

APRIL 2020

DON'T FALL FOR IT

HOW TO SPOT AND DODGE CORONAVIRUS SCAMS

Call us:
866-CREATIVE

Email us:
cpi@creativeplanning.com

Visit us online:
www.creativeplanning.com



Peter Mallouk
JD, MBA, CFP®
President

In every crisis, good people do great things and bad people, well, they do some really, really bad things. This letter is about protecting yourself from the bad people. Never in my career have I seen so many scams in motion all at once. Crooks tend to step up their game in times of crisis. It is a perfect environment for them: stress, change and misinformation make for the perfect backdrop for someone to try to separate you from your money.

Don't fall for it.

Here is a rundown of the scams we are seeing, and how to spot and avoid them. Note that nearly all of them are simply tailored versions of scams that take place year-round.

The "I need your help right now but can't talk to you on the phone" scam.

Last week, I received an email from a business colleague asking if I could reach out to him. I emailed back setting a time I would be available to talk. I then received the following message back:

"I have a virtual call being set up at 1pm. I am leading a committee ensuring the procurement of test kits, masks and ventilators to support hard hit cities and other countries. I have just gone off the phone with a vendor in KS, hence my reaching out to you. Here is the thing: Peter, we are looking to remit funds to said vendor to cover the balance for these materials and it is past due. For this reason, I thought I would run it by you and see if you could have your bank wire to the company on our behalf. We will reimburse you the sum on or before Thursday (next week). Is this something you can do for us as a show of support? It would be greatly appreciated. Kindly write back and let me know."

Total scam. Never, ever send funds to anyone that emails you for any reason. *Always talk to the person first.* There are many versions of this scam: from asking for money to asking you to purchase gift cards on their behalf.

**THIS LETTER
IS ABOUT
PROTECTING
YOURSELF
FROM THE BAD
PEOPLE.**

All have three things in common:

1. They will come from someone you know who has had their email hacked or appear to come from someone you know but really be from someone slightly altering their email address,
2. Will have a sense of urgency, and
3. The sender won't be available to talk to you.

There are several clues to spot these: First, look for typos, strange spacing and wording that does not sound like it comes from the sender.¹ Second, check the email address. Often it will look very similar to someone you know, but often it is someone simply changing one letter in the email address. Third, always call the sender. If they can't talk, don't send anything. If they can, you can obviously then confirm it is in fact from a friend.

Tip: If someone asks for a donation in cash, gift card, or wire transfer via email, do not do it without verification.

The Text Message from a Governmental Agency

The Department of Justice is warning that a version of this scam is currently running rampant. In an example of this rip off, scammers email or text you a link to take a coronavirus preparedness test that appears as if it were sent by the Department of Health and Human Services. Similar scams have been reported with fake links from organizations such as the Centers for Disease Control and World Health Organization. These links instead contain a computer virus that then can take over your computer or leave the predator to lie in wait to try to pull a scam on you later.

Know that no government agency is going to email or text you a link to get information. Typical scams similar to this that operate year-round involve emails or calls from the IRS or Social Security Administration. 100% of the time, the answer is to delete the message.

TIP: Never click on links from sources you do not know.

The Fake Charity Scam

Get ready for calls from the "COVID-19 Give Back Fund" and the "Combatting Coronavirus Fund". Scammers are creating fake charities to take advantage of everyone's desire to help. If you haven't heard of the charity before, don't know anyone affiliated with it, and can't confirm it is reputable, do not consider giving. There are plenty of ways to give that are easy to validate.

¹ Plus, look for the word "remit." I am not sure why the Eastern Europeans like that word so much. And yes, a large number of these scams come from that general region.

Call us:
866-CREATIVE

Email us:
cpi@creativeplanning.com

Visit us online:
www.creativeplanning.com

Tip: Do your homework when it comes to donations, whether through charities or crowdfunding websites. Do not let anyone rush you into making a donation.

Money for Treatment Scams

In one growing trend, people are receiving calls from scammers posing as health care providers that have recently treated a loved one for COVID-19, and demanding payment. Every time, just hang up. No one is going to call you for payment.²

TIP: A legitimate medical provider would never ask a patient's friend or relative for payment via a phone call.

Fees to Access Stimulus and CARES Act Benefits

With this scam, someone calls or emails you offering you benefits under one of the government's new programs. The catch? They need you to send them some funds in advance for "filing fees" or other costs. In another common version of this scam, crooks will ask you to click on a link (here we go again) to access benefits. In the most sophisticated version of the scam, crooks posing as representatives of a governmental agency will ask for your bank information so they can transfer your stimulus plan checks to you.

Tip: Never respond to anything like this or click any links, and never, ever provide anyone your banking information without verifying that you know the source with a phone call.

Social Security Fraud

Social security scams happen year-round, and now is no different. On March 27th, the Social Security Administration (SSA) issued a warning about fraudulent letters threatening suspension of Social Security benefits due to COVID-19 or coronavirus-related office closures. Social Security beneficiaries have received letters through the mail stating their payments will be suspended or discontinued unless they call a phone number referenced in the letter. The agency said scammers may then mislead beneficiaries into providing personal information or payment via retail gift cards, wire transfers, internet currency, or by mailing cash to maintain regular benefit payments during this period of COVID-19 office closures.

Tip: No one from the government will ever ask you for your banking information or credit card information and certainly won't ask for gift cards or payment via Bitcoin.

Call us:
866-CREATIVE

Email us:
cpi@creativeplanning.com

Visit us online:
www.creativeplanning.com

² Or, in an alternate approach, drop a curse word or two, and then hang up.

Year-Round Tips

1. Never click on a link that comes from a source you don't know.
2. Never send money, banking instructions or a gift card to someone without verifying who the person is with an outgoing phone call.
3. Look for fake email addresses, a sense of urgency or inability to talk as clear warning signs.
4. Never give to a charity you are unfamiliar with or cannot personally validate.
5. Use a secure internet connection, strong password and dual factor authentication wherever possible.
6. Be especially suspicious of anything that supposedly comes from a governmental agency.
7. Stay positive.³ The overwhelming majority of people are wonderful and doing their best to get through this and help one another.⁴

Call us:
866-CREATIVE

Email us:
cpi@creativeplanning.com

Visit us online:
www.creativeplanning.com

This commentary is provided for general information purposes only and should not be construed as investment, tax or legal advice, and does not constitute an attorney/client relationship. Past performance of any market results is no assurance of future performance. The information contained herein has been obtained from sources deemed reliable but is not guaranteed.

³ Most people are good, most people are good, most people are good....

⁴ But a few really horrible dirtbags can create a lot of damage. I am sure there is a special little corner in hell reserved just for them!