

Connecting Communities



Strategies and Resources for Addressing Financial Services Fraud During the COVID-19 Pandemic

October 8, 2020

Organized by the Federal Reserve Bank of St. Louis

Welcome



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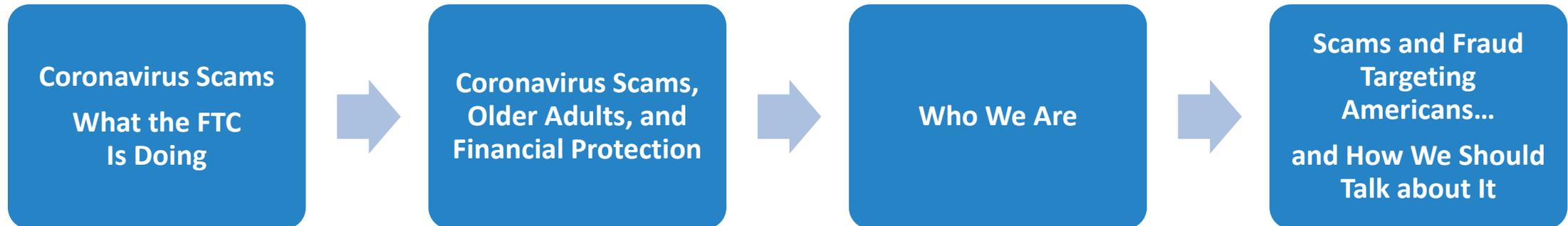


Robin McKinney
Chief Executive Officer
CASH Campaign of
Maryland



Kathy Stokes
Director of Fraud
Prevention Programs
AARP

Agenda for this Webinar



Join

- Call-in number: **888-625-5230**
- Conference Code: **205 954 39#**
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/36724>

Questions

- Email us at: communities@stls.frb.org.
- Type your question into the chat box of the webinar.

Website

- Please visit <https://bsr.stlouisfed.org/connectingCommunities>.

The **Connecting Communities**[®] audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

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The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

Community Development

The mission of the Federal Reserve's Community Development function is to promote the economic resilience and mobility of low- and moderate-income and underserved individuals and communities.



Coronavirus Scams

What the FTC Is Doing



Colleen Tressler

Senior Project Manager
Bureau of Consumer Protection





Coronavirus Scams

Tips from the FTC

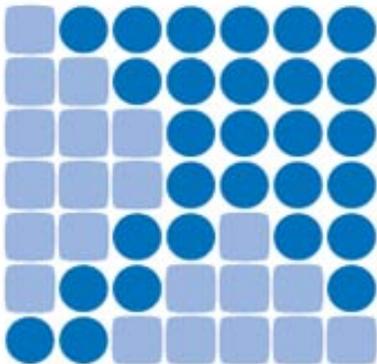
ftc.gov/coronavirus

Source: Federal Trade Commission | FTC.gov



Top COVID-Related Reports/Complaints

- Online shopping
- Scam text messages
- Phone scams



**Explore
Data**
with the **FTC**

**Track Coronavirus (COVID-19)
consumer complaints**

Source: Federal Trade Commission | FTC.gov

The image shows a promotional graphic for the FTC's "Explore Data" tool. It features a logo on the left consisting of a grid of blue squares and circles. To the right of the logo, the text "Explore Data" is written in a large, bold, blue font, with "with the FTC" in a smaller, grey font below it. The bottom half of the graphic has a solid blue background with the text "Track Coronavirus (COVID-19) consumer complaints" in white. At the bottom right, there is a small line of text: "Source: Federal Trade Commission | FTC.gov".



Email/Text Scams and Malicious Websites

- Phishing emails and texts:
 - Get your money
 - Get your information
 - Links to malware sites
- Malicious websites:
 - Lots of domains, including “Coronavirus”
 - Stick with known, trusted sites.
- Don’t click links from sources you don’t know.

Re:SAFTY CORONA VIRUS AWARENESS WHO

 World Health Organization ·    

 World Health Organization

Dear Sir,

Go through the attached document on safety measures regarding the spreading of corona virus.

Click on the button below to download

[Safety measures](#)

Symptoms common symptoms include fever,coughcshortness of breath and breathing difficulties.

Regards,

Dr. Stella Chungong
Specialist wuhan-virus-advisory

FAKE

Imposter Scams

- #1 fraud reported to Consumer Sentinel in 2019
- Government imposter scams:
 - Medicare
 - Relief payment messages
- Other imposters:
 - Family emergency
 - Tech support
 - Romance/online dating
- For more information, visit ftc.gov/imposters.

Oh, the stories scammers tell . . .

Phony Social Security Administration –
“Your Social Security number has been frozen, but we’ll help you keep your money ‘safe!’”

Health & Human Services/Medicare con –
“Call now for your free back brace!”

