Spot the Signs: Avoid the Latest Frauds and Scams

June 22, 2023

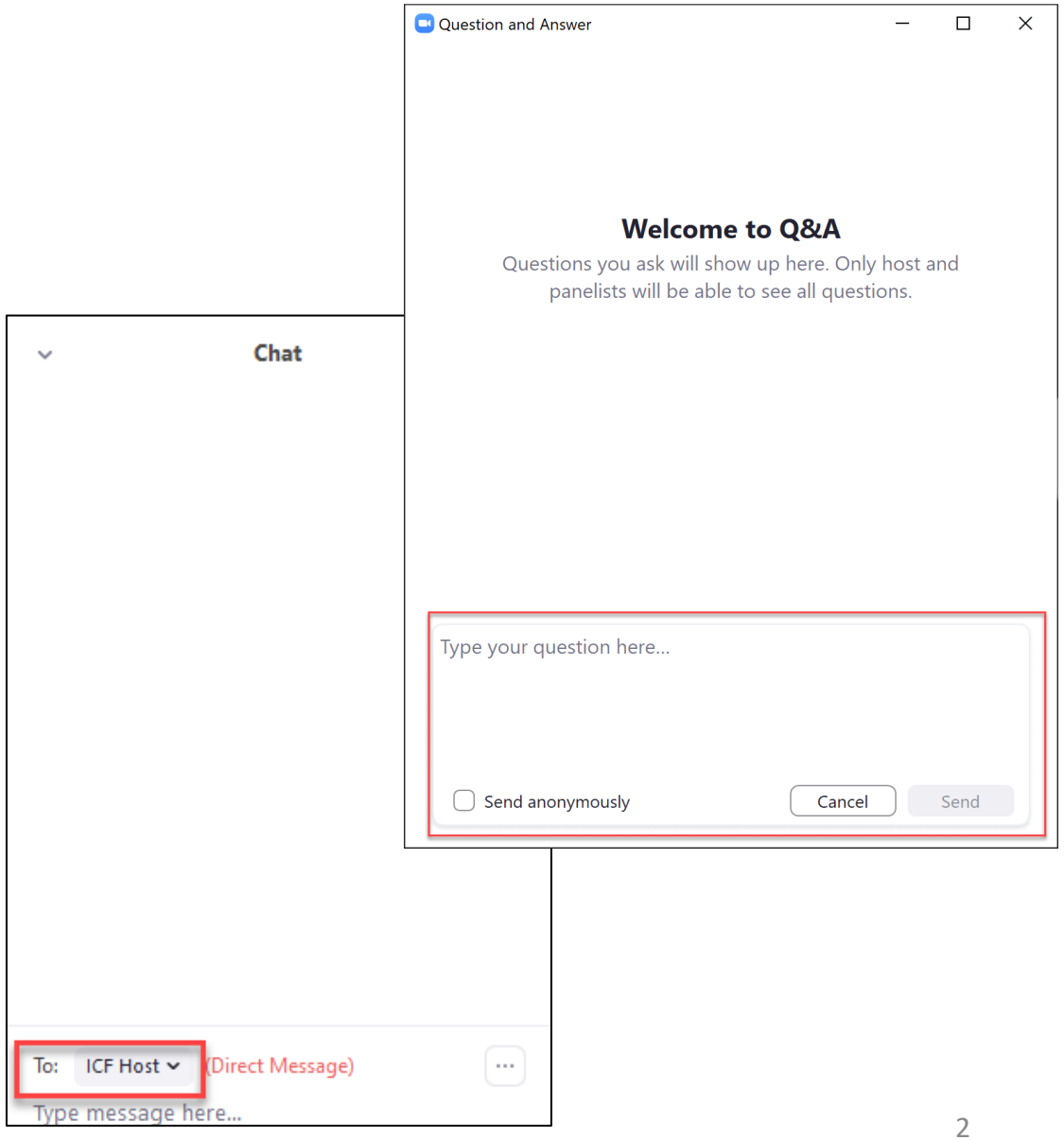
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U.S. Department of Housing and Urban Development



