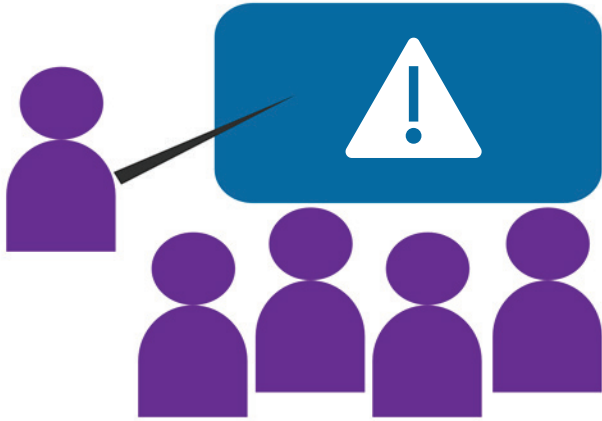


COVID-19 Fraud and Scams: What APS Needs to Know



Introduction

On March 11, 2020, the COVID-19 outbreak with all its uncertainties, was declared a global pandemic by the World Health Organization. Practically overnight, U.S. citizens were advised to immediately shelter in place, as businesses, schools and places of worship closed their doors for the foreseeable future. Never in our modern age have we had such a swift need to change the course of living and working, with little guidance and many unanswered questions.

Changes such as social distancing forced alterations in our approach to living. Confusion, fear, and isolation ran rampant. Unfortunately, these are the very things that scammers use as opportunities for fraud.

This brief will examine how changes in behavior to help manage life tasks gave rise to specific types of fraud and scams, targeting vulnerable populations. People found themselves socially isolated and reliant upon others to assist with life tasks, characteristics frequently associated with victims of abuse, neglect, exploitation, and self-neglect. Scammers quickly recognized that the same tactics used to gain trust

and target victims of maltreatment could be used to prey on those made vulnerable by COVID-19.

This brief illustrates how scammers appeal to vulnerable populations and provides guidance for APS practitioners, offering a variety of resources to report scam activity and to educate clients.

New Vulnerabilities Bring Opportunity for Fraud

Aside from the sheer worry of trying to understand how to protect oneself and family from becoming infected with the COVID-19 virus, new stressors impact people in different ways. For example, people unaccustomed to relying on the internet, had to quickly learn to navigate different web-based platforms. With that, scammers found opportunity.

Scammers keep up with the latest headlines. They fabricate websites to sell fake or unproven products and send emails and texts with believable falsehoods to lure consumers to make purchases and disclose information (Federal Trade Commission, 2020). Below we highlight some of the ways the pandemic has changed our behavior, increasing our risk for scams.

The pandemic forced a greater use and reliance on technology.

- Communications largely turned to platforms such as Zoom, Facetime, Skype, and social media. Social media became a prime source for posting and sharing information and misinformation.
- There was a greater use of online purchasing as necessities became scarce, due to lack of supply.

- Many businesses and services created web-based apps for services such as grocery delivery, banking, bill-paying and restaurant delivery.
- Medical practitioners began web-based virtual visits (tele-health).
- People became prime targets for fraud by releasing personally identifiable information, due to the uptick in web/app-based services.

The pandemic forced many people into long periods of isolation.

- Residential care communities closed their doors to in-person visits.
- Older adults and the immunocompromised were deemed high risk for acute care and hospitalizations, which may have scared them into staying away from others.
- Many families remained apart because of COVID-19 infection, or fear of infection.
- Hospitals stopped allowing visitation.
- Places of worship, schools, courts, offices, food/entertainment establishments and other places to gather were closed.

The pandemic altered many personal circumstances.

- Loss of job due to business-related change
- Loss of income due to personal illness
- Loss of family/caregiver
- Loss of housing and the potential for eviction/foreclosure
- Loss of medical coverage and treatment opportunities
- Forced or unplanned retirement
- Loss of food security

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- Increased social isolation
- Loss of transportation
- Increased mental health challenges, such as anxiety and depression

Other challenges surfaced regarding COVID-19 information. This continues to be a problem as of Summer 2021. There is no shortage of sources for people to obtain information about COVID-19, whether they are reliable sources or not. Information and protocols about COVID-19 change as authorities learn more, which leads to much confusion and misinformation.

Isolation, confusion, and fear creates opportunity for fraud and scammers quickly take advantage to target vulnerable adults.

How Scammers Appeal to Vulnerable Populations

The following information, [Four Signs That It's a Scam](#), breaks down qualities that scammers use to gain the trust of their targets: familiarity, fear, hope and urgency. The information is taken from the brochure [How to Avoid a Scam](#) published by the Federal Trade Commission (FTC) in 2020. The brochure also includes information on [What You Can Do to Avoid a Scam](#) and how to [Report Scams to the FTC](#). It is available to be [downloaded as a pdf document](#), or printed copies may be ordered free of charge from the FTC to distribute to your clients.

