

Protect Minnesotans from Fraud



The bi-partisan **Consumer Fraud Restitution Fund** (SF 447, Rest; Carlson; Koran; Klein; Dornink | HF 1392, Lee K.; Freiberg; Kozlowski; Mueller; Roach) would:

- » Motivate the Attorney General to sue scammers and help victims recover their money.
- » Encourage scam victims to report crimes.
- » Use penalty money from big company bad actors to pay back victims who can't recover their losses otherwise.

ABOUT AARP MINNESOTA

AARP is a nonprofit, nonpartisan organization that empowers people to choose how they live as they age.

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Minnesota Fraud Victims

The rapidly growing **fraud industry is stealing billions of dollars from U.S. consumers** every year, with a particularly profound impact on older adults who are least able to recover financially. There are few viable options for recovering money lost to scams. A state-level **Consumer Fraud Restitution Fund** aims to address this issue.



Under the proposed Consumer Fraud Restitution Fund bill Fund (SF 447, Rest; Carlson; Koran; Klein; Dornink | HF 1392, Lee K.; Freiberg; Kozlowski; Mueller; Roach), excess funds from Minnesota civil penalty payments in consumer fraud enforcement cases would be directed to a new restitution fund rather than the state's general fund. To be eligible for this fund, the Minnesota Attorney General would bring a public enforcement action against a defendant based on an investigation establishing that the person was defrauded.

Public civil law enforcement tools in Minnesota are insufficient to stop scam operations. Providing a means for victims to recover their money would give the Attorney General a strong incentive to pursue scammers more aggressively. Additionally, it would encourage more Minnesotans to report financial crimes, knowing they have a chance to get their money back.

The following **stories are from Minnesotans affected by fraud and scams.**

Real stories from older Minnesotans about the impact of frauds and scams.



John from Falcon Heights almost fell victim to a scam when his wife received an email, seemingly from their church's pastor, asking for \$2,000 in gift cards to surprise the staff. The email requested secrecy and even included follow-up instructions to scratch off the codes and send them electronically. Given their deep involvement with the church, they didn't question the request at first. However, on the way to the store, John noticed the sender's email address was inaccurate and stopped the scam.



Helene from Golden Valley paid \$15,000 upfront for dental implants, without knowing that her dentist's license was suspended.

After her first portion of the surgery in January 2024, the clinic closed leaving her treatment unfinished and without access to her medical records.



Candace from Little Canada, relied solely on her Social Security benefits. When she had a question about an online order, she searched for the retailer's phone number but found a fake one. The scammer, pretending to be an employee, claimed her account was flagged and someone was trying to steal her identity. They suggested using \$4,000 in gift cards as bait to catch the thief, promising to return her funds. Trusting them, Candace bought the gift cards and provided the codes, only to realize she had been scammed and couldn't recover her money.

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Keith from Little Canada received a pop-up claiming his computer had a virus. Trusting the message, he called the number and allowed the person to access his computer. His screen went black, and he was told to pay \$200 with a gift card to unlock it. He complied, but the scammer claimed the card had already been redeemed and demanded another one. This process continued until July 2020, with Keith purchasing 153 gift cards totaling \$48,600. Realizing the scam, he took his computer to a tech support service, who unlocked it but couldn't recover his data. Keith depleted his savings and had to take out a mortgage to pay off the debt.

Dawn from Savage was afraid that her computer had caught a virus and contacted what she thought was a legitimate repair service. After giving the "IT specialist" online access to her computer, she was instructed to accept a \$200 refund for service. However, the scammer changed the amount to \$20,000 and then pressured her to fix the error by withdrawing the difference from her bank. Dawn's bank flagged the scam before the transfer occurred, but she learned that others in the same situation were not as fortunate.



Dennis from Maplewood received a call from two people claiming to be his grandson and a public defender, urgently needing \$20,000 for bail after a car accident that injured a pregnant woman. Desperate to help, Dennis withdrew the money and sent it.

The situation worsened when the "public defender" called again, claiming the woman in the crash had miscarried and his grandson now faced manslaughter charges, needing \$15,000 for a settlement. Running out of funds, Dennis turned to his older brother, who grew suspicious and they discovered the scam. Despite reporting the scam to the police, Dennis never recovered the initial \$20,000.