IRS imposter – *“There’s a lawsuit against you for unpaid taxes.”*

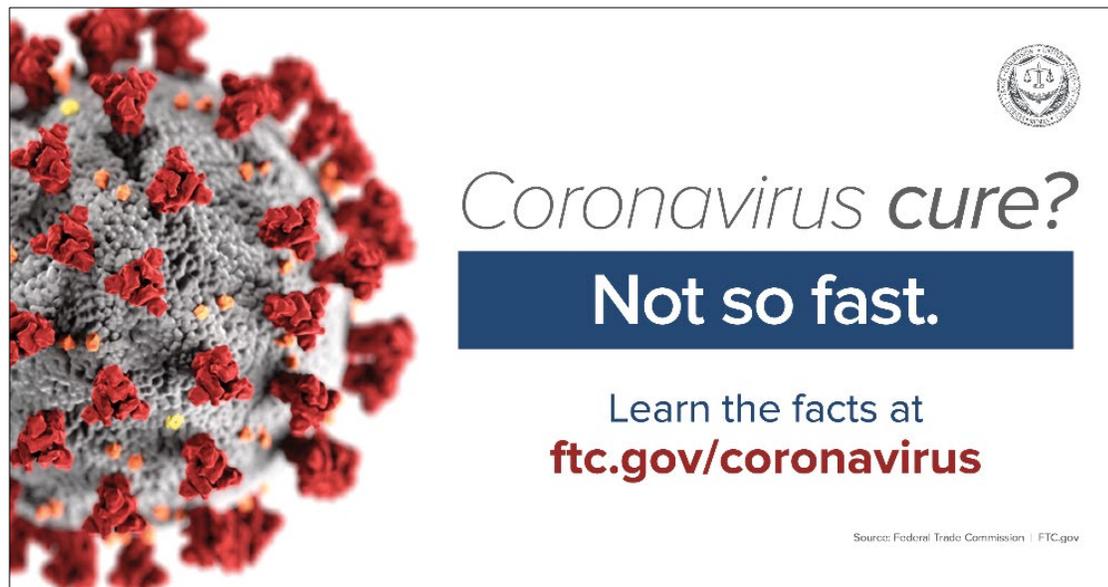
Fake government grant offer – *“You’re eligible for a government grant . . . for a fee.”*

Bogus police, sheriff, or FBI – *“There is a warrant for your arrest for failing to appear in court!”*



Treatments and Cures

- Vaccine offers
- Test kit offers
- Miracle cures
- Medicare-related scams



Coronavirus cure?
Not so fast.
Learn the facts at
[ftc.gov/coronavirus](https://www.ftc.gov/coronavirus)

Source: Federal Trade Commission | FTC.gov

The image shows a graphic with a close-up of a coronavirus particle on the left. On the right, there is a white background with a small FTC seal in the top right corner. The text "Coronavirus cure?" is in a serif font, followed by "Not so fast." in a dark blue box with white text. Below that, it says "Learn the facts at" followed by the URL "ftc.gov/coronavirus" in a bold, dark red font. At the bottom right, there is a small source attribution: "Source: Federal Trade Commission | FTC.gov".



Contact Tracing

- FTC consumer alerts:
 - COVID-19 contact tracing text message scams
 - Help COVID-19 contact tracers, not scammers

Contact tracing call?

5 things to know

A contact tracer from your state health department might call if you've been exposed to COVID-19. But scammers are pretending to be contact tracers, too. Here's how you can spot the scam.

-  **Real contact tracers won't ask you for money.**
Only scammers insist on payment by gift card, money transfer, or cryptocurrency.
-  **Contact tracing doesn't require your bank account or credit card number.**
Never share account information with anybody who contacts you asking for it.
-  **Legitimate contact tracers will never ask for your Social Security number.**
Never give any part of your Social Security number to anyone who contacts you.
-  **Your immigration status doesn't matter for contact tracing, so real tracers won't ask.**
If they do, you can bet it's a scam.
-  **Do not click on a link in a text or email.**
Doing so can download malware onto your device.

Talking to a real contact tracer helps stop the spread of COVID-19. Reporting scammers helps stop them, too. Report fake contact tracers to your state and at ftc.gov/complaint.

For more information about contact tracing visit your state health department's website and ftc.gov/coronavirus/scams

FEDERAL TRADE COMMISSION



Fake Charities

- Often appear with crises
- Before you give, do your homework.
- If you give, never pay by cash, gift card, or money transfer.
- Visit [ftc.gov/charity](https://www.ftc.gov/charity).



Research the charity



How much goes to the charity?



Look up the ratings/report

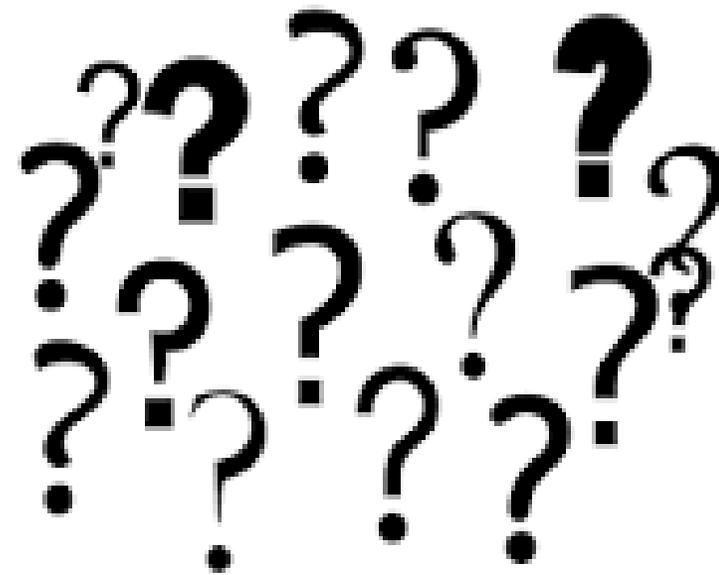


Never pay by gift card or wire transfer



Misinformation and Rumors

- Ask yourself these three questions:
 - Who is this message from?
 - What do they want me to do?
 - What is the evidence behind this message?
- [usa.gov/coronavirus](https://www.usa.gov/coronavirus)





Stay Informed

- Get the FTC's consumer alerts: [ftc.gov/subscribe](https://www.ftc.gov/subscribe).
- Report scams or questionable claims: [ftc.gov/complaint](https://www.ftc.gov/complaint).
- Know the latest on the coronavirus.
 - Health info: www.coronavirus.gov
 - COVID-19 scams: [ftc.gov/coronavirus](https://www.ftc.gov/coronavirus)
 - Federal government response: [usa.gov/coronavirus](https://www.usa.gov/coronavirus)

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FTC Division of Consumer and Business Education

