers protected, but we have seen some practices and laws help to prevent consumers from falling victim to a scam. One example at the federal level is



the FCC’s Stir/Shaken framework. Providing telephone providers to stop scam calls before they get to a consumer or otherwise alerting a consumer that a call is likely a scam are helpful tools. While new forms of communication have certainly increased over the years, scammers still prefer calling their targets. From 2019 through 2023, 57%

of consumers reporting a scam to the Department indicated being contacted by phone.

Newly implemented legislation⁸ in South Carolina has also allowed financial institutions and securities providers to pause a transaction request if financial exploitation of a vulnerable adult is suspected. Industries have also voluntarily initiated notices to consumers when using payment methods commonly requested by scammers. As an example, a national drugstore

⁷ <https://consumer.sc.gov/sites/consumer/files/Documents/News/2013/13033.pdf>.

⁸ https://www.scstatehouse.gov/sess124_2021-2022/bills/425.htm.

provides a warning at the payment terminal consumers must acknowledge prior to purchasing a gift card. Financial institutions also post warnings in offices regarding fake checks.

Conclusion

Chairman Brown, Ranking Member Scott, and the members of the committee, thank you for your continuing work to protect consumers and for holding this hearing. We at the Department are grateful that you allowed us to be a part of it. I hope you find our comments beneficial as you decide a path forward for combatting fraud and scams.