

OBSERVED COVID-19 FRAUD SCHEMES

The following table lists the titles of observed Coronavirus Disease 2019 (COVID-19) fraud schemes, organized by fraud risk categories.¹ To access a summary of the fraud scheme and source, please click on the title listed in the table below.

Title of Observed COVID-19 Fraud Scheme
Bribery and Corruption
Landlord Faces Sexual Harassment Lawsuit
Health Care Executive Charged in Scheme to Defraud Investors and Health Care Benefit Programs
Commodities Fraud
Buffalo Women Spits on Postal Employee
St. Petersburg Man Indicted For Threatening To Spread COVID-19
U.S. Department of the Interior Top Management Challenges - Pandemic Response
Education OIG Coronavirus Relief Oversight Plan
Oversight of USAID's Response to COVID-19
Advisory Notice - Key Questions To Inform USAID's COVID-19 Response
Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent
How to Spot, Avoid, and Report Imposter Scams
COVID Mask Exemption Cards are Not From the Government
Coronavirus: Scammers Follow the Headlines
Utility Company Calling? Don't Fall for It
Scammers Impersonate the FTC, Too
Scammers are Using COVID-19 Messages to Scam People
Avoiding SSA Scams during COVID-19
Grandparent Scams in the Age of Coronavirus
How to Avoid COVID-19 Government Imposter Scams
What Do COVID-19 Scams Look Like in Your State?
COVID-19 Scam Reports, by the Numbers
Make your Coronavirus donations count
Avoid scams while finding help during quarantine
Whack-a-mole: Well-connected line jumpers force states to rethink vaccine distribution
Forged and Fake Vaccination Certificates and Negative COVID-19 Test Results
Cyber Fraud
Email Phishing Scams Related to Coronavirus
COVID-Themed Web Sites

¹ Fraud risk categories align to those presented in the Association of Certified Fraud Examiners (ACFE) September 2020 edition of the *Fraud in the Wake of COVID-19: Benchmarking Report*, located at <https://www.acfe.com/covidreport.aspx>.

Title of Observed COVID-19 Fraud Scheme
Coronavirus Malware Packages
Pandemic Response Accountability Committee - Top Challenges Facing Federal Agencies
Challenges for Consideration in Implementing and Overseeing the CARES Act
FBI Sees a Rise in Fraud Schemes
Those Free COVID-19 Money Offers on WhatsApp and Facebook are Scams
FTC: Coronavirus Scams, Part 2
The FTC Keeps Attacking Robocalls
Socially Distancing from COVID-19 Robocall Scams
COVID-19 Scams Targeting College Students
Don't Click Links in Unsolicited Text Messages
As COVID-19 aid arrives, be on the lookout for scams
Employee Embezzlement
Stolen COVID-19 Related Medical Supplies
Stealing Hundreds Of Surgical Masks From Veterans Affairs Medical Center
Financial Statement Fraud
U.S. Department of Agriculture Office of Inspector General OIG Plan-Oversight of COVID19 Funding
Fraud by Vendors and Sellers
PPE Scams
DOJ Provided Substandard or Mislabeled Personal Protective Equipment
Defraud Veterans Affairs Through Sale of Non-Existing Medical Supplies
Fake Sale of PPE from Thailand National
Scheme To Sell N95 Masks
Price-Gouging of PPE
Defective and Misbranded Masks Falsely Purporting to be KN95 Respirators
Licensed Pharmacist Charged With Hoarding And Price Gouging Of N95 Masks
Price Gouge New York City During COVID-19
Michigan Man Charged With COVID-19 Related Wire Fraud
FTC Halts Scheme that Falsely Claimed to Offer Unlimited Inmate Calling Plans
FTC Has No Time for Allegedly Deceptive "Unlimited Minutes" Claims
HHS OIG Strategic Plan 2020-2025
FTC Data on Scams Originating on Social Media
Getting Stimulus Checks from Car Dealerships? Nope
Scammy PPE Sellers Exploit COVID-19 Fears
Scams in Online Sales: When Orders Don't Arrive
Scammers Offer Facemasks but Don't Deliver
Scam Websites Falsely Claim to Have Clorox and Lysol for Sale
Income Scams: Big Promises, Big Losses

Title of Observed COVID-19 Fraud Scheme
Online seller failed to ship next-day PPE as promised
Health Care Fraud
Pump and Dump
Fake Cures
At-Home Tests and “Virucide” Products
Fraudulent Testing Claims
Sale of Illegal Products
Sale of Unregistered Pesticides
Sale of Illegal Products Claiming to Protect Against COVID-19
Fraudulent Coronavirus Testing
Utah Man Posing As Medical Doctor to Sell COVID Cure
Falsely Marketing Herbal Mixtures as FDA-Approved Treatment for COVID-19
Multiple Websites Claiming To Offer Preorders For COVID-19 Vaccine
Toxic Bleach Sold as “Miracle” Cure for COVID-19
Investment Fraud Scheme Centering on Bogus Claims of COVID-19 Cure
Colloidal Silver As Treatment For COVID-19
Defraud Health Care Benefit Programs Related to Cancer Genetic Testing and COVID-19 Testing
Smuggling and Importing Misbranded Chloroquine from China for Attempted Resale
New York City Man Arrested on Fraud Charges for Selling Stolen COVID-19 Testing Services
Trafficking in Misbranded Drugs Claiming they Could Prevent COVID-19
Macomb County Doctor Charged In Health Care Fraud Scheme
COVID-19 Fraud Domain Seized from Seller Who Attempted to Sell It Using Bitcoin
COVID Relief Fraud, Health Care Fraud and Money Laundering
COVID-19 Challenges for the U.S. Department of Justice
FYs 2020-2021 EPA Top Management Challenges
Interim Report - Review of the Office of Justice Programs' Administration of CARES Act Funding
EPA OIG's Response to the COVID-19 Pandemic
A Message from HHS OIG Leadership on COVID-19 Fraud
Fraud Alert and Potential Scams Issued by the US Department of Justice
Product Falsely Claiming to Prevent or Treat COVID-19
Cracking Down on Fake COVID-19 Cures
More FTC Warnings about Scam Coronavirus Treatments
FTC Warns 45 More Sellers of Scam Coronavirus Treatments
CBD, COVID-19 and Cancer: The Unfounded Facts
FTC Sends More Warnings to Sellers of Scam Coronavirus Treatments
FTC Letters Target More Unproven MLM Health and Earnings Claims
COVID-19 Clinical Trial: Real or Fake?

Title of Observed COVID-19 Fraud Scheme
Not Every COVID-19 Testing Site is Legit
FTC Sends Letters Warning 20 More Marketers to Stop Making Unsupported Claims
FTC warns Companies to Stop Peddling Fake COVID Treatments and Cures
DHA Health Care Fraud Prevention
COVID-19 Vaccines are in The Pipeline. Scammers won't be Far Behind
Scammers cash in on COVID-19 vaccination confusion
FTC: Sellers need proof for COVID treatment claims
FTC & FDA: Warnings sent to sellers of scam Coronavirus treatments
Scammers are scheming as HealthCare.gov reopens
Ignore bogus COVID vaccine survey
Identity Theft
Offers of Bogus COVID-19 Tests to Obtain PII and PHI
Contact-Tracing Text Message Scams
Fraudulent Application of Economic Injury Disaster Loan (EIDL)
Stimulus Check Scams
Interim Results of the 2020 Filing Season: Effect of COVID-19 Shutdown on Tax Processing and Customer Service Operations and Assessment of Efforts to Implement Legislative Provisions
Identification Theft of USDA SNAP Program Participants
The FTC Chairman is Not Writing to You
Scam Email Says FTC Chairwoman Rebecca Slaughter is Sending Coronavirus Money
Insurance Fraud
Insurance Overcharges
Loan and Bank Fraud
Fraudulent Loan Application by Reality TV Personality
Fraudulent Loan Applications by Texas-Based Engineer
Fraudulent Loan Applications by Alleged Restaurant Business
PPP Loan Fraud in Florida and Ohio
Game of Thrones PPP Fraud
Paycheck Protection Program and Economic Injury Disaster Loan Scams
Defense Contractor Charged with Bank Fraud, PPP Fraud, and Money Laundering
Loan Fraud Charges
PPP Application Fraud
Hollywood Film Producer PPP Fraud
Multi-Million PPP Fraud Scheme
Seattle Doctor Charged with COVID Relief Fraud
California Man Charged with COVID-Relief Fraud
St. Paul Man Charged With COVID-Relief Fraud, Money Laundering
North Carolina Man Charged with COVID-19 Relief Fraud

Title of Observed COVID-19 Fraud Scheme
Warwick Man Admits to Conspire to Fraudulently Obtain COVID-19 Stimulus Loans
RI Man Charged with Fraudulently Seeking \$4.7 Million in Covid-19 Stimulus Loans
West L.A. Man Charged with Fraudulently Obtaining COVID-Relief Loans
Houston Entrepreneur COVID Relief Fraud
Texas Women Fraudulently Obtains COVID Relief Funds
Man Charged with \$5 Million Coronavirus Relief Loan Scheme
Software Engineer Charged with Relief Loan Scheme
Illinois Man Charged with Coronavirus Relief Loan Scheme
Two Men Use Synthetic Identities, Existing Shell Companies, and Prior Fraud Experience to apply for COVID Relief Loan
Massachusetts Man Charged with COVID-Relief Fraud
New York Brothers Charged With COVID-Relief Fraud
Small Business Owner PPP Fraud
Engineer Charged in Texas with COVID-Relief Fraud
Washington Tech Executive Charged with COVID-Relief Fraud and Money Laundering
Arkansas Project Manager COVID Relief Fraud
Fort Myers Business Owner COVID Relief Fraud
More Seizures of COVID Fraud Schemes
Texas Man False Payroll Documents to Obtain COVID Relief
Detroit COVID-19 Fraud Scheme
NFL Player Charged in South Florida COVID Relief Fraud
Seven Charged with Money Laundering Involving PPP Program
Falsely Claiming to be Farmers in COVID Relief Fraud
Nevada Man Charged with Using COVID-Relief Fraud
COVID-Relief Fraud and Money Laundering in Minnesota
COVID Relief Fraud Scheme by Taiwanese National
Nevada Woman Charged with COVID-Relief Fraud
COVID-Relief Fraud in San Fernando
Paycheck Protection Program and Related Loan Fraud in D.C.
Five Charged in Paycheck Protection Program Fraud Scheme
Nine Charged in COVID-Relief Fraud Scheme
Little Rock Woman Charged with COVID Relief Fraud
D.C. Contractor COVID-Relief Fraud
COVID Relief Fraud and Health Care Fraud
Ophthalmologist Indicted For Defrauding SBA Program
Dayton Business Owner Charged with COVID-Relief Fraud
COVID-19 Related Loan Fraud

Title of Observed COVID-19 Fraud Scheme
Chinese National COVID Relief Fraud
Triple-Dipping; and Name Dropping to Obtain PPP Loans
Serious Concerns of Potential Fraud in EIDL Program
PPP Loan Used to Purchase \$318,497 Lamborghini
SBA OIG Management Alert of EIDL Fraud
FHFA OIG Investigation of PPP Fraud from Federal Home Loan Bank Member Institutions
FTC, SBA Warn Companies about SBA Loan Promises
Fraudulent Funders = Big Woes for Small Businesses
New funding for Coronavirus SBA loans attracts scammers
Target for new COVID scam: Small business owners
Payment Fraud
Florida Men Charged with Stealing Credit, Tax Refunds, COVID-19 Stimulus Checks
Mother and Daughter Charged with COVID-19 Related Wire Fraud
Top Pandemic Challenges Facing the U.S. Department of Labor
USDA Management Challenges for Pandemic-Related Responsibilities
Management Alert: Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent
Alert Memorandum: The Pandemic Unemployment Assistance Program Needs Proactive Measures to Detect and Prevent Improper Payments and Fraud
Employment and Training Administration - COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act
Significant Concerns: Expediting Pandemic Response Efforts while Protecting Workers' Benefits
ACH Transactions During COVID-19
DOJ OIG Interim Report on OJP CARES Act Spending
The IRS Won't Call About Your Stimulus Money
Did a Nursing Home or Assisted Living Facility Take Your Stimulus Check?
Fake Emails about Fake Money from a Fake COVID-19 Fund
Scams in Between Stimulus Packages
What to know about the second round of Economic Impact Payment (EIP) Checks and Cards
Coronavirus relief scam impersonates Joe Simons from the Federal Trade Commission
Stimulus payments for people, not nursing homes
FTC COVID-19 and Stimulus Reports
Unemployment Fraud
COVID-19 Related Mail Fraud
Stolen PII Used to Claim Unemployment Benefits
Fraudulent Unemployment Claims
US DOL Prevents Fraudulently Filed Unemployment Insurance Claims
Maryland DOL Uncovers Massive fraudulent Unemployment Insurance Claims Scheme

Title of Observed COVID-19 Fraud Scheme
State Contractor Charged in \$2 million Unemployment
Unemployment Fraud Scheme
Unemployment Insurance Scam
Chester County COVID-19 Related Unemployment Fraud
Fraudulent Unemployment Insurance Application
Le Mars COVID-19 Related Unemployment Fraud
COVID-19 Related Unemployment Fraud in Iowa
CARES Act Unemployment Fraud
Unemployment Fraud and Identity Fraud
Seize Over \$80,000 Tied to COVID-19 Unemployment Fraud
DOL OIG Pandemic Response Oversight Plan
Advisory Report - CARES ACT: Initial Areas of Concern Regarding Implementation of Unemployment Insurance Provisions
More can be Done at the ETA to Mitigate Unemployment Fraud
Is a Scammer Getting Unemployment Benefits in Your Name?