Coronavirus Scams, Older Adults, and Financial Protection



Michael Herndon

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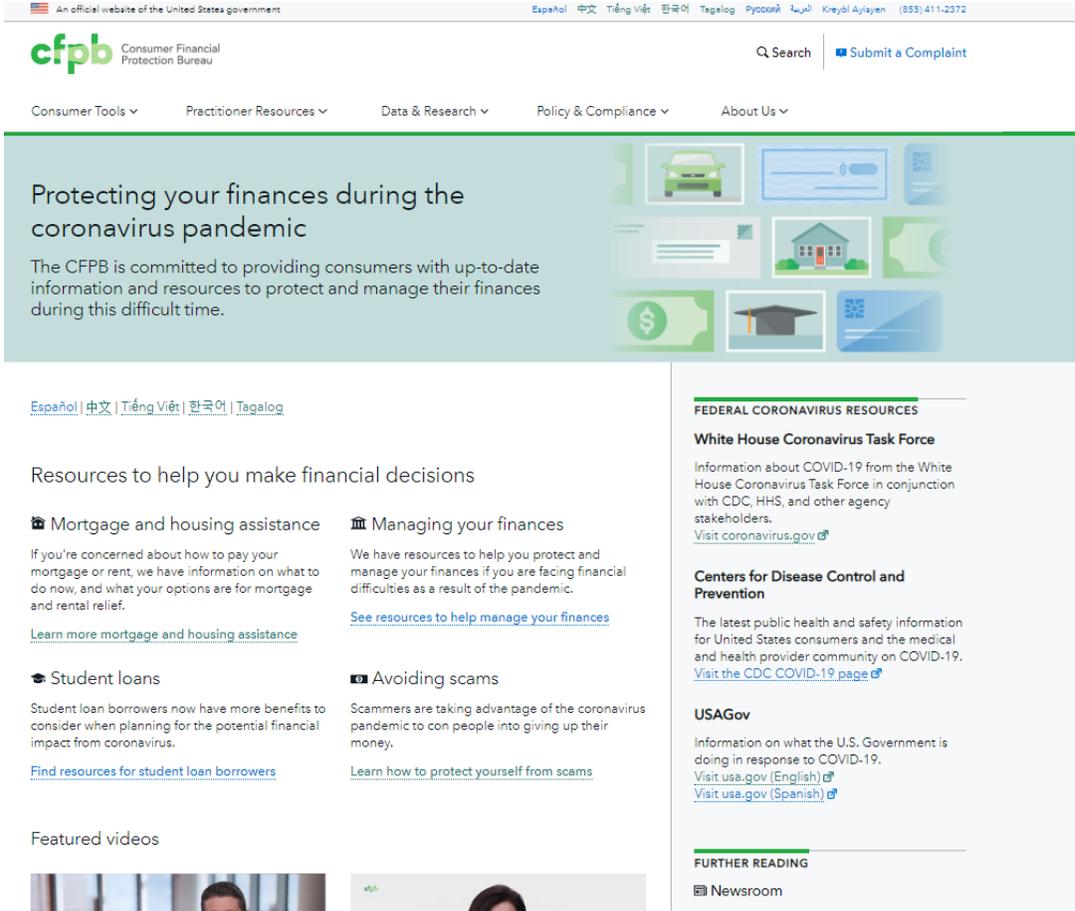


Disclaimer

This presentation is being made by a CFPB representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Bureau.

consumerfinance.gov/coronavirus

- Central hub on consumerfinance.gov
- Resources in English, Spanish, Chinese, Vietnamese, Korean, Tagalog
- Short videos
- Printer-friendly PDFs for Asian languages + MP3 audio files
- Check for updates.



The screenshot shows the CFPB website's coronavirus resources page. At the top, there is a navigation bar with the CFPB logo, a search bar, and a "Submit a Complaint" button. Below the navigation bar, there are several menu items: "Consumer Tools", "Practitioner Resources", "Data & Research", "Policy & Compliance", and "About Us". The main content area features a large banner with the heading "Protecting your finances during the coronavirus pandemic" and a sub-heading "The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time." Below the banner, there are several sections of resources, including "Resources to help you make financial decisions" with sub-sections for "Mortgage and housing assistance", "Managing your finances", "Student loans", and "Avoiding scams". On the right side, there is a sidebar with sections for "FEDERAL CORONAVIRUS RESOURCES", "White House Coronavirus Task Force", "Centers for Disease Control and Prevention", and "USAGov". At the bottom, there is a "Featured videos" section.