Report Fraud!

The Federal Trade Commission urges the public to report suspected fraud and scams to [ReportFraud.ftc.gov](https://www.ftc.gov/report-fraud).

Four Signs that It's a Scam

From "[How to Avoid a Scam](#)" at the Federal Trade Commission, Consumer Information website.

Scammers PRETEND to be from an organization you know.

1

Scammers often pretend to be contacting you on behalf of the government. They might use a real name, like the Social Security Administration, the IRS, or Medicare, or make up a name that sounds official. Some pretend to be from a business you know, like a utility company, a tech company, or even a charity asking for donations.

They use technology to change the phone number that appears on your caller ID. So, the name and number you see might not be real.

Scammers say there's a PROBLEM or a PRIZE.

2

They might say you're in trouble with the government. Or you owe money. Or someone in your family had an emergency. Or that there's a virus on your computer.

Some scammers say there's a problem with one of your accounts and that you need to verify some information.

Others will lie and say you won money in a lottery or sweepstakes but have to pay a fee to get it.

Scammers PRESSURE you to act immediately.

3

Scammers want you to act before you have time to think. If you're on the phone, they might tell you not to hang up so you can't check out their story.

They might threaten to arrest you, sue you, take away your driver's or business license, or deport you. They might say your computer is about to be corrupted.

Scammers tell you to PAY in a specific way.

4

They often insist that you pay by sending money through a money transfer company or by putting money on a gift card and then giving them the number on the back.

Some will send you a check (that will later turn out to be fake), tell you to deposit it, and then send them money.

Types Of Fraud and Scams Associated With the COVID-19 Pandemic

COVID-19 Healthcare Scams

Scammers have claimed to sell people COVID-19 test kits, offer products such as special COVID-19 air filtration systems, charge money for COVID-19 testing, or win money or a prize by agreeing to complete a COVID-19 survey. There are also reports of false contact tracing scams typically delivered by email or text. These are only a few examples of the types of scams that are constantly evolving yet have the same purpose. Scammer's intent is to obtain personal and financial information from their victims.

Government Imposter Scams

These scams involve imposters posing as authorities from government agencies such as Social Security, Medicare, Medicaid, the Internal Revenue service, Housing Authority, Department of Labor, Federal Emergency Management (FEMA) or offering funeral assistance from the government. The best advice is to say 'no' to anyone claiming to be from a government agency and go to the government website directly, instead of opening attachments or links. The government will not ask for payments by cash, gift card, wire transfers or personal financial information.

Errand or Helper Scams

Scams of this nature involve hiring a person to assist with errands or chores, however the scammer does not deliver the services. There are many reputable services that can provide assistance, and it is advised that people rely on someone they trust. Research and get objective references. When ordering goods and services online, assure that the source is reputable.

Money Transfer Scams

Scammers also use a tactic that seems tempting to people, offering to deposit money in a person's bank account in exchange for a cut of the money.

Scammers are seeking bank account information and use people as 'mules' for money laundering. These scams can have dire consequences when the scammer empties the account.

COVID-19 Charity Scams

Preying on people's empathy, bogus scams seem to emerge with greater frequency during times of devastation and emergencies, and the COVID-19 pandemic has been no exception. Conducting a fact-check on the charity and going directly to the website is a good way of being sure the charity is real. It is advised to avoid paying people you don't know with mobile payment applications that allow for peer-to-peer money transfers (a transfer of funds between two different bank accounts), such as Zelle or Venmo.

Mortgage Relief Scams

The COVID-19 pandemic has caused thousands of people to become delinquent on mortgage payments. Be wary of scammers who advise people to send their mortgage payments to another company/entity. Scammers also may advise that people can stop paying their mortgages and 'guarantee' that owners will not lose their housing. There is relief through the CARES Act Mortgage Forbearance program. There are also protections for renters. The Federal Trade Commission urges consumers to get the facts to see if this program is right for your situation. More information is available at [Consumerfinance.gov/housing](https://consumerfinance.gov/housing) and [Consumerfinance.gov/renthelp](https://consumerfinance.gov/renthelp).

Vaccines and Vaccinations

Both misinformation and disinformation can affect vaccine confidence. Most misinformation and disinformation that has circulated about the COVID-19 vaccines has focused on vaccine development, safety, and effectiveness, as well as COVID-19 denialism (Centers for Disease Control, 2021).

Other types of scams involve scammers offering fake vaccine cards and fake negative test results.