COVID-19 FRAUD SCHEMES SUMMARIES

The following table lists the titles of observed Coronavirus Disease 2019 (COVID-19) fraud schemes, organized by fraud risk categories. The schemes listed in this table are not meant to be all-inclusive, but rather to assist an organization in performing a risk assessment to identify areas vulnerable to fraud. This list can serve both as a starting point for the risk assessment process and as a check following the risk assessment process.

By reviewing this list and considering whether a scheme could happen within the organization, the assessment team can identify potential fraud risks within its organization. Additional consideration during the risk assessment process is needed to determine how an organization’s specific industry, location, and cultural factors can influence fraud risks.

Summaries of COVID-19 Fraud Schemes
Bribery and Corruption
<p>Landlord Faces Sexual Harassment Lawsuit</p> <p>In the state of New Jersey, a landlord (Centanni) has used eviction threat and housing benefits to tenants for sexual favors.</p> <p>Source: HUD OIG, Department of Justice Files Sexual Harassment Lawsuit Against Owner of Rental Properties in Elizabeth, New Jersey</p> <p>Return to Table</p>
<p>Health Care Executive Charged in Scheme to Defraud Investors and Health Care Benefit Programs</p> <p>Health care executive defrauded Medicare through illegal kickbacks and bribes, and then turned to exploiting the pandemic by fraudulently promoting an unproven COVID-19 test to the market.</p> <p>Source: DoD OIG, VA OIG, Medical Technology Company President Charged in Scheme to Defraud Investors and Health Care Benefit Programs</p> <p>Return to Table</p>
<p>Commodities Fraud</p> <p>Kenzley Ramos of Lawrenceville was indicted in the state of Georgia for commodities fraud. During the COVID-19 outbreak, Ramos claimed that the “stock market is crumbling” and claimed that he could provide high returns by profiting off of the COVID-19 crisis; however, Ramos pocketed investor funds for his use.</p> <p>Source: DOJ, U.S. Attorney’s Office Northern District of Texas, Sham Trader Who Urged Investors to ‘Profit Off’ Pandemic Charged With Commodities Fraud</p> <p>Return to Table</p>

Summaries of COVID-19 Fraud Schemes

Buffalo Women Spits on Postal Employee

Daniel Johnson was stopped and warned by a USPS Letter Carrier that she was driving through an exit street the wrong way. She responded with profanity and a threat to spit on the USPS Letter Carrier that she would give him COVID.

Source: [PRAC, The US Attorney's Office Western District of New York, Buffalo Woman Pleads Guilty To Assault For Spitting On Postal Employee And Claiming To Have The Coronavirus](#)

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St. Petersburg Man Indicted for Threatening to Spread COVID-19

During a response to a domestic violence call and arrest involving a St. Petersburg man named Curry. Curry threatened officers that he had COVID-19 and proceeded to cough on the officers. The same day, after Curry had posted for bail. A call went out for Curry's arrest a second time, and upon his second arrest, Curry had spat on the officers.

Source: [PRAC, The US Attorney's Office Middle District of Florida, St. Petersburg Man Indicted For Threatening To Spread COVID-19 By Spitting And Coughing On Police Officers](#)

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U.S. Department of the Interior Top Management Challenges - Pandemic Response

Challenges stated by the U.S. Department of the Interior, "waste, mismanagement, and abuse, which include; nepotism; improper payments to related parties; hiring deficiencies; internal control and general financial management deficiencies; lack of transparency, inadequate oversight, and flawed reporting systems." Since the emergence of COVID-19, the FBI reported about "3,600 claims related to online COVID-19 scams."

Source: [DOI OIG, U.S. Department of the Interior Top Management Challenges - Pandemic Response](#)

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Education OIG Coronavirus Relief Oversight Plan

Risks stated by the Education OIG include; "public corruption, contract and procurement fraud, embezzlement, distance education fraud rings, violations of the incentive compensation ban, and consumer fraud schemes like student debt relief, unlawful hoarding, price gouging, vaccine scams, supply scams, charity scams, phishing, malware apps, investment scams, fraudulent CARES Act or loan consolidation schemes, unauthorized access to Department and FSA information technology resources or accounts."

Source: [Education OIG, Education OIG Coronavirus Relief Oversight Plan](#)

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Summaries of COVID-19 Fraud Schemes

Oversight of USAID's Response to COVID-19

Risks stated by the USAID include; "USAID-branded COVID-19 commodities appearing for sale in open markets or anywhere else outside of response activities. Conflicts of interest between project staff and local vendors. Procurement steering or bid-rigging by primary project staff and/or sub-implementers. Incomplete project activities that have been falsely invoiced by implementers. Invoicing that includes costs that are far beyond local market rates. Program fraud that includes inflation of service records or beneficiaries. Product substitution or sub-quality commodities that have been procured for the response. Diversion or theft of commodities by local armed groups or terrorist organizations. Any incidents of sexual exploitation or abuse; especially between project staff and beneficiaries. Any issues with potential fraud with third-party monitoring entities in regions with remote access. Fraud occurring within food distribution or cash-based assistance programs. Fraud occurring during the recruitment and hiring process for project staff. Procurement specifications that are so restrictive they effectively exclude competing firms. Government supplies and equipment that are shipped to non-Government addresses. Contractors or grantees who fail to meet contract terms but are not penalized. Contract or grant documents that are altered, backdated, or modified."

Source: [USAID OIG, Oversight of USAID's Response to COVID-19](#)

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Advisory Notice - Key Questions To Inform USAID's COVID-19 Response

Risks stated by the USAID in COVID-19 response include; divert goods to the black market, advance other criminal schemes, or provide material support to terrorist entities, fraud reporting systems made commodities intended for displaced Syrians particularly susceptible to fraud schemes like kickbacks and product substitution, criminal organizations, and corrupt officials."

Source: [USAID OIG, Advisory Notice - Key Questions To Inform USAID's COVID-19 Response](#)

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Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent

Challenges stated by the Department of Commerce include; "shortcomings in stimulus program implementation and possible misuse of funds."

Source: [DOC OIG, Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent](#)

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How to Spot, Avoid, and Report Imposter Scams

FTC posts out a warning to the public that scams during COVID-19 could include calls, text messages, or email, where a scammer pretends to be someone you trust to attain personal information, money, or both.

Summaries of COVID-19 Fraud Schemes

FTC advises the public to be suspicious of any calls from the government and to "never pay with a gift card, wire transfer, or cryptocurrency." Additionally, they advise to follow up with actual companies, individuals, and agencies.

Source: [FTC, How to spot, avoid, and report imposter scams](#)

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COVID Mask Exemption Cards are Not From the Government

FTC advises the public that there are fraudulent government cards circulating online that states that "the holder has a disability that prevents them from wearing a mask, and that it's illegal for any business to ask them to disclose their condition."

Source: [FTC, COVID mask exemption cards are not from the government](#)

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Coronavirus: Scammers Follow the Headlines

FTC advises the public that the scammers set up fake products, websites, emails, and charities to take advantage and profit off of COVID-19.

Source: [FTC, Coronavirus: Scammers follow the headlines](#)

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Utility Company Calling? Don't Fall for It

FTC warns that scammers are representing themselves as utility companies to steal money and personal information.

Source: [FTC, Utility company calling? Don't fall for it.](#)

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Scammers Impersonate the FTC, Too

FTC states that scammers have been identifying themselves as FTC agents to steal personal information and money. A scam may involve where the individual gets an email that they are entitled to some money.

Source: [FTC, Scammers impersonate the FTC, too](#)

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Scammers are Using COVID-19 Messages to Scam People

FTC warns the public about "Medicare scams and relief payment messages from government agencies."

Source: [FTC, Scammers are using COVID-19 messages to scam people](#)

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Summaries of COVID-19 Fraud Schemes

Avoiding SSA Scams during COVID-19

FTC states that scammers have been impersonating Social Security Agents to steal personal information and money.

Source: [FTC, Avoiding SSA scams during COVID-19](#)

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Grandparent Scams in the Age of Coronavirus

FTC states that scammers are targeting the elderly by posing as grandchildren that are distressed and in need of money.

Source: [FTC, Grandparent scams in the age of Coronavirus](#)

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How to Avoid COVID-19 Government Imposter Scams

FTC gives the advice to protect against scammers by; "being knowledgeable that the government will never call, text, or contact you on social media saying you owe money, or to offer help getting your Economic Impact Payment (EIP) faster," and that individuals should "go visit government websites directly for trustworthy information."

Source: [FTC, How to avoid COVID-19 government imposter scams](#)

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What Do COVID-19 Scams Look Like in Your State?

FTC issues a report relating to COVID-19 fraud beginning January 1, 2020 that "people across the U.S. have made 91,808 COVID-19-related reports to the FTC. Most of which involve online shopping, with travel and vacations coming in the second." FTC states that "so far, people have reported losing \$59.27 million on these and other COVID-related fraud reports."

Source: [FTC, What do COVID-19 scams look like in your state?](#)

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COVID-19 Scam Reports, by the Numbers

From January 1 to April 15, "the FTC has gotten 18,235 reports related to COVID-19, and people reported losing \$13.44 million dollars to fraud, with the top complaint categories relating to travel and vacations, online shopping, bogus text messages, and all kinds of imposters."

FTC also claims that "while reports of robocalls are way down overall, they are hearing about callers invoking the COVID-19 pandemic to pretend to be from the government or making illegal medical or health care pitches, among other topics."

Summaries of COVID-19 Fraud Schemes

Source: [FTC, COVID-19 scam reports, by the numbers](#)

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Make your Coronavirus donations count

When making COVID donations the FTC states:

- Search online for the charity's name and the words "scam" or "fraud."
- Review ratings.
- Check the charity's registration status.
- Donate using a credit card.
- Double check the name of the organization.
- Ask lots of questions.
- Confirm that your donation will be tax deductible.
- Don't assume a donation request on social media is legitimate just because a friend liked it or shared it.

Source: [FTC, Make your Coronavirus donations count](#)

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Avoid scams while finding help during quarantine

The FTC has found that scammers are targeting the elderly by "offering help with errands, and running off with the money."

Source: [FTC, Avoid scams while finding help during quarantine](#)

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Whack-a-mole: Well-connected line jumpers force states to rethink vaccine distribution

As COVID-19 vaccines are distributed and administered nationwide, States are finding ways to combat the various sightings and reports of misconduct, theft, and fraud regarding the COVID-19 vaccines.

Examples of misconduct, theft, and fraud of COVID-19 vaccines include:

- Various reports of line jumping/hopping.
- "A Florida man arrested for helping a supervisor steal Moderna Vaccines."
- Two women younger than 45 were dressed as the elderly to bypass the COVID-19 vaccine age restriction.
- "Canadian casino executive failing to self-isolate for 14 days after arriving in the Yukon with his wife to seek out the vaccine from mobile-clinic in the remote territory".
- "Ministers granting special access to themselves, family, and other connections."

Summaries of COVID-19 Fraud Schemes

Source: [Washington Times, Whack-a-mole: Well-connected line jumpers force states to rethink vaccine distribution](#)

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Forged and Fake Vaccination Certificates and Negative COVID-19 Test Results

As frustration and demand for COVID vaccines increase, Check Point Research has found that fake vaccination cards, which can be purchased darknet for \$300, and fake negative COVID tests, which can be purchased as a buy two get one free deal for \$25, has been on the rise.

Additionally, Check Point says, "advertisements for fake vaccination documentation are up 300% since January".

Source: [Fortune, Forged and Fake Vaccination Certificates and Negative COVID-19 Test Results](#)

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Cyber Fraud

Email Phishing Scams Related to Coronavirus

Email phishing scams appear as individuals who are from the CDC or WHO, who states updates on information regarding COVID-19 and scamming individuals by receiving personal data from individuals who click on the malicious links.

Source: [ACFE Fraud Magazine March 2020](#)

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COVID-Themed Web Sites

A tech journal company, The Next Web, reports that "at least 4,000 new coronavirus-themed website domain registrations since January according to new research from security firm Check Point," many of which are used for phishing.

Source: [ACFE Fraud Magazine March 2020](#)

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Coronavirus Malware Packages

Cybersecurity journalist Brian Krebs states that cybercriminals have begun to sell "COVID-19 infection kits," which show the infection map in real-time that was supposedly developed by John Hopkins; however, Krebs states that these programs are actually malware used to infect computers.

Source: [ACFE Fraud Magazine, March 2020](#)

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Summaries of COVID-19 Fraud Schemes

Pandemic Response Accountability Committee - Top Challenges Facing Federal Agencies

Pandemic Response Committee states that the top challenges that agencies face include; "cyberattacks, phishing emails, email fraud, impersonation phone calls, and stolen or counterfeit checks, fraudulent PPP loan application, USAID subject to diversion, product substitution, other malicious crimes, DoD introduction to counterfeit parts, HHS marketing of fake tests, beneficiary identity theft, attack on OJP award, sale of ineffective or unsafe treatment options, non-delivery of needed personal protective equipment, improper payments, Indian Country and the Insular Areas susceptible to nepotism, improper payments to related parties; hiring deficiencies; internal control and general financial management deficiencies; lack of transparency, inadequate oversight, and flawed reporting systems."

Source: [PRAC, Pandemic Response Accountability Committee - Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts](#)

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Challenges for Consideration in Implementing and Overseeing the CARES Act

Education OIG advises the public about scams involving fraudulent Financial Student Aid representatives trying to steal student's personal information. They also state that "Federal-State tasks forces led by U.S. Attorneys' Offices are looking into unlawful hoarding, price-gouging, vaccine scams, supply scams, charity scams, phishing, apps, and investment scams."

Source: [Education OIG, Challenges for Consideration in Implementing and Overseeing the CARES Act](#)

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FBI Sees a Rise in Fraud Schemes

FBI sees a rise in fraud by scammers by leveraging the COVID19 outbreak and advises the public to be on the lookout for fake CDC emails, phishing emails, and counterfeit treatments or equipment.

