



Legal Services Advocacy Project

March 16, 2025

The Honorable Kaohly Vang Her  
Chair  
Commerce Finance and Policy Committee  
Minnesota House of Representatives  
5<sup>th</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

The Honorable Tim O'Driscoll  
Chair  
Commerce Finance and Policy Committee  
Minnesota House of Representatives  
2<sup>nd</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

Re: HF 1392 (Consumer Protection Restitution Account)

Dear Chairs Her and O'Driscoll and Members of the Commerce Finance and Policy Committee:

The Legal Services Advocacy Project (LSAP) writes in support of HF 1392, a bill that would create a consumer protection restitution account in the special revenue fund to compensate consumers directly impacted by unlawful acts and practices. LSAP is a statewide division of Mid-Minnesota Legal Aid, providing policy, legislative, and administrative advocacy on behalf of Legal Aid statewide. Legal Aid's clients include Minnesotans who have low incomes, elderly Minnesotans and Minnesotans with disabilities.

The variety of ways consumers can get duped is breathtaking, from romance scams, to fake charity scams, to imposter scams, to grandparent scams, to lottery scams, to investment scams, to foreclosure relief scams, to debt relief scams, to magazine subscription scams, to money transfer scams, and on and on. The explosion of phishing and online scams has significantly exacerbated the problem.

The increase in consumer scams is steady and alarming. The Federal Trade Commission reveals that consumers reported losing more than \$10 billion to fraud in 2023, marking the first time that fraud losses have reached that benchmark.<sup>1</sup> Internet scams are growing as well, with total losses exceeding \$12.5 billion in 2023, a nearly 22% increase in losses suffered, compared to the previous year.<sup>2</sup> And scams involving elders are especially troubling and growing, particularly as Minnesota's elder population grows. The FBI reports that in 2023, total losses reported by those over the age of 60 exceeded \$3.4 billion, an almost 11% increase from the previous year.<sup>3</sup>

Several states have created some form of state-level restitution for victims of frauds and scams. Minnesota should join them and LSAP applauds Senator Rest and the bipartisan group of co-authors for proposing this important piece of legislation. LSAP urges the committee to pass HF 1392. Thank you for the opportunity to allow LSAP to offer its support.

Sincerely,

Ron Elwood  
Supervising Attorney

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<sup>1</sup> Federal Trade Commission, Press Release, *As Nationwide Fraud Losses Top \$10 Billion in 2023, FTC Steps Up Efforts to Protect the Public*, February 9, 2024.

<sup>2</sup> Federal Bureau of Investigation, *Internet Crime Report 2023*.

<sup>3</sup> Federal Bureau of Investigation, *Elder Fraud Report 2023*.