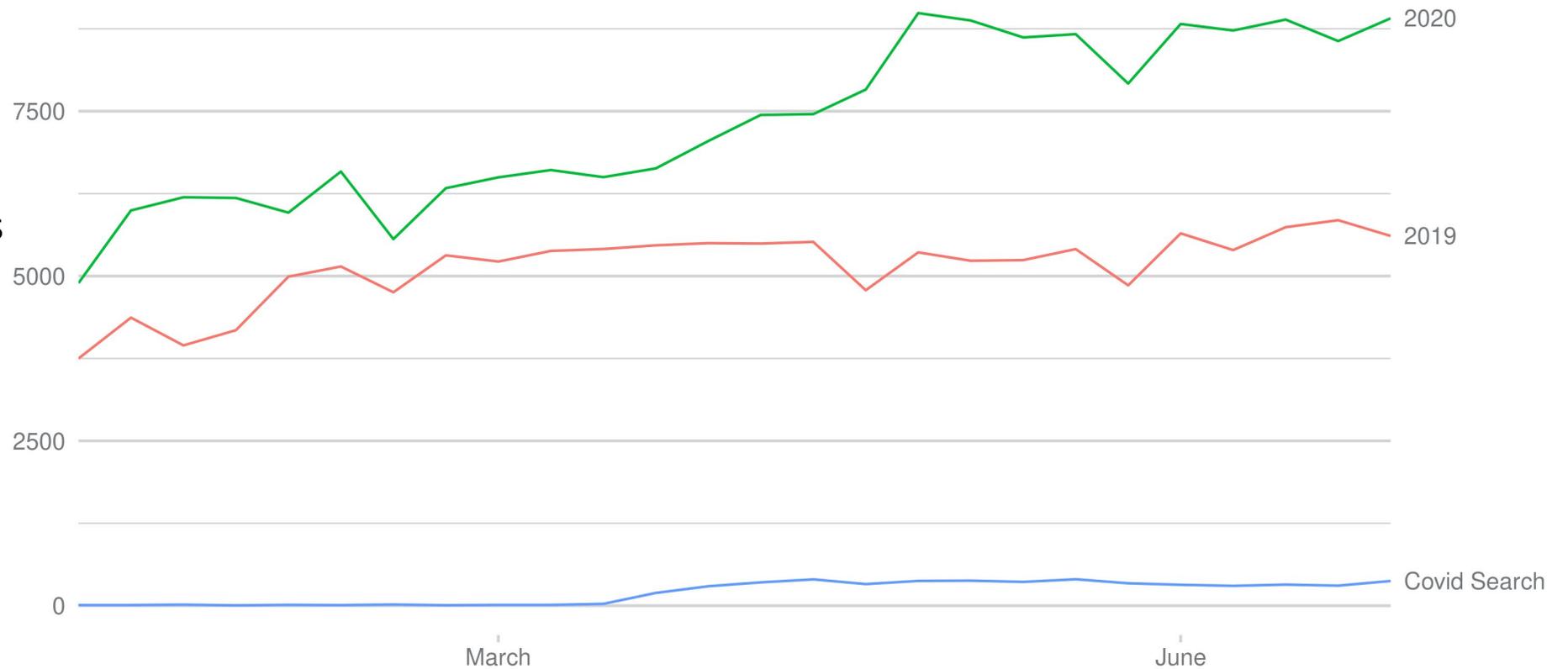
Content Topics and Themes

- Protect yourself financially.
- Submit a complaint if you are having a problem with a financial product or service.
- Protect your credit.
- Tips for financial caregivers
- Dealing with debt: tips to help ease the impact
- Student loan repayment
- Be aware of scams.
- Mortgage relief options
- A guide to COVID-19 economic stimulus relief

For a full list of topics visit:
consumerfinance.gov/coronavirus

COVID-Related Terms Only Partially Explain Increase in Complaints

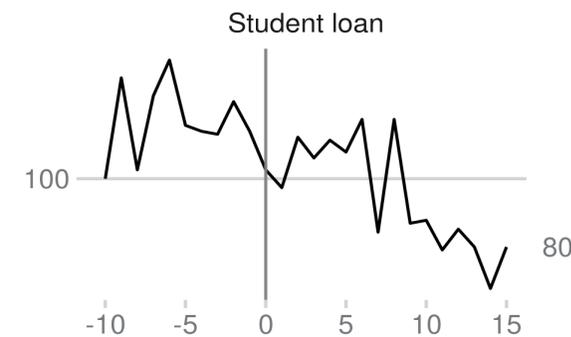
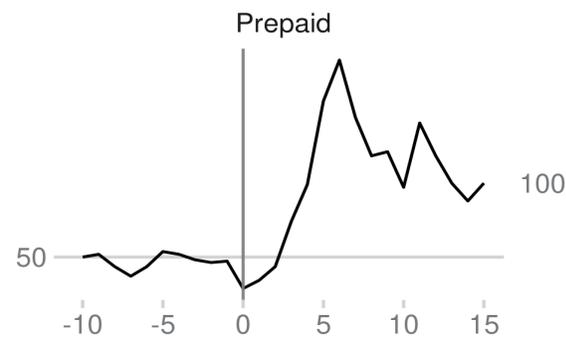
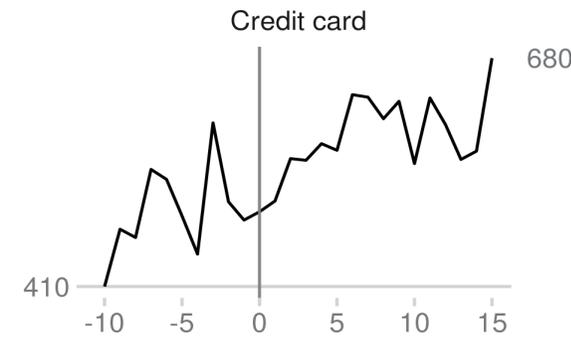
2020
versus
2019
weekly
complaints



Public complaints received from January 1 through July 3, 2019 and January 1 through July 8, 2020.

Understand Consumer Experiences During the Pandemic

- Select weekly product trends
- 0 is national emergency declaration.



Public complaints received from January 1 through July 3, 2020. Data is weekly. Products are grouped.

Unified Housing Website – CFPB, FHFA, HUD, USDA, VA

An official website of the United States government

Español 中文 Tiếng Việt 한국어 Tagalog Русский العربية Kreyòl Ayisyen (855) 411-2372

cfpb Consumer Financial Protection Bureau

Search Submit a Complaint

Consumer Tools ▾ Practitioner Resources ▾ Data & Research ▾ Policy & Compliance ▾ About Us ▾

Mortgage and housing assistance during the coronavirus national emergency

If you're concerned about how to pay your mortgage or rent due to the coronavirus national emergency, read on for information on what to do now, and what your options are for mortgage and rent payment relief.






The Consumer Financial Protection Bureau (CFPB), [Federal Housing Finance Agency \(FHFA\)](#), and [U.S. Department of Housing and Urban Development \(HUD\)](#) are working together to help homeowners and renters during the coronavirus pandemic.

Learn more about:

- [Mortgage relief options](#)
- [Protection for renters](#)
- [Avoiding scams and bad actors](#)

Need help with the basics?