Source: [FBI, FBI Sees rise in Fraud Schemes Related to the Coronavirus \(COVID-19\) Pandemic](#)

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Those Free COVID-19 Money Offers on WhatsApp and Facebook are Scams

FTC advises the public to look out for scams involving social media, where a friend's account is hacked, forwarding fake promotions or companies which claim to offer COVID-19 help or free stuff.

Source: [FTC, Those free COVID-19 money offers on WhatsApp and Facebook are scams](#)

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Summaries of COVID-19 Fraud Schemes

FTC: Coronavirus Scams, Part 2

FTC sends out a notice that warning letters sent to seven companies of fraudulent COVID-19 treatments have made changes to their marketing and advertising; however, the FTC still claims that they still see more scams and advice the public to look out for scams involving; "undelivered goods, fake charities, fake emails, texts and phishing, robocalls, and misinformation and rumors."

Source: [FTC, FTC: Coronavirus scams, Part 2](#)

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The FTC Keeps Attacking Robocalls

In December 2019, FTC stated that they "have filed a suit against VoIP service provider Globex Telecom, who helped run a Reduce Your Interest Rate scam, and in January sent an additional warning 19 letters to VoIP providers. In March, sent nine warning letters to VoIP providers that were helping Coronavirus scammer's blast out robocalls during the current health crisis. They state that "the VoIP providers that straightened up accounted for billions of calls that we're all now not getting."

Source: [FTC, The FTC keeps attacking robocalls](#)

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Socially Distancing from COVID-19 Robocall Scams

FTC advises to look out for robocall scams and to hang up on them.

Source: [FTC, Socially distancing from COVID-19 robocall scams](#)

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COVID-19 Scams Targeting College Students

FTC advises college students to watch out for fraudulent emails claiming to be from the Financial Department of their University, which aims to steal their "username, passwords, personal information, or install malware onto devices."

Source: [FTC, COVID-19 scams targeting college students](#)

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Don't Click Links in Unsolicited Text Messages

FTC warns against text messages that promise money and loans from scammers posing as government agents, who aim to steal and get individuals to download malware.

Source: [FTC, Don't click links in unsolicited text messages](#)

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Summaries of COVID-19 Fraud Schemes

As COVID-19 aid arrives, be on the lookout for scams

As individuals and businesses await aid from the CARES Act, On GAO's WatchBlog, GAO lists three scams to look out for; robocalls, identity theft, and health supplement scams.

Robocalls:

"On April 2, the IRS issued a warning about a surge in calls and email phishing attempts tied to economic impact payments to individuals. According to the IRS, the scammers' calls emphasize the words "stimulus check" or "stimulus payment" and suggest they could help you receive payments faster if you provide personal and/or banking information."

Identity theft:

"On March 18, the Federal Deposit Insurance Corporation (FDIC) warned consumers of recent scams with impostors posing as agency representatives and asking for bank account information or cash."

Health Supplement Scams:

"According to the U.S. Food and Drug Administration (FDA), COVID-19 is a new coronavirus infecting humans, so no FDA-approved vaccines are currently available to prevent or treat the virus. The FDA is working with vaccine and drug manufacturers to develop new vaccines and find drugs to treat COVID-19 as quickly as possible."

"Meanwhile, the people and companies trying to profit from the pandemic are selling unproven and illegally marketed products that falsely claim to be effective against the coronavirus."

Source: [GAO, As COVID-19 aid arrives, be on the lookout for scams](#)

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Employee Embezzlement

Stolen COVID-19 Related Medical Supplies

Respiratory Therapist stole respiratory support equipment from the Veterans Affairs Medical Center and sold them on eBay.

Source: [VA OIG, Veteran's Affairs Respiratory Therapist charged with stealing COVID-19 related medical supplies](#)

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Stealing Hundreds Of Surgical Masks From Veterans Affairs Medical Center

From March 19 to March 23, 2020, a man Lucas was found to have stolen "at least four boxes of surgical masks from the VA Medical Center."

Source: [PRAC, The US Attorney's Office Eastern District of Nevada, Reno Man Pleads Guilty To Stealing Hundreds Of Surgical Masks From Veterans Affairs Medical Center](#)

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Summaries of COVID-19 Fraud Schemes

Financial Statement Fraud

U.S. Department of Agriculture Office of Inspector General OIG Plan-Oversight of COVID19 Funding

U.S. Department of Agriculture (USDA) Office of Inspector General (OIG) states "based on historical experience. Investigations involving COVID19 funding fraud can include potentially false statements or false certifications to obtain funds and/or false documents submitted for reimbursement from a USDA agency, as well as a range of other potential misconduct."

Source: [USDA OIG, U.S. Department of Agriculture Office of Inspector General OIG Plan-Oversight of COVID19 Funding](#)

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Fraud by Vendors and Sellers

PPE Scams

The U.K. National Fraud Intelligence Bureau (NFIB) found on March 6 that individuals that had put in large orders of surgical masks from fraudulent vendors and websites have been scammed up to 800,000 pounds.

Source: [ACFE Fraud Magazine, March 2020](#)

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DOJ Provided Substandard or Mislabeled Personal Protective Equipment

The DOJ OIG states that it "has become aware of instances in which DOJ components may have been provided substandard or mislabeled personal protective equipment (PPE), including N-95 and KN-95 face mask respirators."

Source: [DOJ OIG, Fraud Alert: Emerging Fraud Risks Related to the COVID-19 Pandemic](#)

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Defraud Veterans Affairs Through Sale of Non-Existing Medical Supplies

Georgia man attempted to sell millions of nonexistent respirator masks to the Department of Veterans Affairs to exchange large upfront payments.

Source: [VA OIG - Georgia Man Arrested for Attempting to Defraud the Department of Veterans Affairs in a Multimillion-Dollar COVID-19 Scam](#)

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Fake Sale of PPE from Thailand National

A Thailand national, Dang Chanchai, from at least March 2020 through May 2020, posed as a 3M representative and sold 1 million N95 respirators to health care providers that Chanchai could not supply.

Summaries of COVID-19 Fraud Schemes

Source: [PRAC, The US Attorney's Office District of NJ, Thailand National Indicted for Defrauding New Jersey Company in Purchase of Personal Protective Equipment](#)

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Scheme To Sell N95 Masks

A Park City man, John Anthony Taylor, posed as a 3M representative who has access to sell millions of N95 masks. Taylor was found when he attempted to sell N95 masks to an undercover FBI agent.

Source: [PRAC, The US Attorney's Office District of Utah, Park City Man Charged With Scheme To Sell N95 Masks, Claimed To Be Representative Of 3M Company](#)

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Price-Gouging of PPE

Two Companies CSG Imports LLC and KG Imports LLC, have been confronted by law enforcement to disengage in price gouging PPE. They have also agreed to forgo their \$400,000 in profits and compensate customers.

Source: [PRAC, The US Attorney's Office District of New Jersey, Two Ocean County Companies Agree to Resolve Price-Gouging Charges Involving 11 Million Items of Scarce Personal Protective Equipment by Selling Them at Cost and Disgorging Illicit Profits](#)

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Defective and Misbranded Masks Falsely Purporting to be KN95 Respirators

Crawford Technology Group LTD was charged for selling misbranded and substandard respirators.

Source: [PRAC, The US Attorney's Office District of New Jersey, Chinese Manufacturer Charged with Exporting Defective and Misbranded Masks Falsely Purporting to be KN95 Respirators](#)

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Licensed Pharmacist Charged With Hoarding And Price Gouging Of N95 Masks

Richard Schirripa has allegedly spent \$200,000 N95 to sell them at inflated prices.

Source: [PRAC, The US Attorney's Office Southern District of New York, Licensed Pharmacist Charged With Hoarding And Price Gouging Of N95 Masks In Violation Of Defense Production Act](#)

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Price Gouge New York City During COVID-19

Romano, a used car dealer, accumulated PPE to sell at inflated prices. Romano had also falsely posed himself as a 3M representative.

Summaries of COVID-19 Fraud Schemes

Source: [PRAC, The US Attorney's Office Southern District of New York, New Jersey Man Arrested For \\$45 Million Scheme To Defraud And Price Gouge New York City During COVID-19 Pandemic](#)

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Michigan Man Charged With COVID-19 Related Wire Fraud

The US Attorney's Office found Rodney L. Stevenson II to have sold N95 masks to customers that never received them.

Source: [PRAC, The US Attorney's Office Western District of Michigan, Michigan Man Charged With COVID-19 Related Wire Fraud Scheme](#)

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FTC Halts Scheme that Falsely Claimed to Offer Unlimited Inmate Calling Plans

Disruption Theory LLC and Emergent Technologies LLC have had a complaint filed against them to the FTC for selling fake unlimited minutes to inmates.

Source: [FTC Daily Digest Bulletin, October 16, 2020](#)

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FTC Has No Time for Allegedly Deceptive "Unlimited Minutes" Claims

A lawsuit against two companies that sold fake unlimited phone plans to inmates advertised, claiming "UNLIMITED Minutes." "UNLIMITED TALK." "UNLIMITED MINUTES' We do not charge 'per-minute.'"

Source: [FTC Daily Digest Bulletin, October 16, 2020](#)

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HHS OIG Strategic Plan 2020-2025

These are possible COVID-19 scams to look out for; "product substitution, the introduction of counterfeit parts, improper payments."

Source: [DoD OIG, DOD OIG COVID-19 Oversight Plan](#)

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FTC Data on Scams Originating on Social Media

FTC Data shows that scam complaints have tripled in the last year, with individuals losing more than "\$117 million to this type of scam in just the first six months of 2020 compared to \$134 million for all of 2019." FTC found that the majority of these scams were from online shopping, of which 94% of the cause was by ads on social media. FTC also found other complaints revolved around romance scams, economic relief scams, and income opportunity scams.

Summaries of COVID-19 Fraud Schemes

Source: [FTC, FTC Data Shows Big Jump in Consumer Reports about Scams Originating on Social Media](#)

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Getting Stimulus Checks from Car Dealerships? Nope

In a complaint against Traffic Jams Events, FTC found that they were mailing out fraudulent claims of a government mandated "Economic Automotive Stimulus Relief Program." Their website also fraudulently stated that individuals that come to one of their "designated sites would get stimulus relief checks. They have also been found to fraudulently send checks that say COVID-19 Auto Stimulus" with space to endorse the check on the back."

Source: [FTC, Getting stimulus checks from car dealerships? Nope.](#)

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Scammy PPE Sellers Exploit COVID-19 Fears

QYK Brands, LLC, Zaappaaz/wrist-band.com, and American Screening, LLC have been found to have advertised a quick delivery of PPE fraudulently.

Source: [FTC, Scammy PPE sellers exploit COVID-19 fears](#)

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Scams in Online Sales: When Orders Don't Arrive

FTC released a new Data Spotlight, which states that starting at the beginning of COVID-19, scammers have set up fake websites to sell and supply PPE. Customers who bought from these websites were never received the PPEs that they purchased.

Source: [FTC, Scams in online sales: when orders don't arrive](#)

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Scammers Offer Facemasks but Don't Deliver

Since the beginning of March, FTC states that they have received dozens of complaints that individuals who had placed orders for PPE and toilet paper have never received their products.

Source: [FTC, Scammers offer facemasks but don't deliver](#)

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Scam Websites Falsely Claim to Have Clorox and Lysol for Sale

FTC states that they have found at least 25 websites that have allegedly been selling hard-to-find such as cleaning products Clorox and Lysol in which they never deliver.

Source: [FTC, Scam websites falsely claim to have Clorox and Lysol for sale, FTC says](#)

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Summaries of COVID-19 Fraud Schemes

Income Scams: Big Promises, Big Losses

During the COVID-19, when the job market is at its harshest, the FTC reports that income scams "has reached its highest level on record in the second quarter of 2020." "These scams take the form of phony job offers involving fake checks. Schemes to teach individuals insider secret to start your own business. Investment scams promising high returns, chain letters, and pyramid schemes. It is reported that people have lost about \$610 million from income scams since 2016, with nearly \$150 million reported lost in the first nine months of 2020 alone."

To avoid these scams, the FTC recommends the following steps:

- "Take your time. Avoid high-pressure sales pitches that require you to get involved now or risk losing out."
- "Be skeptical about "success stories" and testimonials. Glowing stories could be fake and online reviews may have come from made-up profiles."
- "Don't bank on a "cleared" check. If you're told to send some of the money or buy gift cards, you can bet it's a fake even if you see the money in your account."
- "Do your research. Search online for the company's name plus words like review, scam, or complaint."

Source: [Emma Fletcher, Dec 10, 2020, Federal Trade Commission](#)

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Online seller failed to ship next-day PPE as promised

The FTC states by law, "sellers are supposed to ship your order within the time stated in their ads, or within 30 days if the ads do not give a time. If a seller cannot ship within the promised time, it has to give you a revised shipping date and the chance to cancel your order for a full refund or accept the new shipping date".

In one case involving a vendor, SuperGoodDeals, FTC states that their website advertises next-day shipping. However, SuperGood Deals failed to deliver online orders. Additionally, the FTC has found that SuperGoodDeals marketed counterfeit goods.

Source: [FTC, Online seller failed to ship next-day PPE as promised](#)

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Health Care Fraud

Pump and Dump

The SEC issued an alert to investors that they have become aware of a publically traded company promoting claims to prevent, detect, or cure COVID-19 will have an increased stock value, which "may be made as part of fraudulent 'pump-and-dump' schemes."

The alert also states "that the SEC issued temporary trading suspensions for common stock for two companies — both suspensions related to concerns about the companies' coronavirus-treatment claims."