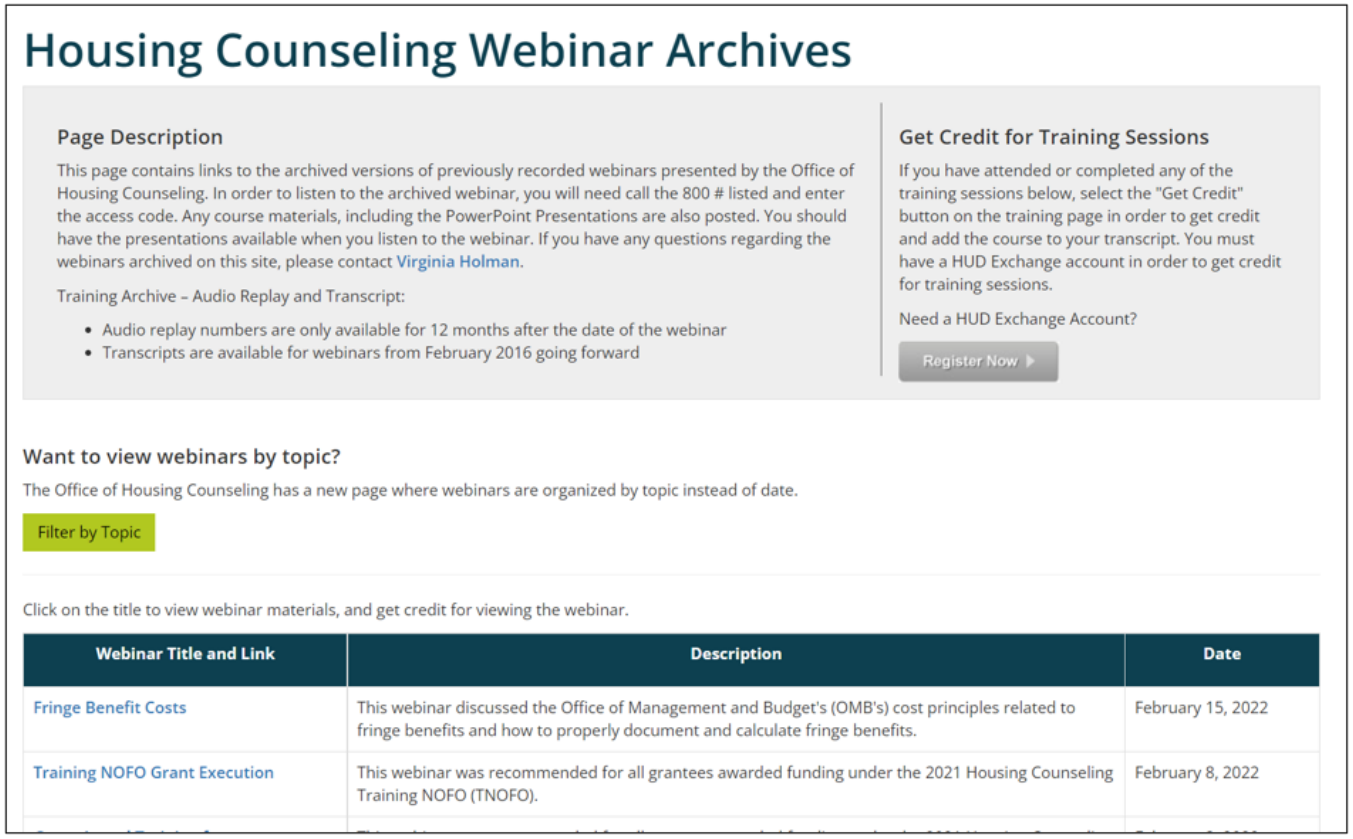
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- Participants are joined in listen only mode
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- Q&A
  - Submit any content-related questions via the Q&A box



Materials

- The PowerPoint has been posted for this session. We will provide a link in the Chat box
- Webinar materials are posted on the HUD Exchange in the Webinar Archive 7-14 days after the live webinar
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Housing Counseling Webinar Archives

Page Description

This page contains links to the archived versions of previously recorded webinars presented by the Office of Housing Counseling. In order to listen to the archived webinar, you will need call the 800 # listed and enter the access code. Any course materials, including the PowerPoint Presentations are also posted. You should have the presentations available when you listen to the webinar. If you have any questions regarding the webinars archived on this site, please contact Virginia Holman.

Training Archive – Audio Replay and Transcript:

- Audio replay numbers are only available for 12 months after the date of the webinar
- Transcripts are available for webinars from February 2016 going forward

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The Office of Housing Counseling has a new page where webinars are organized by topic instead of date.