Learn how to read your monthly mortgage statement or understand key mortgage terms, like mortgage forbearance. [Get started with mortgage basics](#)

FEDERAL CORONAVIRUS RESOURCES

White House Coronavirus Task Force

Information about COVID-19 from the White House Coronavirus Task Force in conjunction with CDC, HHS, and other agency stakeholders.
[Visit coronavirus.gov](#)

USAGov

Information on what the U.S. Government is doing in response to COVID-19.
[Visit usa.gov \(English\)](#)
[Visit usa.gov \(Spanish\)](#)

Coronavirus Resources from the CFPB

- [Tips for financial caregivers](#) – Learn about ways to connect with someone whose money you help manage while observing virus prevention tactics like social distancing and quarantines.
- [Online and mobile banking tips](#) – Read our tips for people who are new to online or mobile banking. Online banking allows customers to handle their finances from the comfort of home.
- [Planning your finances for an uncertain future](#) – Read our tips to help you talk with your spouse or other family members about putting plans in place if you become unable to manage your finances in an uncertain time.

Coronavirus Resources from the CFPB (continued)

- [Download new fraud prevention activity sheets for older adults](#) – For Older Americans month, we are releasing new downloadable handouts and activity sheets based on the popular fraud prevention placemat series.
- [Protections for renters during the coronavirus pandemic](#) – Federal, state, and local governments are taking action to protect renters. Learn more and take steps to manage your rental payments.
- [Considering an early retirement withdrawal? CARES Act rules and what you should know](#) – The Coronavirus Aid, Relief, and Economic Security (CARES) Act temporarily changes the rules for withdrawing from your retirement accounts. Learn more about how these changes might affect you and whether withdrawing from your retirement accounts makes sense for you.

Errand Helper Scams

- Scammers offer help with errands, then run off with the money.
- If you're an older adult:
 - Try to find a trusted friend or neighbor.
 - If you order online, use a trusted seller.
- If you're a caregiver:
 - Check in by phone or video chat.
 - Ask questions.
- If you need more help, contact the Eldercare Locator at eldercare.acl.gov or 1-800-677-1116.

Keeping Up with Your Bills

- If you have trouble paying your bills or loans, or paying on time, there may be a number of options to help.
- Contact your lenders, loan servicers, and other creditors.
- Be prepared to explain:
 - Your financial and employment situation
 - How much you can afford to pay
 - When you're likely to be able to restart regular payments
 - Your income, expenses, and assets
 - That you are experiencing financial hardship due to the COVID-19 emergency

Mortgage Payment Options

- For many homeowners with mortgages, there's help, but first assess your situation.
 - If you **can** pay your mortgage, pay your mortgage.
 - If you **can't** pay your mortgage or can only pay a portion, contact your mortgage servicer immediately.
- CARES Act relief options for homeowners with *federally backed mortgages*:
 - Foreclosure moratorium
 - Forbearance

What Is Forbearance?

- **Forbearance** means that your mortgage servicer or lender allows you to temporarily pay your mortgage at a lower payment or pause paying your mortgage. You will have to pay the payment reduction or the paused payments back later.
 - Forbearance does not erase the amount you owe on your mortgage.
 - Forbearance is complicated.
 - How you repay the amount you missed during forbearance depends on the type of mortgage you have.
 - See consumerfinance.gov/housing.

CARES Act Mortgage Relief Options

- Steps to take:
 - Figure out who services your mortgage. This is who you need to contact.
 - Figure out if your mortgage is federally backed.
- If your mortgage is:
 - Federally backed: Call your servicer and let them know your situation immediately. Ask them what forbearance or hardship options may be available.
 - **NOT** federally backed: You still may have relief options through your mortgage servicer or from your state.

Guide to coronavirus mortgage relief options:

consumerfinance.gov/coronavirus

Protecting Your Credit

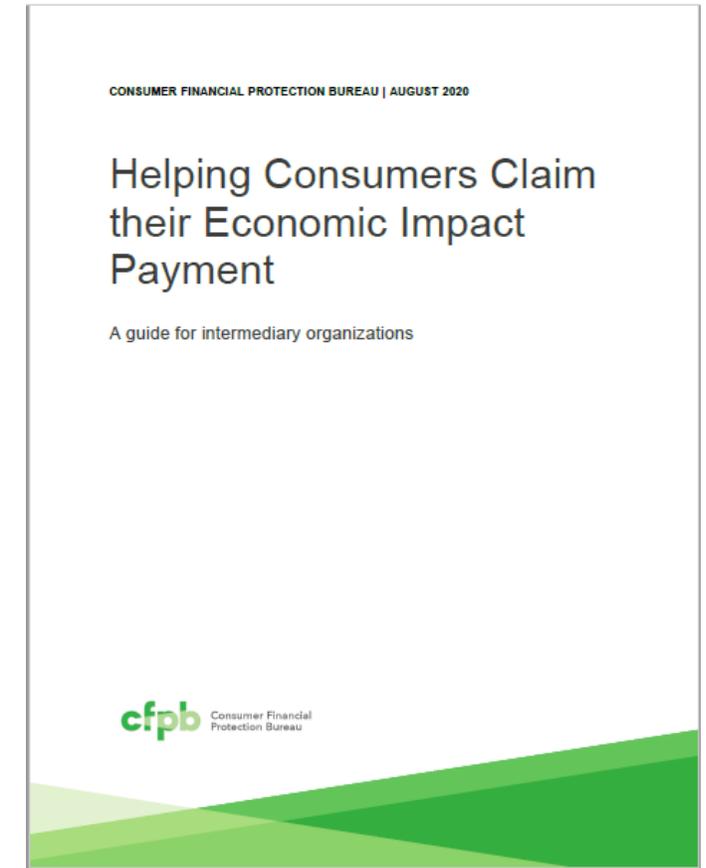
- Get a copy of your credit report.
 - Due to COVID, until April 2021, you can get free weekly credit reports at annualcreditreport.com.
- If you can't make payments, contact your lenders. Be sure to get confirmation of any agreements in writing.
- The CARES Act places special requirements on companies that report your payment information to credit reporting companies.
 - In many situations, if you have an agreement with your lender, you can continue to be reported as current on your loan during a forbearance.
- Routinely check your reports and dispute inaccurate information.

Use the CFPB's step-by-step guide to dispute that information:

consumerfinance.gov/coronavirus.