Summaries of COVID-19 Fraud Schemes

Source: [ACFE Fraud Magazine March 2020](#)

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Fake Cures

On March 9, the U.S. Food and Drug Administration (FDA) and the U.S. Federal Trade Commission (FTC) issued joint warning letters to seven companies for “selling fraudulent products with claims to prevent, treat, mitigate, diagnose or cure coronavirus disease 2019 (COVID-19).”

Amazon alone stated it had removed more than 1 million products for price-gouging or fraudulent claims related to coronavirus.

Source: [ACFE Fraud Magazine March 2020](#)

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At-Home Tests and “Virucide” Products

On May 27, the city attorney of Los Angeles plans to sue Wellness Matrix Group, who sold "at-home" COVID-19 testing kits with falsified FDA approval. The company has also sold a product that supposedly kills COVID-19, which claimed: "that the product could build a force field around your event or even spray your entire city."

Source: [See LA Sues California Company, Alleging ‘Sophisticated’ COVID-19 Fraud, by Tom Dreisbach, NPR, May 27, as cited by Emily Primeaux, CFE, in ACFE Fraud Magazine, July/August 2020](#)

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Fraudulent Testing Claims

U.S. federal prosecutors have charged Erik Santos for submitting more than \$1.1 million in "fraudulent testing claims for COVID-19 and genetic cancer screenings" to Medicare.

Source: [Feds charge Georgia man with billing for fraudulent COVID-19, cancer testing claims, by Dan Mangan, CNBC, March 30, as cited in ACFE Fraud Magazine May/June 2020](#)

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Sale of Illegal Products

Georgia resident illegally sold unregistered pesticide and made claims that it protects individuals from viruses.

Source: [EPA OIG, Georgia Resident Arrested for Selling Illegal Products Claiming to Protect Against Viruses](#)

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Summaries of COVID-19 Fraud Schemes

Sale of Unregistered Pesticides

Fayetteville Woman sold an unregistered pesticide as protection against viruses such as COVID-19.

Source: [EPA OIG, Fayetteville Woman Pleads Guilty to COVID-19 related FEDERAL Offense For Selling Unregistered Pesticides on eBay](#)

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Sale of Illegal Products Claiming to Protect Against COVID-19

Georgia resident knowingly distributed and sold a misbranded pesticidal device and claimed that his air purifier kills every major viral and bacterial infection, including the COVID-19 coronavirus disease.

Source: [EPA OIG - Georgia Resident Arrested for Scheme to Sell Illegal Products Claiming to Protect Against COVID-19](#)

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Fraudulent Coronavirus Testing

Living Health and Tatum, who operate a website called “livinghealthnb.com,” have fraudulently provided COVID-19 diagnostic and serological tests.

Source: [PRAC, The US Attorney’s Office Western District of Texas, Federal Judge Grants Temporary Restraining Order against New Braunfels Business for Promoting and Conducting Fraudulent Coronavirus Testing](#)

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Utah Man Posing As Medical Doctor to Sell COVID Cure

Gordon H. Pedersen was charged for selling ingestible silver-based products and fraudulently claiming it to be a cure for COVID-19. He was also accused of fraudulently posing as a medical doctor to promote the sale of ingestible silver-based products.

Source: [PRAC, DOJ Office of Public Affairs, Utah Man Posing As Medical Doctor To Sell Baseless Coronavirus Cure Indicted On Fraud Charges](#)

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Falsely Marketing Herbal Mixtures as FDA-Approved Treatment for COVID-19

Huu Tieu, the president and CEO of Golden Sunrise Pharmaceutical Inc., has been charged with the fraudulent market, sale, and FDA approved claims of herbal mixtures to treat COVID-19 and life-threatening health issues.

Source: [PRAC, The US Attorney’s Office Eastern District of California, Tulare County Man Indicted for Falsely Marketing Herbal Mixtures as FDA-Approved Treatment for COVID-19](#)

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Summaries of COVID-19 Fraud Schemes

Multiple Websites Claiming To Offer Preorders For COVID-19 Vaccine

U.S. Attorney of the Office for the Western District of Kentucky, Russell Cole, "shutdown six related web addresses and Facebook page that lured individuals to pre-register for the nonexistent COVID-19 vaccine for \$100 Bitcoins."

Source: [PRAC, U.S. Attorney's Office Western District of Kentucky, U.S. Attorney's Office Shuts Down Multiple Websites Claiming To Offer Preorders For COVID-19 Vaccine](#)

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Toxic Bleach Sold as "Miracle" Cure for COVID-19

Mark Grenon and his three sons allegedly sold a product called Miracle Mineral Solution ("MMS"), a toxic industrial bleach, to cure for "COVID-19, serious diseases and disorders, including cancer, Alzheimer's, autism, multiple sclerosis, and HIV/AIDS."

Reports show that Grenon has sold tens of thousands of bottles of MMS and reports individuals who had used and ingested MMS required "hospitalizations, developing life-threatening conditions, and dying after drinking MMS."

Source: [FDA.gov, Father and Sons Charged in Miami Federal Court with Selling Toxic Bleach as Fake "Miracle" Cure for Covid-19 and Violating Court Orders](#)

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Investment Fraud Scheme Centering on Bogus Claims of COVID-19 Cure

Huntington Beach, Keith Lawrence, was charged for soliciting investors to invest in his company that has pills that could prevent COVID-19 and are in the development of making an injectable cure for individuals infected with COVID-19.

Source: [PRAC, The US Attorney's Office Central District of California, Federal Grand Jury Indicts Orange County Man in Investment Fraud Scheme Centering on Bogus Claims of COVID-19 Cure](#)

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Colloidal Silver As Treatment For COVID-19

FDA and FTC issued a warning letter to a man named Xephyr for his promotion of unapproved colloidal silver as a "cure, to mitigate, prevent, or treat COVID-19, or other diseases like cholera, diabetes, cancer, and AIDS."

Source: [PRAC, The US Attorney's Office Eastern District of Oklahoma, Court Orders Oklahoma Company To Stop Selling Colloidal Silver As Treatment For COVID-19](#)

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Defraud Health Care Benefit Programs Related to Cancer Genetic Testing and COVID-19 Testing

A Georgia woman was arrested for submitting fraudulent cancer genetic tests, other tests, and fraudulent claims related to COVID-19 to Medicare.

Summaries of COVID-19 Fraud Schemes

Source: [PRAC, DOJ Office of Public Affairs, Georgia Woman Arrested for Role in Scheme to Defraud Health Care Benefit Programs Related to Cancer Genetic Testing and COVID-19 Testing](#)

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Smuggling and Importing Misbranded Chloroquine from China for Attempted Resale

Oregon man, Matthew Owens, "has been charged with illegally purchasing, importing, and offering for sale chloroquine, the active pharmaceutical ingredient in prescription drugs used to treat malaria."

Source: [PRAC, The US Attorney's Office Southern District of Oregon, Gresham Man Charged with Smuggling and Importing Misbranded Chloroquine from China for Attempted Resale](#)

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New York City Man Arrested on Fraud Charges for Selling Stolen COVID-19 Testing Services

A New York man, Henry Sylvain Gindt II, was arrested and criminally charged for the advertising and sale of stolen COVID-19 tests with shipping address to fake labs, thus, with customers not receiving any COVID-19 results.

Source: [PRAC, The US Attorney's Office Western District of Pennsylvania, New York City Man Arrested on Fraud Charges for Selling Stolen COVID-19 Testing Services through His Website, YouHealth, Inc., without Sending Promised Test Results](#)

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Trafficking in Misbranded Drugs Claiming they Could Prevent COVID-19

A naturopathic physician was charged with advertising a misbranded drug fraudulently, claiming that the drug will prevent COVID-19.

Source: [PRAC, The US Attorney's Office Western District of Washington, Former Naturopath charged criminally for trafficking in misbranded drugs claiming they could prevent COVID-19](#)

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Macomb County Doctor Charged In Health Care Fraud Scheme

A Macomb County doctor charged for submitting fraudulent claims to Medicare for unnecessary services or for services that were never given.

Source: [PRAC, The US Attorney's Office Eastern District of Michigan, Macomb County Doctor Charged In Health Care Fraud Scheme](#)

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Summaries of COVID-19 Fraud Schemes

COVID-19 Fraud Domain Seized from Seller Who Attempted to Sell It Using Bitcoin

US Attorney's Office for the District of Columbia obtained a warrant for the seizure of websites coronaprevention.org, in which the seller of the website domain claimed that the website would be an "effective way to sell high markup in-demand products."

Source: [PRAC, The US Attorney's Office District of Columbia, COVID-19 Fraud Domain Seized from Seller Who Attempted to Sell It Using Bitcoin](#)

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COVID Relief Fraud, Health Care Fraud and Money Laundering

A chiropractor, Nobbe, bribed other physicians to open a credit card merchant account to help patients open credit cards for out-of-pocket medical expenses. Nobbe then charged thousands of dollars for services that he had partially or never given to his patients. Nobbe had also bribed other physicians to file fraudulent medical claims to Medicare on his behalf, knowing he would not be able to process the claims on his own.

Nobbe obtained over \$200,000 in PPP and EIDL loans and used it to pay for personal expenses.

Source: [PRAC, DOJ Office of Public Affairs, Florida Man Charged with COVID Relief Fraud, Health Care Fraud and Money Laundering](#)

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COVID-19 Challenges for the U.S. Department of Justice

DOJ states that challenges it faces are that "bad actors have launched multiple fraud schemes specifically targeting COVID-19 aid, with some illicit ploys targeting OJP award recipients, specifically. Known schemes include the sale of ineffective or unsafe treatment options and non-delivery of needed PPE."

Source: [DOJ OIG, COVID-19 Challenges for the U.S. Department of Justice](#)

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FYs 2020-2021 EPA Top Management Challenges

EPA states that challenges it faces are "inspections of recent imports have identified products marketed with unsubstantiated and dangerous claims of being able to protect against the SARS-CoV-2 virus. Companies are also fraudulently claiming that their products are approved or endorsed by the EPA or contain EPA-approved disinfectants for use against the SARS-CoV-2 virus. The prevalence of fraud related to EPA programs and operations will most likely increase as fraudsters identify new ways to exploit consumers frightened by the coronavirus pandemic."

Source: [EPA OIG - FYs 2020-2021 EPA Top Management Challenges](#)

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Summaries of COVID-19 Fraud Schemes

Interim Report - Review of the Office of Justice Programs' Administration of CARES Act Funding

DOJ states that fraudulent risks include; "scams related to treatment and cures, advance fee and business email compromise scheme, emerging health care fraud scheme, risk of cryptocurrency scam, fraudulent sales of medical equipment, online scams."

Source: [DOJ OIG, Interim Report - Review of the Office of Justice Programs' Administration of CARES Act Funding](#)

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EPA OIG's Response to the COVID-19 Pandemic

EPA states that fraudulent risks include; "the fraud schemes taking advantage of crisis by marketing unsafe and non-EPA-approved products to the public. Fraudulent claims for money that should be spent to advance an EPA program. Improper avoidance of obligations to pay as required by an EPA program. Misrepresentations of the EPA's endorsement of COVID disinfectant or other products by fraudulently applying the Agency seal, identifier, or product registration numbers to product labels or advertisements. Cyberscams targeting EPA employees, contractors, and grantees as well as security threats to the EPA."

Source: [EPA OIG, EPA OIG's Response to the COVID-19 Pandemic](#)

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A Message from HHS OIG Leadership on COVID-19 Fraud

HHS states that fraudulent risks include; "marketing fake COVID-19 test kits and unapproved treatments through telemarketing calls, social media platforms, and door-to-door visits, health care service scam."

Source: [HHS OIG, A Message from HHS OIG Leadership on COVID-19 Fraud](#)

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Fraud Alert and Potential Scams Issued by the US Department of Justice

US Department of Justice issues a scam alert which include; "antibody testing fraud schemes, healthcare fraud schemes through emails, phone calls, or in person contact, cryptocurrency fraud schemes including but not limited to blackmail attempts, work from home scams, paying for non-existent treatments or equipment, or investment scams, robocalls making fraudulent offers to sell respiratory masks or other medical devices with no intent of delivery, telephone calls to individuals and entities, including state and local governments, offering the sale of large amounts of Personal Protection Equipment (PPE) and demanding advance payments with no intent of delivery, sales of counterfeit, tampered, or otherwise fraudulent PPE, including N95 masks, gloves, and surgical gowns, unsolicited requests for your Medicare information, social media scams and telephone calls fraudulently seeking donations for illegitimate or non-existent charitable organizations requesting you to enter your bank account information, telephone calls by individuals posing as government officials or payment facilitators promising CARES Act stimulus payments and asking for personal identifying information (PII), mass-mailing, spam email, or text-message campaigns to perpetrate

Summaries of COVID-19 Fraud Schemes

government-imposter schemes, calls claiming you received an overpayment of the stimulus money and demanding a “refund” of the difference, threatened with adverse consequences such as fines, forfeiture, or arrest if they refuse to refund the money, demand payments by stored value cards, such as iTunes, Google play, or Steam cards, or by money transmission such as Western Union or MoneyGram, fraud schemes using smartphone apps or websites that claim to be a government office associated with CARES Act programs, divert payments, such as last-minute changes to banking information, through fake emails that appear to come from a trusted source, hackers stealing money, PII and some fraud elements through fake business emails, scammers, pretending to be contact tracers and taking advantage of how the process works, are also sending text messages.”

Source: [US Department of Justice, Combating COVID-19 Fraud](#)

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Product Falsely Claiming to Prevent or Treat COVID-19

FTC has final consent order to charge a California-based marketer of a supplement called Thrive, making fraudulent claims that their supplement "can treat, prevent, or reduce the risk of COVID-19."

