

Date of Hearing: May 1, 2025

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 995 (Caloza) – As Amended March 19, 2025

PROPOSED AMENDMENTS

SUBJECT: Department of Justice: phone scams

SYNOPSIS

According to the Federal Trade Commission (FTC), impostor scams are among the most reported types of fraud nationally, with older adults experiencing the greatest financial losses, although more people aged 20-29 have lost money to scammers.¹

Scammers seem to always be one step ahead of consumers, which leaves Californians constantly guessing if a call or text they receive is a scam. Scammers can mimic government entities, credit card companies and banks, job opportunities, retail establishments, delivery services, sweepstakes promising free prizes – the list goes on. Almost nothing that affects our lives is off the table for scammers to use to defraud unsuspecting people.

This bill seeks to combat this problem by arming the public with more information about current phone scams. The bill requires the California Department of Justice (DOJ), on or before January 1, 2027, to establish on its website a database of known phone scams, which must be updated monthly and include a list of known scam phone numbers, a description of common tactics used by scammers, guidance on how to avoid them, and a mechanism to report suspected scams. Amendments outlined in Comment #4 omit the requirement to include a specific list of known scam phone numbers. The amendments also require more information to be posted on current and common scams, a scam search tool, and a yearly report submitted to the Legislature on the types of and number of scams reported to the website by Californians.

This bill is author-sponsored, supported by the California Bankers Association and California Credit Union League, and has no registered opposition. Originally referred to the Environmental Safety & Toxic Materials Committee, it was subsequently gut and amended and referred to this Committee.

THIS BILL:

- 1) Requires the DOJ to establish and maintain a database of known phone scams on its internet website that includes all of the following:
 - a. A list of known scam phone numbers.
 - b. A description of common tactics used by scammers.

¹ Top Scams of 2024, Consumer Advice, Federal Trade Commission <https://consumer.ftc.gov/consumer-alerts/2025/03/top-scams-2024>

- c. Guidance on identifying and avoiding fraudulent communications.
 - d. A mechanism to report suspected scams to allow the DOJ to update the database.
- 2) Requires that the internet website include a mechanism to report suspected scams, as specified.
 - 3) Requires the DOJ to update the database monthly.

EXISTING LAW:

- 1) Prohibits, through the federal Truth in Caller ID Act of 2009, causing any caller identification service to transmit misleading or inaccurate caller ID information with the intent to defraud, cause harm, or wrongfully obtain anything of value, except as specified. (47 U.S.C. § 227(1)(e)(1).)
- 2) Provides that the Attorney General (AG) is the head of the DOJ. (Gov. Code § 12510.)
- 3) Provides that the AG has charge, as attorney of all legal matters in which the State is interested, except as specified. (Gov. Code § 12511.)
- 4) Requires the DOJ to maintain a continuing investigation on a statewide basis of investment frauds and business crimes and to assist district attorneys in the prosecution thereof. (Gov. Code § 15006.)

COMMENTS:

- 1) **Author's statement.** According to the author:

Scammers and fraudsters prey on our trust, and too often, the targets are seniors, immigrants, or low-income families who may not know where to turn for help and information. With phone scams becoming more sophisticated using faking caller ID, using AI-generated voices, and impersonating government agencies, it's time for California to step up its prevention and protection efforts. AB 995 empowers consumers with a trusted source to report scams, verify suspicious calls or texts, and help stop fraud before it happens.

- 2) **Background.** Phone and text scams are among the most persistent and financially damaging forms of fraud in California, targeting residents with deceptive calls and messages that impersonate government agencies, businesses, law enforcement, or trusted individuals. These scams are increasingly sophisticated, often using spoofed phone numbers, voices generated by artificial intelligence (AI), and emotionally or "urgent" manipulative scripts to steal personal information and money from unsuspecting victims. Despite enforcement efforts at the federal and state level, California lacks a centralized, public tool to verify suspected scams, report fraudulent calls or texts, and stay informed about emerging scams. This information gap undermines consumer protection and limits law enforcement's ability to respond swiftly to scam trends.

Underserved and marginalized communities are disproportionately targeted and harmed by phone and text scams. Older adults often experience the greatest financial losses, while

immigrant, low-income, and limited-English proficient communities are commonly targeted by scammers impersonating public agencies, utility companies, or law enforcement.