Economic Impact Payments (EIPs)

- EIP basics
- Your clients may not have received their EIP—ask!
- Spread the word: outreach and assistance strategies
- Help people claim the EIP—step by step:
 - Checking status
 - Key information
 - Common issues
- Get the guide:
 - https://files.consumerfinance.gov/f/documents/cfpb_helping-consumers-claim-eip_guide.pdf



Need More Help or Have a Complaint?

- Where to get additional help: consumerfinance.gov/coronavirus
 - HUD-approved housing counselors
 - Credit counselors
 - Lawyers
- If you have a problem with a financial product or service:
 - Reach out to the company first.
- The CFPB helps consumers connect with financial companies to understand issues, fix errors, and get direct responses about problems.

Submit a complaint online to the CFPB:
consumerfinance.gov/complaint.

Contact Us

Consumer Financial Protection Bureau
Office for Older Americans

Pandemic: consumerfinance.gov/coronavirus
Website: consumerfinance.gov/olderamericans
Email: olderamericans@cfpb.gov

Who We Are



Robin McKinney
Chief Executive Officer





Who We Are

The CASH Campaign of Maryland promotes economic advancement for low- and moderate-income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability.

What We Do

- Provide free volunteer tax preparation services to low-income households
- Coordinate access to financial education content
- Connect low-income individuals and families to high-quality financial services and products
- Recruit and train volunteers
- Lead a network that provides:
 - Free tax prep
 - Financial education and coaching
 - Benefits screening
 - Access to financial services
- Build a statewide program capacity by integrating services into public and private systems
- Lead in research and advocacy on effective policies and programs

Fraud and Common COVID-19 Scams

- Fraudulent:
 - Emails
 - Phone calls
 - Text messages
- Economic relief payment scams
- Tax preparer fraud
- Gift card scams
- Warranty scams
- Fake cures
- Securities schemes
- Fraudulent charities
- Impersonating government websites
- Malicious software disguised as “coronavirus map”
- Fleeceware apps that charge exorbitant fees for “information”
- Recruiting laid-off worker as “money mule”

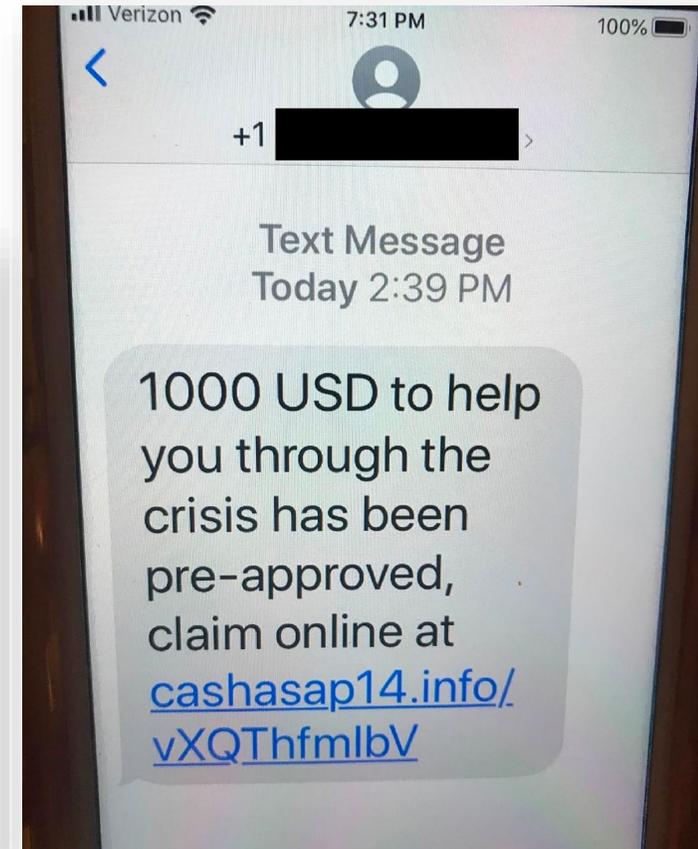


Understand Your Risk



- Cyber criminals are looking for you.
 - Lots of information about you, BUT they also need your help:
 - Usernames
 - Passwords
 - Name
 - Address
 - Phone number
 - Social Security number
 - Banking information
 - Credit card number
 - Immediate task

Watch Out for Economic Relief Payment SCAMS!



Marylanders Warned to Be Cautious

Comptroller Franchot Warns Taxpayers of Phishing Scams to Steal Stimulus Checks

Individuals and tax preparers being targeted via phone, text message and email

ANNAPOLIS, Md. (March 30, 2020) - Comptroller Peter Franchot today warns Marylanders not to fall victim to scammers trying to steal your stimulus check.



These swindlers are making phone calls, sending text messages and phishing

The IRS will not ask that you pay a fee or confirm personal information before issuing an economic impact payment.



IT IS A SCAM

Tax Preparer Fraud

- When to report a tax preparer:
 - Not registered with the IRS or state
 - Theft of refund
 - Will not release original documents (like W-2) until taxpayer pays
 - Does not include name and IRS PTIN on return
 - Files return without consent
 - Alters return after taxpayer signs it
 - Under-reported or made-up income/documents
 - Other intentional misrepresentations on the tax return



Other Scams

- Gift card scams
- Warranty scams
- Fake cures or tests for COVID-19
- Securities schemes
- Fraudulent charities
- Impersonating government websites
- Malicious software disguised as “coronavirus” maps
- Fleeceware apps to track COVID-19 and then hold your information for ransom
- Recruiting people to be “money mules”

KEEP CALM and Avoid Coronavirus Scams

Here are **5 things** you can do to avoid a Coronavirus scam:



Ignore offers for vaccinations and home test kits.

Scammers are selling products to treat or prevent COVID-19 without proof that they work.



Hang up on robocalls.

Scammers use illegal sales call to get your money and your personal information.



Watch out for phishing emails and text messages.

Don't click on links in emails or texts you didn't expect.