Source: [FTC, FTC Approves Final Administrative Consent Order with Marketer of Product Falsely Claiming to Prevent or Treat COVID-19](#)

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Cracking Down on Fake COVID-19 Cures

FTC announces a case against Golden Sunrise Nutraceutical, Inc. and their leadership, Huu Tieu, and Golden Sunrise Pharmaceutical, Inc. and their leadership, Stephen Meis. For falsely guaranteeing that their products can cure and treat COVID-19.

Source: [FTC, Cracking down on fake COVID-19 cures](#)

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More FTC Warnings about Scam Coronavirus Treatments

FTC announces that it continues to seek and warn sellers who fraudulently claim COVID-19 treatments. FTC advises and warns the public to research any ads relating to COVID-19 treatments that can prevent, treat, or cure COVID-19 as they can be false ads.

Source: [FTC, More FTC warnings about scam Coronavirus treatments](#)

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FTC Warns 45 More Sellers of Scam Coronavirus Treatments

FTC latest warning letters to sellers who sell unproven COVID-19 treatment claims include; "listening to a music CD of frequencies to resist the Coronavirus, taking high doses of intravenous vitamin C, using Chinese herbs, acupuncture, chiropractic treatments, ozone therapy, bio-electric shields, HEPA air purifiers, UV light therapy, and more."

Summaries of COVID-19 Fraud Schemes

Source: [FTC, FTC warns 45 more sellers of scam Coronavirus treatments](#)

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CBD, COVID-19 and Cancer: The Unfounded Facts

The FTC has filed a complaint to Marc Ching to stop his business, Whole Leaf Organics, who sells a supplement Thrive, which fraudulently claims to treat COVID-19.

Ching business also fraudulently claims that a variety of his CBD supplement is effective treatments to cancer.

Source: [FTC, CBD, COVID-19 and cancer: The unfounded facts](#)

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FTC Sends More Warnings to Sellers of Scam Coronavirus Treatments

FTC and FDA "sent warning letters to seven sellers of unapproved and misbranded products, claiming they can treat or prevent the Coronavirus." Which include supplements such as; "ANTI-VIRUS KIT to Sonic Silicone Face Brushes and intravenous (IV) therapies with high doses of Vitamin C."

Source: [FTC, FTC sends more warnings to sellers of scam Coronavirus treatments](#)

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FTC Letters Target More Unproven MLM Health and Earnings Claims

FTC sends warning letters to six MLMs, which order them to "stop their distributors from telling people their products can treat or prevent COVID-19, that they're likely to make significant money if they join the MLM or both."

Source: [FTC, FTC letters target more unproven MLM health and earnings claims](#)

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COVID-19 Clinical Trial: Real or Fake?

FTC advises that as more news of companies effectively producing COVID-19 treatments and vaccines, it is important to be aware that scammers will take advantage of this news to create fake vaccine trials treatments and research trials to profit and steal personal information.

Source: [FTC, COVID-19 clinical trial: real or fake? Learn how to tell the difference](#)

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Not Every COVID-19 Testing Site is Legit

FTC warns of fake COVID-19 test sites that attempt to steal personal information, credit card numbers, and money.

Summaries of COVID-19 Fraud Schemes

Source: [FTC, Not every COVID-19 testing site is legit](#)

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FTC Sends Letters Warning 20 More Marketers to Stop Making Unsupported Claims

The FTC sends a warning letter to 20 marketers to stop making claims that their product can treat, cure, and prevent COVID-19, which has not been proven. FTC states that some of these treatments include; "intravenous (IV) Vitamin C infusions, ozone therapy, and supplements. Others challenge claims that more obscure products and therapies can prevent or treat COVID-19."

Source: [FTC, FTC Sends Letters Warning 20 More Marketers to Stop Making Unsupported Claims That Their Products and Therapies Can Effectively Prevent or Treat COVID-19](#)

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FTC warns Companies to Stop Peddling Fake COVID Treatments and Cures

In the FTC's fight against fraudulent COVID-19 treatment claims, they have issued 20 warning letters to companies. FTC states these unproven COVID treatments include; "gemstone bead bracelets, water filtration systems, indoor tanning with red light UV therapy, copper water bottles, high dose vitamin C IV drips, juices and supplements, stem cell treatments, ozone therapy, laser light treatments, and more."

Source: [FTC, FTC warns companies to stop peddling fake COVID treatments and cures](#)

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DHA Health Care Fraud Prevention

Defense Health Agency (DHA) has taken to control costs for health care claims related to the COVID-19 pandemic, however, due to the changing and evolving nature of the pandemic, DHA officials must continue to address controlling costs and prevent fraudulent providers from exploiting the health system.

Source: [PRAC – Semiannual Report 2020-10.29](#)

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COVID-19 Vaccines are in The Pipeline. Scammers won't be Far Behind

The FTC Consumer Information and Business Education warn the public that as new news of COVID-19 vaccines becomes public that individuals should watch out for vaccine-related scams. They suggest the public should know the following:

"You likely will not need to pay anything out of pocket to get the vaccine during this public health emergency."

"You can't pay to put your name on a list to get the vaccine."

"You can't pay to get early access to the vaccine."

Summaries of COVID-19 Fraud Schemes

"No one from a vaccine distribution site or health care payer, like a private insurance company, will call you asking for your Social Security number or your credit card or bank account information to sign you up to get the vaccine."

"Beware of providers offering other products, treatments, or medicines to prevent the virus. Check with your health care provider before paying for or receiving any COVID-19-related treatment."

They also state, "If you get a call, text, email — or even someone knocking on your door — claiming they can get you early access to the vaccine, STOP. That's a scam. Don't pay for a promise of vaccine access or share personal information. Instead, report it to the FTC at [ReportFraud.ftc.gov](https://www.reportfraud.ftc.gov) or file a complaint with your state or territory attorney general through [consumerresources.org](https://www.consumerresources.org), the consumer website of the National Association of Attorneys General. Stay connected to stay informed. Subscribe to consumer alerts from the FTC. When you do, you'll get updates delivered right to your email inbox. You may also want to check your state or territory attorney general's website for consumer alerts and other helpful information."

Source: [December 8, 2020; by Colleen Tressler; Division of Consumer and Business Education, Federal Trade Commission](#)

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Scammers cash in on COVID-19 vaccination confusion

The FTC's tips in avoiding vaccine related scams:

- Contact a trusted source for information
- Don't pay to sign up for the vaccine
- Ignore sales ads for the COVID-19 vaccine
- Watch for unexpected or unusual texts
- Don't open emails, attachments, or links
- Don't share your personal, financial, or health information

Source: [FTC, Scammers cash in on COVID-19 vaccination confusion](#)

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FTC: Sellers need proof for COVID treatment claims

The FTC states that they "have sent 20 more warning letters to companies that claim their products can prevent, treat or cure the COVID-19. The FTC further state that "claims for zappers, virus-busting cards, sage, oregano, and bay leaves are among the representations called into question in the latest round of warning letters".

The FTC advises to "Always talk with your doctor or another healthcare professional before you try any product claiming to treat, cure, or prevent COVID-19. Head to [CDC.gov](https://www.cdc.gov) for clear and concise information on COVID-19. Visit the FDA's Resources page to find out about treatments in

Summaries of COVID-19 Fraud Schemes

development. Learn more about scams related to COVID-19 by visiting ftc.gov/coronavirus and subscribing to Consumer Alerts from the FTC”.

Source: [FTC, FTC: Sellers need proof for COVID treatment claims](#)

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FTC & FDA: Warnings sent to sellers of scam Coronavirus treatments

In a joint effort with the FDA, the FTC issued seven warning letters to sellers claiming that their unproven products “can treat or prevent COVID”.

“The seven companies are”:

- Vital Silver
- Aromatherapy Ltd.
- N-ergetics
- GuruNanda, LLC
- Vivify Holistic Clinic
- Herbal Amy LLC
- The Jim Bakker Show

Source: [FTC, FTC & FDA: Warnings sent to sellers of scam Coronavirus treatments](#)

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Scammers are scheming as HealthCare.gov reopens

As HealthCare.gov reopens for a special enrollment period. The FTC states to watch out for scammers.

FTC states that the following are some things to note:

- No one from the government will call you about health insurance, or ask you to verify your Social Security number or financial information. People who do are scammers.
- People who offer legitimate help with the Health Insurance Marketplace — sometimes called Navigators or Assisters — are not allowed to charge you for their help. If someone asks you for payment, it’s a scam.
- People representing Affordable Care Act plans won’t contact you by phone, email, or in person unless you are already enrolled.
- If you’re planning to sign up for insurance under the Affordable Care Act, do it at HealthCare.gov. People who try to sign you up elsewhere just might be scamming you.

Source: [FTC, Scammers are scheming as HealthCare.gov reopens](#)

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Summaries of COVID-19 Fraud Schemes

Ignore bogus COVID vaccine survey

As of March 24, 2021, FTC has identified a new scam circulating in the form of a COVID vaccine survey. The FTC states that "individuals across the country have reported getting emails and texts out, asking to complete a limited-time survey about the Pfizer, Moderna, or AstraZeneca vaccine. In exchange, people are offered a free reward but asked to pay shipping fees."

The FTC advice not to:

- "Click on any links or open attachments."
- "Call or use the number in the email or text."

Source: [FTC, Ignore bogus COVID vaccine survey](#)

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Identity Theft

Offers of Bogus COVID-19 Tests to Obtain PII and PHI

Scammers are soliciting Medicare beneficiaries and are offering COVID-19 tests to steal personal information to submit false claims.

Source: [HHS OIG](#)

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Contact-Tracing Text Message Scams

FTC issued an alert about scammers trying to steal PII through impersonating as contact tracers "who are individuals asking those who've tested positive for COVID-19 to supply names and telephone numbers of those they've recently contacted," through fake text asking individuals to download malware on their phone.

Source: Robert E. Holtfreter, Ph.D., CFE, ACFE Fraud Magazine September/October 2020

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Fraudulent Application of Economic Injury Disaster Loan (EIDL)

The defendant, Kornaker, applied for and was granted \$60,500 using another person's name and personal information without that person's permission.

Source: [PRAC, The US Attorney's Office District of NY Western District of New York, North Tonawanda Man Charged With COVID-19 Relief Fraud](#)

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Stimulus Check Scams

FBI, state attorneys general's offices, and other agencies alert the public to be aware of scammers who call, text, and email for fraudulent/fake federal payments to steal money and PII.

Summaries of COVID-19 Fraud Schemes

Source: [See Coronavirus stimulus check scams are out to swindle you out of \\$1,200: What you need to know, by Susan Tompor, USA Today, March 29, as cited in ACFE Fraud Magazine, July/August 2020](#)

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Interim Results of the 2020 Filing Season: Effect of COVID-19 Shutdown on Tax Processing and Customer Service Operations and Assessment of Efforts to Implement Legislative Provisions

TIGTA states, "potentially fraudulent returns identified as well as returns identified with questionable refundable credit claims. Once a return is identified, those involving potential identity theft are held during processing until the IRS can verify the taxpayer's identity."

Source: [TIGTA - Interim Results of the 2020 Filing Season: Effect of COVID-19 Shutdown on Tax Processing and Customer Service Operations and Assessment of Efforts to Implement Legislative Provisions](#)

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Identification Theft of USDA SNAP Program Participants

Potential scammers using the COVID-19 situation to steal personal information (SSN#, Bank info, EBT Card, EBT PIN) of USDA Supplemental Nutrition Assistance Program (SNAP) participants.

Source: [USDA OIG, FRAUD ALERT: USDA Warns of Scams Targeting SNAP Recipients](#)

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The FTC Chairman is Not Writing to You

FTC warns that if you see an email from FTC Chairman Joseph Simons, it was not him but rather scammers trying to steal personal information.

Source: [FTC, The FTC Chairman is not writing to you](#)

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Scam Email Says FTC Chairwoman Rebecca Slaughter is Sending Coronavirus Money

For the third stimulus check payment, the FTC states a phishing scam where the scammer spoofed and pose as Rebecca Slaughter, the FTC Chairwoman.

Source: [FTC, Scam Email Says FTC Chairwoman Rebecca Slaughter is Sending Coronavirus Money](#)

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Summaries of COVID-19 Fraud Schemes

Insurance Fraud

Insurance Overcharges

Sites offer inexpensive COVID-19 tests, then bill much higher amounts to insurance companies.

Source: [New York Times article, "Most Coronavirus Tests Cost About \\$100. Why Did One Cost \\$2,315?," 6-16-2020.](#)

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Loan and Bank Fraud

Fraudulent Loan Application by Reality TV Personality

Reality television personality Fayne allegedly applied for \$2 million in PPP funds to a payroll of 107 employees; however, Fayne transferred \$350,000 to her brother's bank account, \$84,000 transferred to a jewelry store, and \$40,000 for child support services.

Source: [Law360 June 23, 2020](#)

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Fraudulent Loan Applications by Texas-Based Engineer

An engineer in Texas, Rai, was charged for multiple fraudulent PPP applications equaling more than \$10 million to pay for a payroll of 250 employees when in actuality Rai had no employees working for him.

Source: [Law360 June 23, 2020](#)

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Fraudulent Loan Applications by Alleged Restaurant Business

Two individuals were charged for fraudulently applying for SBA forgiveness loans to pay for dozens of employees in four different restaurants; however, none of the restaurants have had any employees in actuality. The analysis also showed that none of the businesses have been in operation since November 2018.

Source: [Law360 June 23, 2020](#)

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PPP Loan Fraud in Florida and Ohio

Federal prosecutors have charged nine Florida and Ohio residence in a fraudulent PPP application through fake bank statements and over 80 fake companies totaling more than \$24 million.