Data from the FTC shows that in 2023 consumers lost approximately \$10 billion to scams. That number rose to \$12.5 billion reported as scammed in 2024. According to the FTC's Consumer Sentinel Network 2024 Data Book, the most common contact method and the most money scammed from consumers happened through emails, phone calls, and texts.²

Number of Reports and Amount Lost by Contact Method

Contact Method	# of Reports	Total \$ Lost	Median \$ Lost
Email	371,851	\$502M	\$600
Phone call	284,859	\$948M	\$1,500
Text	246,784	\$470M	\$1,000
Social Media	186,826	\$1,858M	\$409
Website or Apps	186,863	\$976M	\$200
Other	148,288	\$1,072M	\$633
Mail	42,108	\$90M	\$990
Online Ad or Pop-up	42,023	\$248M	\$180

Scammer techniques can range from basic or quite sophisticated. Imposter scams can use AI to mimic a person's voice and make a distressed call claiming to be the recipient's relative or friend in immediate need of money. Spoofing phone numbers is when a caller manipulates a person's phone's caller ID so the number looks like a local number or even familiar and trustworthy. Once the call is answered, scam scripts are used by the caller to get monetary payment or personal information.³ The FTC and Federal Communications Commission's websites offer similar tips on how consumers can avoid scams. Among these tips are recommendations to:

- not answer calls from unrecognized numbers and to block those numbers
- not respond to unsolicited texts and emails
- never click on links in these texts or emails
- not give personal or financial information
- not act immediately or impulsively
- research the company using your own internet browser.⁴

3) **What this bill would do.** AB 995 requires the DOJ to establish and maintain a database on its internet website of known phone scams including the scam phone numbers. Also required would

² Consumer Sentinel Network Data Book 2024, Federal Trade Commission https://www.ftc.gov/system/files/ftc_gov/pdf/csn-annual-data-book-2024.pdf

³ Caller ID Spoofing, Consumer Guide, Federal Communication Commission https://www.fcc.gov/sites/default/files/caller_id_spoofing.pdf

⁴ How to Avoid a Scam, Consumer Advice, Federal Trade Commission <https://consumer.ftc.gov/articles/how-avoid-scam>

be information on common fraud tactics and guidance on recognizing and avoiding scams along with a mechanism for reporting scams. The DOJ is required to update this database monthly, ensuring Californians have access to timely, accurate information on fraud threats and a streamlined way to contribute to enforcement efforts.

4) **Proposed amendments.** The author has agreed to clarifying amendments and to require an annual report by the DOJ to the Legislature on the types of and number of scams reported to the website by Californians. The amendments also delete the requirement that the DOJ's website include a list of known scam phone numbers; spoofing phone numbers is so easy that this provision provides little utility. Instead, the amendments require the website to include a search tool that enables the public to search for known phone scams based on key terms or the source of the scam. Finally, the bill would sunset five years after it goes into operation, enabling the Legislature to revisit this policy. Below is the bill in its entirety with the proposed amendments.

SECTION 1. Section 15006.5 is added to the Government Code, to read:

15006.5. (a) On or before January 1, 2027, the Department of Justice shall establish on its internet website a database of known phone scams for the purpose of empowering consumers, assisting law enforcement in monitoring emerging threats, and reducing the prevalence of phone scams. The department shall *verify reports of suspected phone scams* **and** update the database on a monthly basis.

(b) The internet website shall also include all of the following:

(1) ~~A list of known scam phone numbers.~~ Current details about the most frequently reported known scams.

(2) A description of common tactics used by scammers.

(3) Guidance on identifying and avoiding fraudulent communications.

(4) A mechanism to report suspected phone scams to allow the department to update the database.

(5) A search tool that enables the public to search for known phone scams based on key terms or the source of the scam.

(c) (1) On or before January 1, 2028, and each year thereafter, the department shall submit to the Legislature a report detailing the number of reported and known phone scams as well as the most common types of scams during the prior calendar year.

(2) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Government Code Section 9795.

(d) This section becomes inoperative January 1, 2033.

ARGUMENTS IN SUPPORT: The California Credit Union League and California Bankers Association write in support:

Phone scams are a very common form of fraud hurting many consumers every day. These fraudsters are extremely savvy and will impersonate a consumer's bank or credit union, often targeting the most vulnerable groups. While financial institutions continuously work to educate their consumers about how to identify illegitimate phone calls, we support additional tools and resources by the state to aid in these fraud prevention efforts. AB 995 will help educate and protect consumers by creating a robust database of phone scams and a centralized reporting tool. We appreciate the proactive approach to fraud prevention and our organizations are proud to support AB 995.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Bankers Association
California Credit Union League

Opposition

None on file.

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