Treatment Claims

Scammers use people's desperation for a cure for COVID-19, to find their target. It is illegal for companies to market products claiming to treat, prevent or cure COVID-19. Vitamins/supplements, therapeutics, regimes etc. are unproven to treat or prevent COVID-19. Their use may result in failure to seek timely medical treatment causing further medical deterioration.

Tech-Related Scams

Scammers are keen to take advantage of people who they believe might not be very tech-savvy, and many vulnerable adults are targeted. In truth, anyone can easily fall victim to this type of scam. Technology scams can run the gamut from a message claiming that a computer has an urgent issue that needs to be 'fixed', offering to sell virus protection, or encouraging the user to open attachments or pop-up windows. These scams also appear on smart phones via text messaging, embedded in email and on social media. The FTC provides printed and online information that can be used to assist your clients with [identifying, avoiding and reporting](#) tech-related scams.

Avoiding Scams and Fraud

The Federal Trade Commission recommends a few preventative steps to avoid being scammed.

For direct calls or text messages, simply say 'no' and hang up. Numbers and emails can be blocked. It is advised not to click on links or attachments in emails, social media, or messages. Research companies before doing business with them. Do not respond to people who insist that you need to act right away, and that only accept non-traceable forms of payment.

Should you fall victim to a scam, the Federal Trade Commission urges consumers to report it. The Federal Trade Commission works hard to protect consumers by investigating scam activity.

The FTC also urges victims of scams to pass along their experience and information to others.

COVID-19 Information and Rumor Control

There is a lot of information, misinformation, and theories regarding COVID-19 everywhere we turn. It's important to separate fact from mere opinion. COVID-19 is a virus that scientists are learning about every day. Information regarding the latest recommendations and protocols for managing COVID-19 exposure, must come from a reliable source, such as the [Centers for Disease Control and Prevention](#) (CDC).

The promulgation of erroneous information regarding COVID-19 has become so prevalent during this pandemic, that several reputable sources have dedicated websites to assist the public in understanding the latest scientific findings and recommended protocols.

The CDC defines misinformation as "false information shared by people who do not intend to mislead others," and disinformation as "false information deliberately created and disseminated with malicious intent" (Centers for Disease Control, 2021).

Misinformation often arises when there are information gaps or unsettled science, as human nature seeks to reason, better understand, and fill in the gaps. (Centers for Disease Control, 2021)

The Federal Emergency Management Agency (FEMA) maintains [a site to address COVID-19 rumors](#) by providing factual responses related to vaccines, funding, medical assistance, masks and federal agency assistance.

View the [COVID-19 and Stimulus Reports interactive data dashboards](#) offered by the Federal Trade Commission. The dashboards report data according to age, location, fraud category and fraud losses.

APS Practice Issues

During these challenging and uncertain times of the COVID-19 pandemic, the APS investigator should be keen to the possibility of attempted fraud/scam activity in a household.

Consider how reported allegations might leave a person vulnerable to scam/fraud activity. For example, neglect/self-neglect in individuals who report being lonely may rely on social media groups and chatrooms with people they don't know, absorbing misinformation and offering personal information.

The same reasons exist for why adults do not report abuse (such as the fear of retaliation or losing independence) and are quickly identified by thieves. Scammers use forceful and threatening tactics to gain cooperation of their victims to send money or give personal information. Scammers are keen to assume that older individuals are easier prey to fall for technology scams.

An APS practitioner should add open-ended questions to the investigative interview with any issue of concern. Fraud and scams are well hidden. Ask broad questions to help uncover fraud or the potential for fraud. Initiating the subject of fraud in

an open-ended conversation can provide information to the client, preventing the possibility of future fraud activity.

If fraud is uncovered, the APS investigator should assist the individual with reporting fraudulent activity to both local and government authorities. It is important that local authorities are made aware of crimes effecting the community.

Consider printing and distributing informational brochures regarding scams to your clients and their families. Bulk publications are available from the [Consumer Financial Protection Bureau](#). The COVID-19 pandemic has widened the door of the potential for fraud activity. Scam opportunities are now greater than ever, and they can occur from the inside of one's own home.

Conclusion

The pandemic opened doors for scammers cashing in on fear and anxieties. The pandemic brought a heavy reliance on the internet, and with that came the prime opportunity for scammers. As people search for information, scammers track vulnerabilities, invading websites, texts and social media with bogus offerings that appeal to individuals, often giving a sense of hope.

This review highlights the types of activities that make people vulnerable to COVID-19 scams, ways to identify a scam, different types of fraud and how to assist APS clients to report and avoid fraud.

APS TARC
Adult Protective Services Technical Assistance Resource Center



What did you think of this brief? [Take our five-question satisfaction survey](#) to let us know.

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