Source: [Law360 \(August 6, 2020, 10:47 PM EDT\)](#)

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Summaries of COVID-19 Fraud Schemes

Game of Thrones PPP Fraud

A CEO, Pan, for an insurance company, Pan Insurance Agency, in North Carolina was charged for fraudulent PPP applications through his own company and multiple fake entities named after Game of Thrones characters, which totaled more than \$6 million. The company names inspired by Game of Thrones include; White Walker LLC, Khaleesi LLC, and The Night's Watch LLC.

Source: [Law360 \(September 29, 2020, 9:22 PM EDT\)](#)

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Paycheck Protection Program and Economic Injury Disaster Loan Scams

FTC warns small business owners of scammers imposing as approved lenders of PPP loans to steal personal information.

Source: Robert E. Holtfreter, Ph.D., CFE, ACFE Fraud Magazine, July/August 2020

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Defense Contractor Charged with Bank Fraud, PPP Fraud, and Money Laundering

Kao, a defense contractor in Hawaii, had fraudulently applied for PPP loans through inflated employee numbers, which totaled more than \$12.8 million.

Source: [J. Edward Moreno, The Hill, Defense Contractor Charged for Allegedly Stealing More Than \\$12.8M in PPP Funds](#)

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Loan Fraud Charges

Utah residence Ugarte and Rowberry had fraudulently applied for PPP loans by falsely stating that he and his business were not under indictment. In actuality, he had been charged with wire fraud, money laundering, and felony drug possession.

Source: [DOT OIG, Utah Pair Indicted on Loan Fraud Charges Related to the CARES Act](#)

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PPP Application Fraud

A Bergen County Attorney applied for PPP loan applications to three different lenders on behalf of three different businesses that purportedly provided educational services, with the fabrication of the existence of hundreds of employees.

Source: [SSA OIG, Bergen County Attorney Charged with Fraudulently Obtaining \\$9M in Loans Meant to Help Small Businesses During COVID-19 Pandemic](#)

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Summaries of COVID-19 Fraud Schemes

Hollywood Film Producer PPP Fraud

A Hollywood Film Producer made a series of misrepresentations to a bank and the Small Business Administration and used PPP loans to pay off his personal credit card debts and other personal expenses, rather than to use the funds for legitimate business needs.

Source: [FDIC OIG, Hollywood Film Producer Charged with \\$1.7 Million COVID-Relief Fraud](#)

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Multi-Million PPP Fraud Scheme

An Austin man submitted a fraudulent application with supporting paperwork from two fictitious companies, where the individual used the funds for personal use.

Source: [FDIC OIG - Federal Complaint Filed Against Austin Man for Multi-Million Dollar Fraud Scheme Related to the SBA Paycheck Protection Program During COVID-19 Pandemic](#)

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Seattle Doctor Charged with COVID Relief Fraud

A Seattle doctor submitted several fraudulent PPP loan applications to federally insured financial institutions in businesses' names with no actual operations or by misrepresenting the business's eligibility.

Source: [FDIC OIG - Seattle Doctor Charged with COVID Relief Fraud](#)

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California Man Charged with COVID-Relief Fraud

A California man submitted fraudulent loan applications that made numerous false and misleading statements about its respective business operations and payroll expenses.

Source: [FDIC OIG, California Man Charged with COVID-Relief Fraud](#)

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St. Paul Man Charged With COVID-Relief Fraud, Money Laundering

A St. Paul man submitted a false and misleading PPP application.

Source: [FDIC OIG, St. Paul Man Charged With COVID-Relief Fraud, Money Laundering](#)

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North Carolina Man Charged with COVID-19 Relief Fraud

The alleged fraudulently applied for two EIDLs and a PPP loan between April and June of this year with a PPP loan application supported by falsified documents.

Summaries of COVID-19 Fraud Schemes

Source: [FDIC OIG, North Carolina Man Charged with COVID-19 Relief Fraud](#)

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Warwick Man Admits to Conspire to Fraudulently Obtain COVID-19 Stimulus Loans

A Warwick man applied for loans with fictitious claims of having dozens of employees earning wages at four different businesses.

Source: [FDIC OIG, Warwick Man Admits to Conspire to Fraudulently Obtain COVID-19 Stimulus Loans](#)

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RI Man Charged with Fraudulently Seeking \$4.7 Million in Covid-19 Stimulus Loans

A RI man Applied for PPP Loans under family member's names to pay for various companies for which investigators could not find records.

Source: [FDIC OIG - RI Man Charged with Fraudulently Seeking \\$4.7 Million in Covid-19 Stimulus Loans](#)

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West L.A. Man Charged with Fraudulently Obtaining COVID-Relief Loans

A West L.A. man submitted fraudulent loan applications that made numerous false and misleading statements about its business operations and payroll expenses. Some funds were used on gambling excursions to Las Vegas and transferred to his stock trading accounts.

Source: [FHFA OIG, West L.A. Man Charged with Fraudulently Obtaining about \\$9 Million in COVID-Relief Loans, Some of Which He Gambled Away in Las Vegas](#)

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Houston Entrepreneur COVID Relief Fraud

Alleged, Price submitted a fraudulent PPP loan and spent the money on luxury items, real estate, and personal entertainment.

Source: [FHFA OIG, Houston Entrepreneur Charged with Spending COVID Relief Funds on Improper Expenses Including Lamborghini and Strip Club](#)

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Texas Women Fraudulently Obtains COVID Relief Funds

A Texas woman applied for a PPP loan with false statements of having employees.

Source: [FHFA OIG, Texas Woman Charged with Fraudulently Obtaining Nearly \\$2 Million in COVID Relief Funds](#)

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Summaries of COVID-19 Fraud Schemes

Man Charged with \$5 Million Coronavirus Relief Loan Scheme

Samuel Yates, a Texas resident, had fraudulently applied for CARES Act related loan application by submitting false statements.

Source: [TIGTA, Man Charged with \\$5 Million Coronavirus Relief Loan Scheme](#)

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Software Engineer Charged with Relief Loan Scheme

A software engineer, Baoke Zhang, was charged with a fraudulent PPP application by submitting three different loan applications to two other approved lenders totaling more than \$1.5 million.

Source: [TIGTA - Software Engineer Charged with \\$1.5 Million Coronavirus Relief Loan Scheme](#)

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Illinois Man Charged with Coronavirus Relief Loan Scheme

Rahul Shah, an Illinois resident, has been charged with fraudulently applying for \$441,138 in PPP loans through falsified IRS documents stating that his company, N2N Holdings had ten employees and an average monthly payroll of \$176,455. When in actuality, the numbers were much lower.

Source: [TIGTA OIG, Illinois Man Charged with Coronavirus Relief Loan Scheme](#)

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Two Men Use Synthetic Identities, Existing Shell Companies, and Prior Fraud Experience to apply for COVID Relief Loan

Two men had used stolen and approximately 700 fake identities to create shell companies and bank accounts to apply for PPP loans fraudulently.

Source: [SSA OIG, FDIC OIG, Two Men Who Allegedly Used Synthetic Identities, Existing Shell Companies, and Prior Fraud Experience to Exploit Covid-19 Relief Programs Charged in Miami Federal Court](#)

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Massachusetts Man Charged with COVID-Relief Fraud

A resident of Massachusetts had fraudulently applied for over \$13 million in PPP loans with misrepresented employee numbers and falsely representing that his employees were U.S residence.

Source: [BCFP / BoG FRS OIG, FDIC OIG, Massachusetts Man Charged with COVID-Relief Fraud](#)

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Summaries of COVID-19 Fraud Schemes

New York Brothers Charged With COVID-Relief Fraud

New York brothers fraudulently applied for PPP loans with numerous false and misleading statements about their respective business operations and payroll expenses.

Source: [BCFP / BoG FRS OIG, FDIC OIG, FHFA OIG, New York Brothers Charged With COVID-Relief Fraud](#)

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Small Business Owner PPP Fraud

Owner of Wedding Planning Company submitted fraudulent applications for over \$3 million in PPP loans to two different SBA-approved lenders. In these applications, the alleged falsely stated to more than 120 workers and used funds for personal use.

Source: [FDIC OIG, FHFA OIG, Owner of Wedding Planning Company Fraudulently Sought More Than \\$3 Million in Small Business Administration Paycheck Protection Program Loans](#)

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Engineer Charged in Texas with COVID-Relief Fraud

Engineer in Texas sought millions of dollars in forgivable loans guaranteed by the SBA from two different banks by falsely claiming to have 250 employees.

Source: [FDIC OIG, FHFA OIG, Engineer Charged in Texas with COVID-Relief Fraud](#)

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Washington Tech Executive Charged with COVID-Relief Fraud and Money Laundering

Washington tech executive used numerous false and misleading statements about the companies' respective business operations and payroll expenses to apply for PPP Loans.

Source: [FDIC OIG, FHFA OIG- Washington Tech Executive Charged with COVID-Relief Fraud and Money Laundering](#)

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Arkansas Project Manager COVID Relief Fraud

Project Manager in Arkansas, Hayford, fraudulently applied for millions in SBA forgiveness loans through multiple banks with fake payroll expenses.

Source: [FDIC OIG, FHFA OIG, Arkansas Project Manager Pleads Guilty to Bank Fraud and False Statements in Connection With Covid-Relief Fraud](#)

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Summaries of COVID-19 Fraud Schemes

Fort Myers Business Owner COVID Relief Fraud

A Florida resident, Casey David Crowther, fraudulently applied for \$2,098,700 in PPP loans for his two businesses Target Roofing and Sheet Metal, Inc. Claiming that he would use the funds for business and payroll expenses, but instead, used \$689,417 for a boat and \$100,000 for a promissory note.

Source: [PRAC, U.S. Attorney's Office Middle District of Florida, Fort Myers Business Owner Indicted For COVID Relief Fraud](#)

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More Seizures of COVID Fraud Schemes

North Carolina resident Oscar Estala, including one or more other individuals, fraudulently applied for \$149,900 in SBA forgiveness loans to fund his business, but in actuality. The SBA loans were used to purchase retail goods and gift cards.

Source: [PRAC, U.S. Attorney's Office Western District of North Carolina, Federal Authorities Announce More Seizures In Ongoing Effort To Combat COVID-19 Fraud Schemes](#)

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Texas Man False Payroll Documents to Obtain COVID Relief

Ohaebosim fraudulently applied for \$1.2 million in PPP loans through false payroll expense statements. Ohaebosim claims to have over 100 employees with expenses equaling \$983,000 when he did not ever pay these amounts to his employees.

Source: [PRAC, U.S. Attorney's Office Southern District of Florida, Texas Man Charged in Miami Federal Court with Using False Payroll Documents To Obtain \\$1.2 Million in Covid Relief](#)

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Detroit COVID-19 Fraud Scheme

Baker fraudulently applied for \$2.8 million in PPP loans for his company Motor City Solar Energy, claiming to have 28 employees when in actuality no employees existed.

Source: [PRAC, U.S. Attorney's Office Eastern District of Michigan, Detroit Resident Pleads Guilty In COVID-19 Fraud Scheme](#)

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NFL Player Charged in South Florida COVID Relief Fraud

NFL player Joshua J. Bellamy has been charged with fraudulently applying for \$24 million in PPP loan with falsified documents. Bellamy was one of the other co-conspirators that worked with Augstin to receive fraudulent PPP loan, where Augstin would give kickbacks for getting loans for him.

Summaries of COVID-19 Fraud Schemes

Source: [PRAC, U.S. Attorney's Office Southern District of Florida, NFL Player Charged in South Florida Federal Court for Alleged Role in \\$24 Million COVID-Relief Fraud Scheme](#)

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Seven Charged with Money Laundering Involving PPP Program

Seven individuals were charged with fraudulently applying for PPP loans through falsified statements and laundering money amongst the conspirator's bank accounts to hide the fraudulent funds received.

Source: [PRAC, DOJ Office of Public Affairs, Seven Charged in Connection with a \\$2.1 Million Money Laundering Scheme that Involved Money from the Paycheck Protection Program](#)

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Falsely Claiming to be Farmers in COVID Relief Fraud

Stanley and Philus fraudulently applied for \$1.1 million in PPP and ELDI loans. With Stanley falsely claiming to have 18 employees in her company, Dream Gurl Beauty Supply, for the PPP loan and falsely stating to generate \$800,000 in income with five employees for a farm based yard in her Miami home for an ELDI loan. Moreover, Philus falsely claimed to have 29 employees for his company Elegance Auto Boutique LLC for the PPP loan. They falsely claimed to generate \$400,000 with ten employees for his farm in his home for an ELDI loan.

Source: [PRAC, DOJ Office of Public Affairs, Miami Neighbors Charged with COVID-Relief Fraud after Falsely Claiming to be Farmers](#)

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Nevada Man Charged with Using COVID-Relief Fraud

Nevada resident, Casutt, has fraudulently applied for \$350,000 in PPP and \$150,000 in ELDI loans with falsified statements of the number of employees, income received, and payroll expenses paid.

Source: [PRAC, DOJ Office of Public Affairs, Nevada Man Charged with Using COVID-Relief Funds to Buy House](#)

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COVID-Relief Fraud and Money Laundering in Minnesota

Brenizer has fraudulently applied for \$841,000 in PPP loan through his business Tree-Cut Construction LLC, which had an expired contractor's license, under another person's name.

Source: [PRAC, DOJ Office of Public Affairs, Minnesota Man Charged with COVID-Relief Fraud and Money Laundering](#)

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Summaries of COVID-19 Fraud Schemes

COVID Relief Fraud Scheme by Taiwanese National

A Taiwanese national, Cheng, residing in NY, NY, fraudulently applied for \$7 million in PPP and ELDI loans by falsely stating that he had over 200 employees over five companies when he had no more than 14 employees.