Research before you donate.

Don't let anyone rush you into making a donation. Get tips on donating wisely at ftc.gov/charity.



Stay in the know.

Go to ftc.gov/coronavirus/scams for the latest information on scams. Sign up to get FTC's alerts at ftc.gov/subscribe.



Federal Trade Commission

If you see a scam, report it to
ftc.gov/complaint

Questions to Ask Before You Take Action to Help You Avoid Scam Involvement



Overwhelmed with Coronavirus info? Ask yourself these questions:

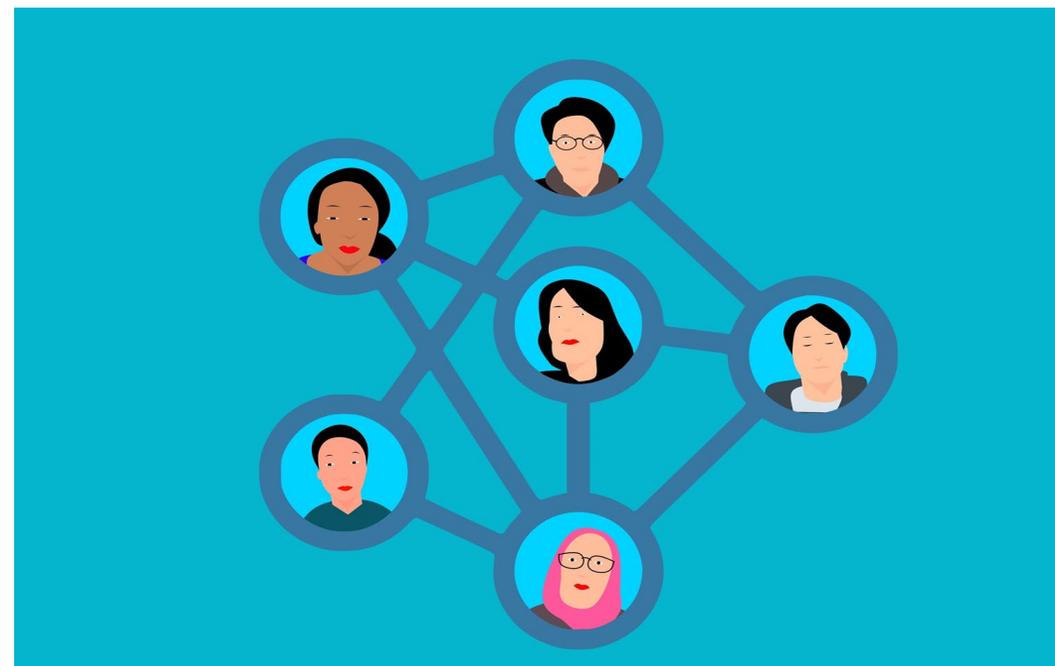
<p>Who is the message from?</p> 	<p>What do they want you to do?</p> 	<p>What evidence supports the message?</p> 
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After you answer all 3 questions, does the message still seem accurate?

ftc.gov/coronavirus • usa.gov/coronavirus • coronavirus.gov

Resources

- FTC
- CFPB
- Attorney General in your [state](#)



Scams and Fraud Targeting Americans... and How We Should Talk about It



Kathy Stokes

Director of Fraud Prevention Programs



AARP Fraud Watch Network

- Empowers consumers to spot and avoid scams and fraud
- Provides support for targets, victims
- Advocates for legislative, regulatory fixes

Stranger danger
Financial exploitation



877-908-3360

Call our free helpline if you or a loved one suspect
a scam

Why Learning about Scams Matters

- If you *know* about a specific scam:
 - You are **80%** less likely to engage with the scammer.
 - If you do engage, you are **40%** less likely to lose money or personal info.

Source: The State of Financial Fraud Conference (October 2, 2019). “Exposed to scams: What separates victims from non-victims?”

Why Do Bad Scams Happen to Good People?

- Criminals are good at what they do.
- Goal: Get target into a heightened emotional state—fear, need, or excitement
- Once there, we can't access our logical thinking process.



Scams and Fraud in the Time of COVID

- Scammers follow the headlines and pivot.
- COVID-related scams abound.
- **But**, tried and true continues to succeed.

Government Impostors

Tech Support

Grandparent Scam

Lottery Scams

Who Do Criminals Target?

- All of us, regardless of:
 - Age, education, cognitive ability
 - Income and assets
- But:
 - Older adults tend to lose more when victimized.

A Word about Words

A victim of financial crime **is as much a victim** as a victim of violent crime, yet look at the language we use:

Financial crime victims:

- She was duped.
- He fell for it.
- He got taken.
- They were scammed.

We put the blame on
THE VICTIM.

Violent crime victims:

- She was held at gunpoint.
- They were viciously assaulted.
- He was brutally murdered.
- She was forcibly raped.

We put the blame on
THE CRIMINAL.

The Language of Shame

- “I cannot fathom **the level of gullibility** it would take for someone to send money to someone they have never met. It’s just beyond my level of comprehension. That is the kindest way I can express what I’m thinking right now.”
- “Very sad, but really, these women **need their heads screwed on properly.**”
- “Good God... **Where has common sense gone?** I know people are lonely; hell, I am lonely, **but I am not stupid...**”

How Shaming Weighs on Victims

- “Actually, I was kind of embarrassed. My daughters sort of made me feel stupid.”
- “I’ve always thought I am smart enough not to be caught in a scam. I think I was acting out of my emotions.”
- “The mental anguish still lingers after it’s over. I hope in time I can overcome the embarrassment and humiliation of believing all the lies, of feeling so stupid for ignoring my intuition, and be able to gain some semblance of confidence to trust my decisions.”

Flipping the Narrative

- What if we said:
 - “Falling victim is not your fault. It’s the fault of the criminal who perpetrated this crime. **I am sorry you’ve had to endure this.** Let’s talk through it to understand what happened so you will be able to spot the red flags of scams in the future.”

