



AARP Testimony on Consumer Fraud Restitution Fund (SF 447)
Senate Finance Committee
April 2, 2025

Chair Marty and Committee Members,

My name is Thomas Elness, State Advocacy Director with AARP Minnesota. On behalf of our more than 620,000 members statewide, thank you for considering S.F. 447, legislation to create a Consumer Fraud Restitution Fund. This is AARP's top priority this year and we want to thank Senator Rest for authoring this important legislation, our bipartisan coauthors, and the Attorney General's office for their support.

There has been a lot of discussion about fraud lately, and this bill recognizes the impact of fraud on *individual* Minnesotans. The impact of fraud is profound, particularly when victims are older adults who are at a time in their lives when they are least able to recover financially. There are few viable options for recovering money lost to scams, but a Consumer Fraud Restitution Fund can help address that problem in three key ways:

First, this fund will incentivize those who have been scammed to report fraud to the attorney general. Too often, defrauded Minnesotans do not report the crimes they have experienced. With an increased chance of restitution, defrauded Minnesotans have more reason to report their cases, which will help the state catch and hold more criminals accountable.

Second, the creation of this fund incentivizes the attorney general to pursue these cases. Without the chance of restitution in many scam cases, the attorney general often prioritizes other cases. As things stand now, public civil law enforcement tools like injunctions and orders to pay money simply don't do enough to stop scam operations.

Third, this fund will provide monetary restitution to those who have lost funds to criminals. To receive restitution funds, the attorney general would have to bring a case against a defendant as a consumer enforcement action and obtain a final order establishing that the person was defrauded.

Finally, it's important to note that AARP is leading the effort to protect Minnesotans from fraud through community education, our AARP Fraud Watch Network, and fraud helpline. However, criminals are becoming more sophisticated and preying on vulnerable Minnesotans.

Thank you for the opportunity to provide written testimony in support of SF 447.

Thomas Elness
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AARP Minnesota