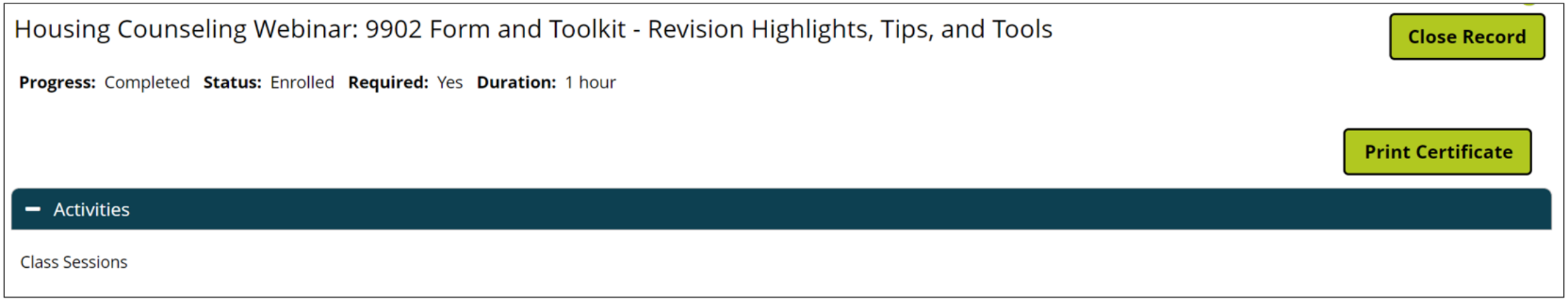
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Webinar Title and Link	Description	Date
Fringe Benefit Costs	This webinar discussed the Office of Management and Budget's (OMB's) cost principles related to fringe benefits and how to properly document and calculate fringe benefits.	February 15, 2022
Training NOFO Grant Execution	This webinar was recommended for all grantees awarded funding under the 2021 Housing Counseling Training NOFO (TNOFO).	February 8, 2022

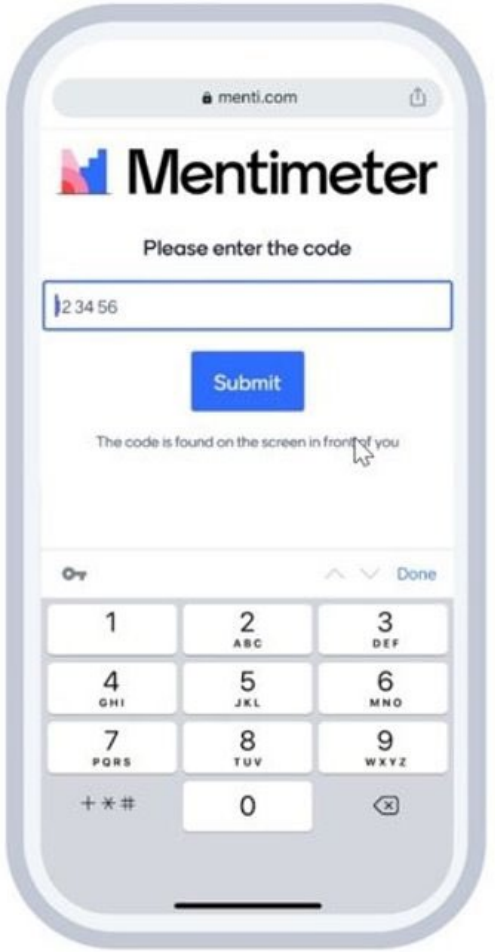
Webinar Certificate

- Webinar attendance will be marked following the live webinar
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- Select the Course Name and click “Print Certificate”



Feedback and Polling

- There will be questions provided in Mentimeter throughout this presentation
- When prompted by the icon to the right, please respond to questions at www.menti.com using your computer or smart phone



Time for Mentimeter!