It Matters Because...

- **Fraud victims** deserve *empathy and respect* rather than scorn and humiliation.
- **Families** won't see their victim parent as a "fool" and will thus *protect the relationship*.
- **Police** may be *more inclined to take a complaint*—even pursue the case—rather than claim it's a civil matter.
- **Prosecutors** might respect the impact of financial crime on older adults and might *take on more cases*.
- **Policymakers** might get that fraud victims aren't stupid or addled, and they'd *do more to address the scourge*—maybe even find a means of restitution.

The All Too Human Toll

- Billions of dollars lost, with little chance of restitution
- More than a million marriages damaged by the effects of dealing with fraud
- Thousands dying by suicide each year
- Remembering Albert Poland

The Face of a Victim



Albert Poland

- He died by suicide at 81.
- He suffered from cognitive decline.
- In his note, he told his family not to spend much on his funeral and said he hoped that when more than \$2 million arrived tomorrow, it would vindicate him.

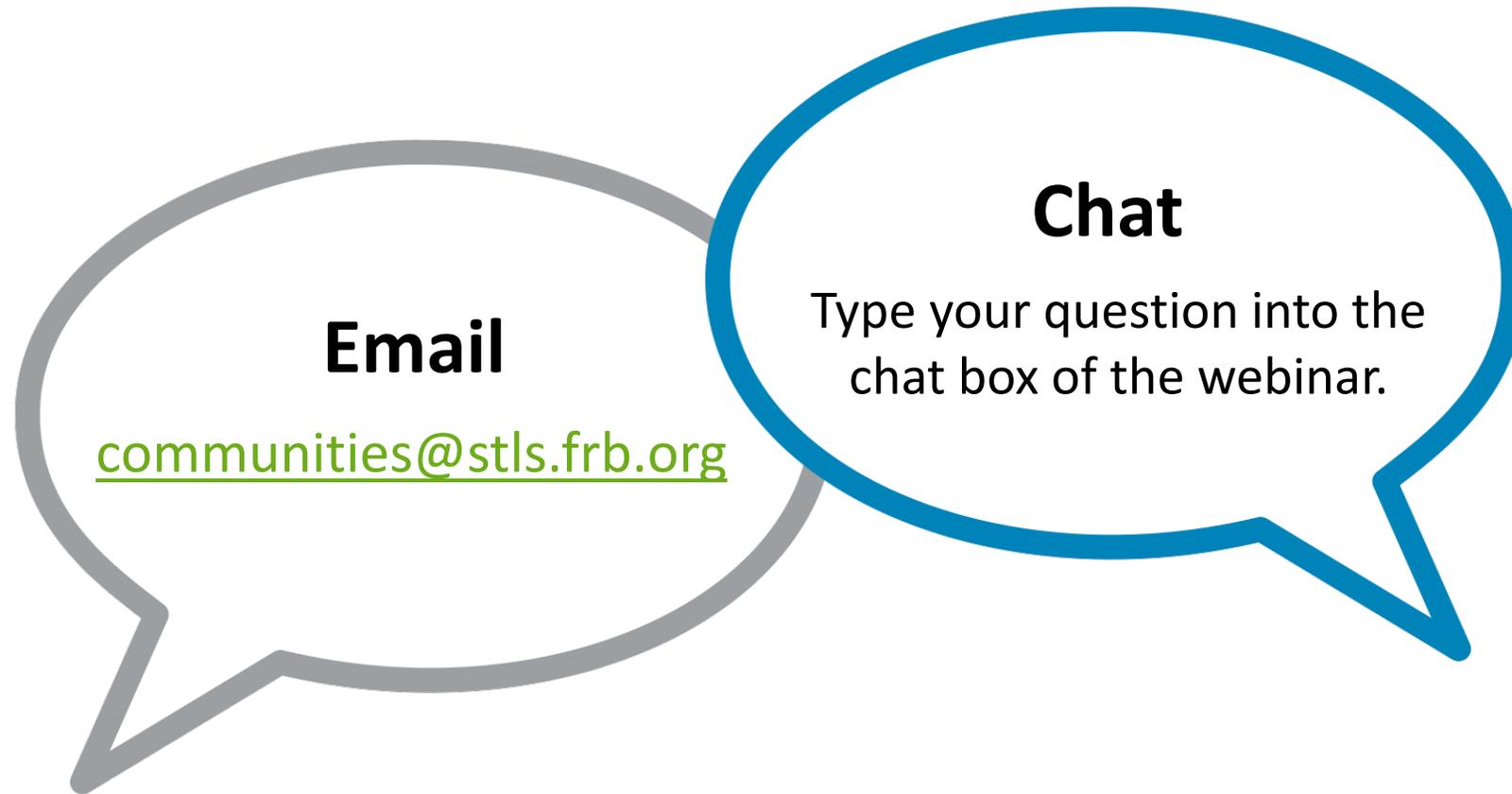
Let's Flip the Narrative

- **OUT:** Judging victims, lack of empathy for the victim:
 - Scammed
 - Duped
 - Conned
 - Swindled
 - Fell for it
 - Got taken
- **IN:** Putting the focus on the crime, empathy for victim:
 - Perpetrated
 - Coerced
 - Deceived
 - Targeted
 - Victimized
 - Preyed on

AARP Resources

- www.aarp.org/fraudwatchnetwork:
 - Watchdog alerts
 - Scam-tracking map
 - Fraud resource center
 - Fraudcasts
- AARP Fraud Watch Network Helpline: 1-877-908-3360:
 - Open to all: Report a scam, get advice, seek help.
 - Trained staff and volunteers are here to help.

Questions



Next Steps

- All session materials are available on our website, and in the next few days, we will post an audio file of today's session.
- If you have topical suggestions for future sessions or any questions about this program, please feel free to contact us at communities@stls.frb.org.
- Information about future sessions will be posted on our website, along with archived materials from past sessions:
<https://bsr.stlouisfed.org/connectingcommunities>.