Source: [PRAC, U.S. Attorney's Office Southern District of New York, Acting Manhattan U.S. Attorney Announces Charges In \\$7 Million Scheme To Defraud Loan Programs Intended To Help Small Businesses During COVID-19 Pandemic](#)

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Nevada Woman Charged with COVID-Relief Fraud

A Las Vegas, Nevada resident, Karen Chapon, made a fraudulent loan application through false statements regarding her business operations and payroll expenses.

Source: [PRAC, DOJ Office of Public Affairs, Nevada Woman Charged with COVID-Relief Fraud](#)

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COVID-Relief Fraud in San Fernando

Manukyan has fraudulently submitted two PPP loan applications, totaling \$1.7 million, through two shell companies Argo Global, Inc., and Express, with false documents showing fake payroll expenses and fake employee numbers.

Source: [PRAC, U.S. Attorney's Office Central District of California, San Fernando Valley Man Charged with Fraudulently Obtaining COVID-Relief Loans for His Sham Sewing Company](#)

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Paycheck Protection Program and Related Loan Fraud in D.C.

A resident of Washington D.C., Kenneth Gaughan, fraudulently applied for \$2.1 million in PPP and ELDI loans through multiple companies with falsified documents, including forged paperwork and bank statements. Moreover, Gaughan used the fraudulently received funds to purchase a Yacht, Kia Stinger, and a rowhouse.

Source: [PRAC, U.S. Attorney's Office District of Columbia, District Man Charged with Over \\$2 Million in Paycheck Protection Program and Related Loan Fraud](#)

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Five Charged in Paycheck Protection Program Fraud Scheme

Five individuals, Thomas, Gaines, Green, and Benoit, submitted fraudulent PPP loans for five businesses, successfully securing \$1.7 million in fraudulent funds by falsely reporting employee numbers and payroll expenses. Moreover, the charges state that Thomas had purchased a 2018 Mercedes-Benz S-Class S65AMG and a 2018 Land Rover Range Rover using the fraudulently received funds.

Summaries of COVID-19 Fraud Schemes

Source: [PRAC, DOJ Office of Public Affairs, Five Charged in Connection with an over \\$4 Million Paycheck Protection Program Fraud Scheme](#)

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Nine Charged in COVID-Relief Fraud Scheme

A Florida talent agency owner and others were charged with fraudulently applying for \$24 million in PPP loan for others to receive kickbacks.

Source: [PRAC, U.S. Attorney's Office Northern District of Ohio, Nine charged in \\$24 million COVID-relief fraud scheme](#)

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Little Rock Woman Charged with COVID Relief Fraud

Tubbs, the owner of Little Piglet Soap Company, LLC, and Suga Girl Customs, LLC, fraudulently applied for PPP loans by falsely stating employee expenses, which got her to receive fraudulent funds of \$1,518,887 for Suga Girl Customs, LLC and \$414,375 for Little Piglet Soap Company, LLC.

The indictment also states that Tubbs used \$8,000 on student loans \$6,000 in online retail purchases.

Source: [PRAC, U.S. Attorney's Office Eastern District of Arkansas, Little Rock Woman Charged with COVID Relief Fraud](#)

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D.C. Contractor COVID-Relief Fraud

A Washington D.C. resident, Oludamilare Olugbuyi, fraudulently applied for two PPP loans, totaling more than \$400,000, through falsified documents. One of which was multiple Forms 1099-MISC that stated that Olugbuyi made thousands of dollars in payments to contractors.

Source: [PRAC, DOJ Office of Public Affairs, Washington, D.C. General Contractor Charged with COVID-Relief Fraud](#)

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COVID Relief Fraud and Health Care Fraud

Belone, the owner of R&S Pharmacy, fraudulently applied for multiple PPP loans, successfully receiving \$22,000, through falsified documents and made multiple false and claims to Medicare. Moreover, Belone had used \$12,000 fraudulent funds to his account.

Source: [PRAC, DOJ Office of Public Affairs, Washington, Florida Man Charged with COVID Relief Fraud and Health Care Fraud](#)

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Summaries of COVID-19 Fraud Schemes

Ophthalmologist Indicted For Defrauding SBA Program

Using his practice, Goyal, an Ophthalmologist, had fraudulently applied for multiple PPP loan applications, successfully receiving \$630,000 through falsified loan applications using two businesses.

Source: [PRAC, U.S. Attorney's Office Southern District of New York, Ophthalmologist Previously Charged With Healthcare Fraud Indicted For Defrauding SBA Program Intended To Help Small Businesses During COVID-19 Pandemic](#)

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Dayton Business Owner Charged with COVID-Relief Fraud

Consuelo Jackson, a business owner of Extract LLC, fraudulently applied for \$1.3 million and \$1.2 million in PPP loan by falsely stating he had 73 employee wage expense when in actuality, there were little to no employees at his business.

Source: [PRAC, U.S. Attorney's Office Southern District of Ohio, Dayton business owner charged with COVID-relief fraud](#)

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COVID-19 Related Loan Fraud

Norfolk man was charged with fraudulently applying for \$190,000 in disaster-related loan applications.

Source: [PRAC, U.S. Attorney's Office Eastern District of Virginia, Man Indicted for COVID-19 Related Loan Fraud](#)

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Chinese National COVID Relief Fraud

Ma, a business owner for NYIC and Hurley, fraudulently applied for \$20 million in SBA loans, PPP and ELDI, through falsified documents, which includes; "falsified employee numbers, wage expenses, bank records, tax records, insurance records, payroll records, and financial statements."

Source: [PRAC, U.S. Attorney's Office Southern District of New York, Chinese National Arrested For \\$20 Million Scheme To Fraudulently Obtain Loans Intended To Help Small Businesses During COVID-19 Pandemic](#)

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Triple-Dipping and Name Dropping to Obtain PPP Loans

Martin Kao, a defense contractor in Hawaii who had received million in government contracts for designing ship hulls for the U.S. Navy, was arrested and charged for fraudulently applying for \$12.8 million in PPP loans through multiple lenders. By falsely stating he had 500 employees when he only had 150.

Summaries of COVID-19 Fraud Schemes

Source: [“Prominent Hawaii Defense Contractor Arrested For CARES Act Fraud,” Civilbeat.org, September 30, 2020](#)

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Serious Concerns of Potential Fraud in EIDL Program

SBA OIG states "that it has serious concerns over the EIDL program during the COVID-19 with complaints of more than 5,000 instances of suspected fraud from financial institutions receiving economic injury loan deposits. Fraud Schemes on Social Media: Various romance scams and social media solicitations persuade people to provide personally identifiable information to "get free money." The information is then used to apply for SBA economic injury loans and portions of the proceeds go to the ringleader."

Source: [SBA OIG, Serious Concerns of Potential Fraud in EIDL Program Pertaining to the Response to COVID-19](#)

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PPP Loan Used to Purchase \$318,497 Lamborghini

David T. Hines fraudulently applied for \$4 million in COVID-19 relief loans and spent the fraudulent funds of \$318,497 on a Lamborghini and "thousands of dollars on dating websites, jewelry, clothes, and high-end hotels."

Source: [Jay Weaver, Miami Herald, July 28, as cited by Emily Primeaux, CFE, in ACFE Fraud Magazine, September/October 2020](#)

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SBA OIG Management Alert of EIDL Fraud

The SBA OIG issued a management alert to inform agencies that there are "strong indicators of widespread potential fraud in the Economic Injury Disaster Loan and Advance grant program that needs immediate attention." The SBA OIG further states "that they have received complaints of more than 5,000 instances of suspected fraud from financial institutions receiving EIDL deposits. Nearly 3,800 of those reported instances of suspected fraud came from only six financial institutions."

Source: [PRAC – Semiannual Report 2020-10.29](#)

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FHFA OIG Investigation of PPP Fraud from Federal Home Loan Bank Member Institutions

The FHFA OIG issued a status report stating "in their investigations into allegations of Paycheck Protection Program (PPP) fraud perpetrated at financial institutions that are member of the Federal Home Loan Bank system. These multiagency investigations, working closely with the DOJ's Criminal Division's Fraud Section, have led to the recovery of more than \$300,000 in cash and disrupted the funding of several fraudulent loans."

Summaries of COVID-19 Fraud Schemes

Source: [PRAC – Semiannual Report 2020-10.29](#)

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FTC, SBA Warn Companies about SBA Loan Promises

The FTC sends warning letters to six companies that state "they could speed U.S. Small Business Administration (SBA) loans for businesses struggling to stay afloat during the COVID-19 pandemic," will need to remove those false claims from their websites and advertising since those claims could mislead consumers into thinking that those institutions are affiliated with SBA or the institution's role in getting funding for small businesses.

Source: [FTC, FTC, SBA warn companies about SBA loan promises](#)

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Fraudulent Funders = Big Woes for Small Businesses

FTC filed a lawsuit against the company Richmond Capital as they provided loans to businesses and organizations, stating "they could promise a specific amount of funds in exchange for higher amounts from business revenue." However, in actuality, FTC states that "people got far less money than they were promised, had to agree to personal guarantees, and paid big up-front fees." Additionally, FTC states, "individuals also signed a legal document called a confession of judgment. This document let Richmond Capital go to court and get a judgment — without any objection or response from the person — if they stopped paying or breached certain provisions of the contract. But according to the complaint, Richmond Capital used these confessions of judgment to go after people's assets in the circumstances not permitted by their financing agreements. What's worse, Richmond Capital allegedly threatened violence when people didn't pay. The FTC asked the court to make Richmond Capital stop these practices and refund people's money."

Source: [FTC, Fraudulent funders = big woes for small businesses](#)

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New funding for Coronavirus SBA loans attracts scammers

FTC warns the public that scammers may attempt to sensitive business information while applicants apply for the SBA loans.

To avoid scammers, the FTC states:

- "Get information about SBA loans directly from the SBA's website: sba.gov/coronavirus".
- "Once on the SBA's website, go to "Funding Options" and follow the instructions".
- "Find more information about the PPP and EIDL programs at the U.S. Treasury Department's website".
- "Don't pay in advance for information. Don't pay in advance for a government loan".
- "Don't give your information to someone who calls, emails, or texts you out of the blue".
- "Don't apply for a loan without verifying the lender".
- "Don't click on links or reply to emails or text messages from someone you don't know".

Summaries of COVID-19 Fraud Schemes

Source: [FTC, New funding for Coronavirus SBA loans attracts scammers](#)

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Target for new COVID scam: Small business owners

The FTC states that there is a new scam going around targeting small businesses through email, which claims to come from the “Small Business Administration Office of Disaster Assistance.” It states “you’re eligible for a loan of up to \$250,000 and asks for personal information like birth date and Social Security number”.

Additionally, the FTC states that it has “heard that individuals have been contacted to repay loans they never took out”.

To protect against such scams, the FTC recommends:

- Check your credit report.
- Look for reliable sources of information.
- Check out lenders before sharing personal information.

Source: [FTC, Target for new COVID scam: Small business owners](#)

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Payment Fraud

Florida Men Charged with Stealing Credit, Tax Refunds, COVID-19 Stimulus Checks

3 Florida residents, Adesh Alvin Bissoon, Michael Jacques Joseph, and Victor Torres, were charged with defrauding at least 11 banks. By purchasing stolen IDs from the dark web and using them to file fraudulent IRS tax returns, receive COVID-19 stimulus checks, and create SSN and driver's licenses to create financial accounts in the stolen identities.

Source: [PRAC, U.S. Attorney's Office Southern District of Ohio, 3 Florida men charged with stealing credit, tax refunds, COVID-19 stimulus checks in bank fraud conspiracy involving more than \\$1 million in losses](#)

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Mother and Daughter Charged with COVID-19 Related Wire Fraud

Rose Ann Azzarello and her daughter Andrea Renee Pytlinski were arrested and charged with COVID-19 related wire fraud.

Source: [PRAC, U.S. Attorney's Office Southern District of Indiana, Mother and daughter from Evansville charged with COVID-19 related wire fraud](#)

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Top Pandemic Challenges Facing the U.S. Department of Labor

DOL states that some challenges it faces are; "improper payments stemming from fraudulent activity continue to pose a significant threat to the integrity of the UI program, as identity thieves and organized criminal groups have found ways to exploit program weaknesses."

Source: [DOL OIG, Top Pandemic Challenges Facing the U.S. Department of Labor](#)

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USDA Management Challenges for Pandemic-Related Responsibilities

USDA states that some challenges they face are; "non-compliant with Federal requirements for improper payments, particularly with respect to several high-risk programs (as designated by OMB) that have received COVID-19 funds."

Source: [USDA OIG, USDA Management Challenges for Pandemic-Related Responsibilities](#)

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Management Alert: Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent

DOC states that challenges they face are; "the emergency and disaster relief environment can create incentives and opportunities for grant recipients to deviate from standard practices meant to ensure effective control of U.S.-funded contracts, grants, and awards."

Source: [DOC OIG, Management Alert: Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent](#)

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Alert Memorandum: The Pandemic Unemployment Assistance Program Needs Proactive Measures to Detect and Prevent Improper Payments and Fraud

DOL, in their Alert Memorandum, states, "the associated risk of improper payments and fraud is significant, as the UI program historically experiences some of the highest improper payment rates within the federal government. The Office of Inspector General (OIG) believes the state's reliance on self-certifications alone to ensure eligibility for PUA will lead to increased improper payments and fraud."

Source: [DOL OIG, Alert Memorandum: The Pandemic Unemployment Assistance Program Needs Proactive Measures to Detect and Prevent Improper Payments and Fraud](#)

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Employment and Training Administration - COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act

"On May 26, 2020, OIG issued an alert memorandum highlighting the increased risk for fraud due to the sole reliance on self-certification for claimant eligibility and improper payments related to PUA program."