Presenters

- **Baylee Childress and Clair Weatherby**, ICF, Technical Assistance Providers
- **Carol Kando-Pineda**, Counsel – Division of Consumer and Business Education, Federal Trade Commission (FTC)
- **Joshua Friedman**, Senior Compliance Analyst/Attorney – Bureau of Servicemember Affairs, Consumer Financial Protection Bureau (CFPB)

Agenda

- HUD Welcome
- Common Types of Frauds and Scams
- Understanding the Latest Technologies
- Spotting Red Flags
  - Homeowner Scenario
  - Military Scenario
- Tools and Resources
- Q&A

Jerrold H. Mayer

Director

Office of Outreach and Capacity Building

HUD’s Office of Housing Counseling

National Homeownership Month 2023



Common Types of Frauds and Scams

Most Scams Have Similar Goals

Obtain personally identifying information or personal financial information



Get consumer to send money



Scammers Play on Emotions



- Scams often use urgency, or try to create a particular emotional state
- Victims of scams may not report due to shame
  - People may feel they fell for a trick or should have avoided the scam
  - Victim-blaming can occur – remember to check your own bias

What you can do

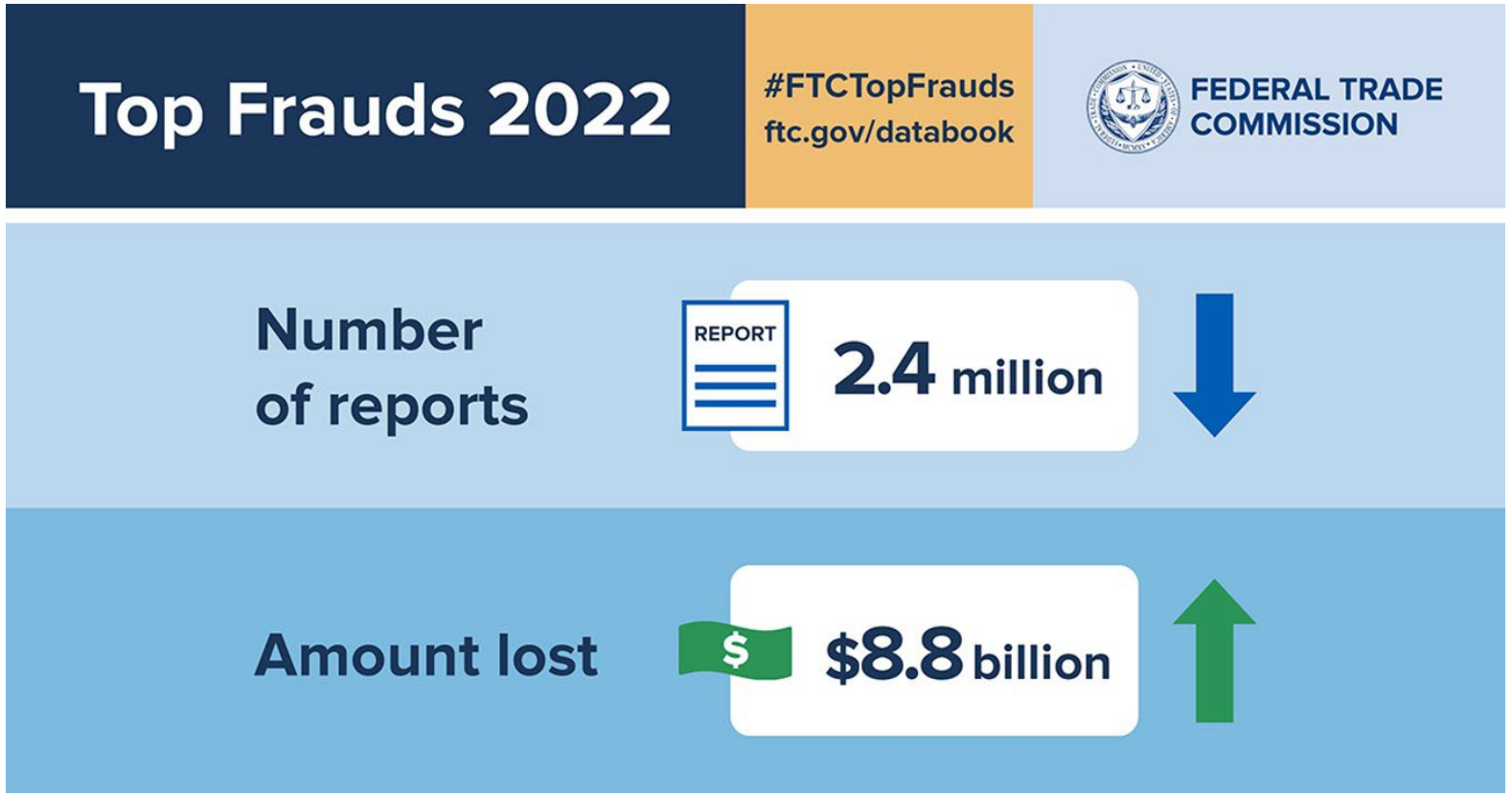
- ❑ Take a moment before you act
- ❑ Examine the information closely (i.e., sender's email address, links, business information, contact information)
- ❑ Contact the business or person via known contact info to verify that the request is legitimate
- ❑ Never share personal sensitive information with someone you don't know
- ❑ Don't wire money or send gift cards before verifying the request

Time for Mentimeter!