Source: [DOL OIG, Employment and Training Administration - COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act](#)

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Significant Concerns: Expediting Pandemic Response Efforts while Protecting Workers' Benefits

DOL, in their "Significant Concerns Expediting Pandemic Response Effort while Protecting Workers Benefits," states risks include; "improper payments stemming from fraudulent activity continue to pose a significant threat to the integrity of the UI program. "Incomplete or obviously inaccurate." OIG investigations have revealed schemes in which fictitious companies or dishonest businesses seeking to acquire foreign workers filed fraudulent applications with DOL."

Source: [DOL OIG, Significant Concerns: Expediting Pandemic Response Efforts while Protecting Workers' Benefits](#)

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ACH Transactions During COVID-19

LSC, in their "Transactions During COVID-19," states, "ACH fraud occurs when a criminal gains access to an account to make unauthorized ACH payments or withdrawals. A criminal can commit ACH fraud by possessing merely two pieces of information: your business checking account number and your bank routing number. With that information, a criminal can make an improper payment for goods or services, either by phone or online. Usually, the victim first learns of the ACH fraud when conducting a routine bank reconciliation, by which time the criminal (and the stolen funds) have long since disappeared."

Source: [LSC OIG, ACH Transactions During COVID-19](#)

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DOJ OIG Interim Report on OJP CARES Act Spending

In DOJ OIG Interim Report on OJP Cares Act Spending, they state; "generally, the OJP has distributed Coronavirus Emergency Supplement Funding quickly and in accordance with CARES Act requirement; however, the OIG found that the OJP approved awards to areas with limited pandemic impact, and the OIG has identified multiple fraud schemes specifically targeting funding made available through the CARES Act, some of which could directly impact the OJP Coronavirus Emergency Supplemental Funding award recipients."

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Source: [PRAC – Semiannual Report 2020-10.29](#)

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The IRS Won't Call About Your Stimulus Money

FTC warns that scammers can impose and rig caller IDs to be identified as government agents; however, individuals must keep in mind that the government will never call you but instead contact individuals through the mail.

Source: [FTC, The IRS won't call about your stimulus money](#)

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Did a Nursing Home or Assisted Living Facility Take Your Stimulus Check?

FTC states that they have heard Medicaid participants taken advantage of through their assisted facilities by getting participants to sign stimulus funds away to them; however, FTC says that those facilities or government agencies do not have the right to take those types of funds away.

Source: [FTC, Did a nursing home or assisted living facility take your stimulus check?](#)

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Fake Emails about Fake Money from a Fake COVID-19 Fund

FTC states that they have heard and warns the public that someone imposing as an FTC agent is sending out a fake email saying that "you'll get money from a COVID-19 Global Empowerment Fund." FTC advises the public that there is no money and cams such as these should be reported to the [ftc.gov/complaint](https://www.ftc.gov/complaint).

Source: [FTC, Fake emails about fake money from a fake COVID-19 fund](#)

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Scams in Between Stimulus Packages

FTC warns that as there is news about a second stimulus package, be on the lookout for scammers who try to use this to get individuals to pay money for a fake stimulus check.

Source: [FTC, Scams in between stimulus packages](#)

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What to know about the second round of Economic Impact Payment (EIP) Checks and Cards

For the second round of stimulus check payments, the FTC gives tips and advice to the public on how to proceed with stimulus checks received through check and debit cards.

The FTC states "like last time, scammers are at work trying to get your money and/or personal information. Remember that the government will never call, text, email, or ask you to click on a link to activate your EIP card or get your money. If anyone does, it's a scam. Don't give anyone your

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personal or financial information, like your Social Security or bank account numbers. And never pay anyone to get your EIP funds. Report any scam immediately to the FTC at ReportFraud.ftc.gov".

Source: [FTC, What to know about the second round of Economic Impact Payment \(EIP\) checks and cards](#)

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Coronavirus relief scam impersonates Joe Simons from the Federal Trade Commission

For the second round of stimulus check payments, the FTC warns the public that scammers are impersonating Joe Simmons. The chairman of the FTC, to scam individuals to give their stimulus checks away.

Source: [FTC, Coronavirus relief scam impersonates Joe Simons from the Federal Trade Commission](#)

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Stimulus payments for people, not nursing homes

The FTC states that even if some nursing homes have been exposed from taking the first round of stimulus checks from the elderly, they advise the public to check up on loved ones living in assisted facilities for the second round of stimulus payments.

Source: [FTC, Stimulus payments for people, not nursing homes](#)

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FTC COVID-19 and Stimulus Reports

As of 1/1/2020 to 3/16/2021, the FTC shows a total of 388,637 stimulus-related reports/complaints of fraud/identity theft/other, resulting in 372.63m in fraud loss.

Source: [FTC, FTC COVID-19 and Stimulus Reports](#)

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Unemployment Fraud

COVID-19 Related Mail Fraud

Iowa resident Avin Lavon Rex was charged with mail fraud, which states that Rex had received unemployment claims in MA and AZ, totaling around \$19,000, and then making a series of withdrawals.

Source: [PRAC, U.S. Attorney's Office Northern District of Iowa, Schaller Man Charged with COVID-19 Related Mail Fraud](#)

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Stolen PII Used to Claim Unemployment Benefits

Myra Walker, an employee of Bob's Discount Furniture, was on furlough, and when going to file an unemployment claim, she had found out that someone had stolen her SSN and filed an unemployment claim to receive \$464.

Source: ["Woman tries to file for unemployment but can't. Someone else is getting benefits in her name,"](#) by Karin Price Mueller, NJ Advance Media for NJ.com, May 2, as cited by Robert E. Holtfreter, Ph.D., CFE, ACFE Fraud Magazine September/October 2020

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Fraudulent Unemployment Claims

Maine Commissioner of Labor, Laura Fortman, warns Maine residents that "scammers are taking advantage of pandemic unemployment assistance programs to file fraudulent claims by using the personal information of other people, including Maine residents. They urged Mainers to notify the Maine Department of Labor if they believe that someone has used their identity to fraudulently apply for or obtain unemployment benefits."

Source: [DOL OIG, State and Federal Officials Urge Mainers to Report Unemployment Fraud](#)

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US DOL Prevents Fraudulently Filed Unemployment Insurance Claims

In collaboration with OESC, DOL-OIG stops nearly 3,800 fraudulently filed unemployment insurance claims, including 1,300 filed from a range of IP addresses located in London, England, which amounted to a savings of more than \$15.9m for tax payers.

Source: [DOL OIG - The U.S. Department of Labor Office of Inspector General and Oklahoma](#)

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Maryland DOL Uncovers Massive fraudulent Unemployment Insurance Claims Scheme

The State of Maryland states, "it has uncovered a massive and sophisticated criminal enterprise involving more than 47,500 fraudulent unemployment insurance claims in Maryland and totaling over \$501 million." The State of Maryland also urges citizens; "to remain vigilant and report suspicious activity or fraudulent use of their personal information."

Source: [DOL OIG, Maryland Department of Labor Uncovers Massive fraudulent Unemployment Insurance Claims Scheme](#)

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State Contractor Charged in \$2 million Unemployment

A contractor for the State of Michigan, Brandi Hawkins, used her insider access to fraudulently release payment on hundreds of fraudulent claims amidst the COVID outbreak.

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Source: [DOL OIG, State Contractor Charged in \\$2 million Unemployment Fraud Scheme](#)

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Unemployment Fraud Scheme

Southfield Man George Baker filed numerous fraudulent applications for unemployment insurance benefits in various individuals in the State of Pennsylvania and State of Michigan.

Source: [DOL OIG, Southfield Man Charged in Multi-State Identify Theft and Unemployment Fraud Scheme](#)

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Unemployment Insurance Scam

A State of Michigan Unemployment Insurance Agency employee and a Detroit woman was charged for planning to defraud the State's unemployment program by \$1.8 million during COVID-19.

Source: [DOL OIG, Two Charged in \\$1.8 million Unemployment Insurance Scam](#)

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Chester County COVID-19 Related Unemployment Fraud

Perpetrators assisted individuals incarcerated at Chester County Prison and other correctional institutions in fraudulent efforts to obtain Pandemic Unemployment Assistance (PUA) benefits.

Source: [DOL OIG, Four Chester County Residents Charged with COVID-19 Related Unemployment Fraud](#)

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Fraudulent Unemployment Insurance Application

Alleged, "Christopher Ferrera and Ashley Bourdier fraudulently applied for and received unemployment benefits by using" other people's identities.

Source: [DOL OIG, Two Individuals Charged With Fraudulently Filing For Unemployment Insurance](#)

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Le Mars COVID-19 Related Unemployment Fraud

An Iowa resident, Dennis George Chinn, fraudulently applied and obtained COVID-19 unemployment benefits by falsely stating that his income was \$150 per week. In actuality, it was not to receive an additional \$600. Chinn had accumulated in \$13,000 in fraudulent unemployment funds.

Source: [PRAC, U.S. Attorney's Office Northern District of Iowa, Le Mars Man Pleads Guilty to COVID-19 Related Unemployment Fraud](#)

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COVID-19 Related Unemployment Fraud in Iowa

Three men, Alvin Lavon Rex, Jerry Johnson, and Brian Whorton, were charged for fraudulently applying and receiving COVID-19 unemployment benefits.

Source: [PRAC, U.S. Attorney's Office Northern District of Iowa, Three Men Charged with COVID-19 Related Unemployment Fraud](#)

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CARES Act Unemployment Fraud

The alleged, Peck, was found to have fraudulently applied for multiple Pandemic Unemployment Assistance to Texas Workforce Commission, using numerous SSN, which included SSN with the same names. SSN of other Texas residents, and SSN of people, not Texas residents.

Source: [PRAC, U.S. Attorney's Office Southern District of Texas, Corpus Christi man charged with CARES Act unemployment fraud](#)

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Unemployment Fraud and Identity Fraud

The alleged, Sozi, had used stolen identity information, which he received from a person he lived with that worked at Cambridge realty. A company that collected personal information from their clients and used the stolen identities, with his accomplice, to fraudulently apply for PUA benefits and open credit accounts to purchase retail goods and gift cards totaling more than \$100,000.

Source: [PRAC, U.S. Attorney's Office District of Massachusetts, Malden Man Indicted for CARES Act Pandemic Unemployment Fraud and Identity Fraud](#)

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Seize Over \$80,000 Tied to COVID-19 Unemployment Fraud

In Charlotte, NC, federal authorities had seized \$80,661.05 tied to an unemployment fraud scheme where the scammers would use stolen identification to apply for unemployment benefits.

Source: [PRAC, U.S. Attorney's Office Western District of North Carolina, Federal Authorities Seize Over \\$80,000 In Funds Tied To COVID-19 Unemployment Fraud Scheme](#)

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DOL OIG Pandemic Response Oversight Plan

DOL OIG, in their Pandemic Response Oversight Plan, state that potential risks include; "unemployment Fraud: Fictitious employer schemes, Identity theft schemes, Personally Identifiable Information leasing schemes (loaning of identities for wage-earning and unemployment), Employee integrity schemes (SWA employees manipulating claims), Unemployment supplement schemes (utilizing unemployment to pay regular wages). ETA - Job Training Programs: Embezzlement of job training funds, Ghost participant schemes. EBSA – Pension Plans: Hardship loan schemes (false

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statements to pension plans), Imposter schemes (Impersonation of plan beneficiary for withdrawals) (p.5). WHD – Worker Standards: Kickback schemes (employees forced to return assessed back wages), Attempted bribery of WHD officials. OWCP – Workers' Compensation: Claimant fraud (performing physical activities inconsistent with injury/working and not reporting), Medical provider fraud (billing for services not rendered). OSHA – Occupational Safety Standards: Fabricated OSHA certifications, Attempted bribery of OSHA officials.”

Source: [DOL OIG, DOL OIG Pandemic Response Oversight Plan](#)

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Advisory Report - CARES ACT: Initial Areas of Concern Regarding Implementation of Unemployment Insurance Provisions

On the DOL Advisory Report, the OIG states that; "it is concerned ETA and the states have not developed sufficient systems to prevent fraud during initial eligibility determinations and detect fraud if those systems fail; State systems that allow individuals to file unemployment insurance claims in multiple states during the same timeframe using the same personal information, State systems that auto-populate the application with the claimant's employment history, making it easier for the claimant to complete the application process, but also making it easier for someone to make fraudulent claims, State systems that allow individuals to file claims online using anonymous IP addresses, internet hotspots, and stolen internet connections, making it difficult to validate the identity of the claimant. Non-state issued prepaid debit cards available through retail outlets, provide anonymity to those who are submitting fraudulent claims and make it difficult to trace the activity and use of the funds. Inconsistent or unstructured communication between state tax and employment departments, making it difficult to validate claims using corporate unemployment insurance tax filings.”

Source: [DOL OIG, Advisory Report - CARES ACT: Initial Areas of Concern Regarding Implementation of Unemployment Insurance Provisions](#)

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More can be Done at the ETA to Mitigate Unemployment Fraud

In PRAC's semiannual report, it states, "while the Employment and Training Administration (ETA) implemented CARES Act UI provisions in a timely way. ETA's guidance did not sufficiently address the risk of fraud, waste, or abuse. ETA's oversight plan does not sufficiently address the assessment of CARES Act UI program results because the CARES Act UI programs are not included in its program assessments.”

Source: [PRAC – Semiannual Report 2020-10.29](#)

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Is a Scammer Getting Unemployment Benefits in Your Name?

FTC states that during the COVID-19 pandemic, there is a large case of scams occurring with unemployment benefits. Scammer would use stolen identities to receive unemployment benefits on

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the victim's behalf, and most of the time, the victim would not find out until their State Unemployment Office or employer contacted them about their unemployment application.

Source: [FTC, Is a scammer getting unemployment benefits in your name?](#)

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