Understanding the Latest Technologies

Scope of the Problem



Data on the Dark Web

FTC study

- How long did it take scammers to use what they thought was stolen information?

FTC study

- Scammers used the fake data even many months later

Cryptocurrency Scams

Since 2021

$575 million of all crypto fraud losses: bogus investment opportunities



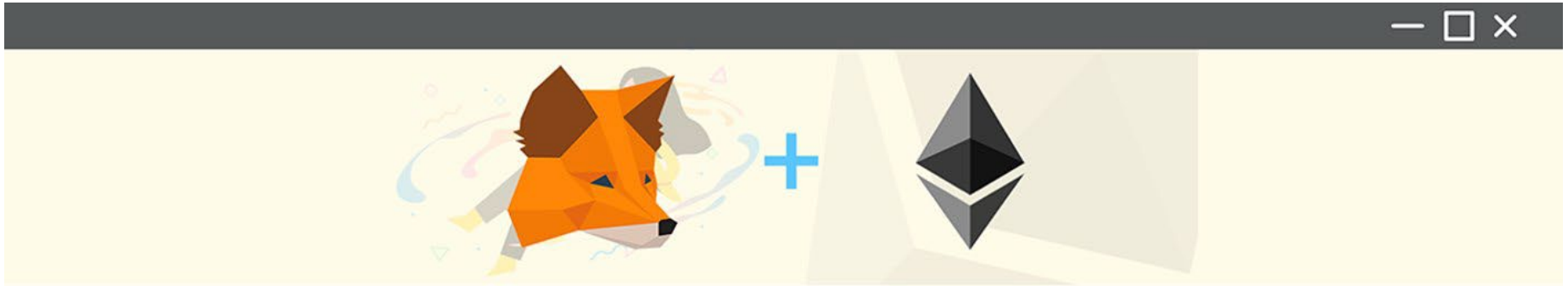
Crypto fraud losses reported to the FTC from January 2018 to March 2022. Data from Federal Trade Commission's Consumer Sentinel

Cryptocurrency Scams (cont'd)

Scammers will:

- Pretend to be:
  - “investment managers”
  - a celebrity
  - an online “love interest”
- Guarantee that you’ll make money
- Promise big payouts with guaranteed returns
- Threaten to blackmail you

New Cryptocurrency Phishing Scam



Attention: Your Wallet Has been Blocked!

Hi

Attention all crypto holders: Due to the dramatic increase in our platform users, some wallets still need to manually perform the new upgrade. You must upgrade your wallets before [redacted] in order to keep your assets secure and accessible.

Suppose I didn't upgrade my wallet — what would happen?

You will lose all of your cryptocurrencies if you neglect to update your wallet.

Recover My Wallet Now

Mobile Payment Apps

- Don’t share account credentials
- Protect your account with multi-factor authentication or a PIN
- Double-check the recipient’s information
  - Is it the right person?



If You Paid a Scammer by Mobile Payment App…

- **Cash App**: Chat through their app for the fastest service
  - Go to your profile & choose Support, or
  - Visit https://cash.app/help or call 1 (800) 969-1940



- **Venmo:** Chatting through their app for the fastest service
  - Go to your profile & choose Get Help, or
  - Email Venmo's contact form or call 1 (855) 812-4430

- **PayPal**: Report it online at PayPal's Resolution Center or
  - Call PayPal at 1 (888) 221-1161

Time for Mentimeter!



Spotting Red Flags

Homeowner Scenario

Homeowner Scenario

- Sarah has recently been struggling to pay her mortgage after losing her job.
- She receives a call from a number she doesn't recognize offering mortgage relief services. However, this company asks Sarah for a $500 wire transfer to pay for services up-front.
- Tierra is Sarah’s housing counselor.



Time for Mentimeter!

What steps can Tierra and Sarah take?



Contact servicer directly



Do not make any payments to anyone other than the servicer or mortgage company



Report the scam to the servicer, state attorney general, and CFPB



Work directly with servicer on default prevention

Other Common Scams Targeting Homeowners

- **Wire fraud**: Scammer targeting homebuyer who is about to close on a home
- **Deed transfer**: Scammer targeting a homeowner in distress with a phony foreclosure rescue scheme
- **Loan modification**: Scammer requesting payment for a fake loan modification
- Review Frauds and Scams Desk Reference for Housing Counselors

Spotting Red Flags

Military Family Rental Scenario

Active Duty Service Members Often Targeted

- Increased Risk
  - Scammers often target active duty servicemembers because they have steady income
  - Frequent relocation can increase risk (applying for new apartments, utility connections, and spousal employment)
- Specific Harm
  - Excessive debt or inability to meet financial obligations can cause security clearance to be revoked
  - Servicemembers make frequent moves, and negative credit report information can make it difficult to obtain affordable rental housing



Source: Servicemember reports about identity theft are increasing | Consumer Financial Protection Bureau (consumerfinance.gov)

Military Consumer Scenario

- Bryan is an active duty servicemember searching remotely for rental housing. He **sees a house online that appears perfect**, submits an application, and gets approved
- The landlord sends Bryan an email saying **he just got four more applications**, all from people who are willing to pay even more rent.
- The landlord says he likes the military, appreciates Bryan's service, and wants to rent to him. The **Landlord asks:**



Can you send me the security deposit, and first month's rent over PayPal or Venmo? Make sure you indicate you are paying a "friend."

Military Consumer Scenario (cont'd)

- **Bryan sends a security deposit of $2,000 to his landlord's email address using peer to peer**, saying he is the landlord's "friend." Bryan sends and additional $2,000 for the first month's rent for a total of $4,000.
- Bryan arrives to his duty station the following month to discover **the property he believed he rented was not even owned by the landlord** and its occupied by another family.
- Bryan **cannot recover the $4,000** paid to the "landlord."

Actions to Protect Against Rental Scams



Look up the owner and the property. Is the same property listed under different contact information?



Ask a trusted friend or coworker from your gaining unit to view the property and verify it is, as advertised



Never wire money or pay using a "peer to peer" product with the "friend" feature. These payment methods are the same as cash.



Before making a payment, have a **signed lease and keys**

What other actions can service members take?

Place a **security freeze or an active duty alert** (in case of overseas deployment) with the major bureaus

Review credit report regularly

Sign up for **free credit monitoring** (available to active duty military and others)

Time for Mentimeter!



Tools and Resources

CFPB Tools and Resources

- Fraud and scams
- What are some common types of scams?
- How can I spot identity theft?
- Servicemember reports about identity theft are increasing
- Tool: Credit reports and military service
- Protect Homeowners from Illegal Collection Tactics on Zombie Mortgages
- Elder Fraud Prevention Networks – CFPB YouTube
- Medical debt
- Consumer Advisory re Money Held in Payment Apps

FTC Tools and Resources

FEDERAL TRADE COMMISSION
ReportFraud.ftc.gov

- Suspect identify theft? Go to www.identitytheft.gov
- Spot a scam? Tell us: www.reportfraud.ftc.gov
- Stay connected: www.ftc.gov/consumeralerts
- Scammers use AI to enhance their family emergency schemes | Consumer Advice (ftc.gov)
- Scammers Use Fake Emergencies to Steal Your Money | Consumer Advice (ftc.gov)

Housing Counseling Resources

- Frauds and Scams Desk Reference for Housing Counselors
- Spot the Signs Consumer-Facing Flyer
- COVID-19 Frauds and Scams: Guide for Housing Counselors
- Factsheet: Avoiding Post-Disaster Scams and Fraud | Disaster Recovery Toolkit
- Webinars
  - Real Estate Wire Fraud - HUD Exchange
  - Federal Trade Commission 101 and Housing-Related Issues - HUD Exchange
  - Preventing Elder Financial Exploitation: Tips & Tools - HUD Exchange
  - Financial Literacy and Housing Counseling for the Military Community - HUD Exchange
  - Military Tenant Rental Rights - HUD Exchange

Additional Resources

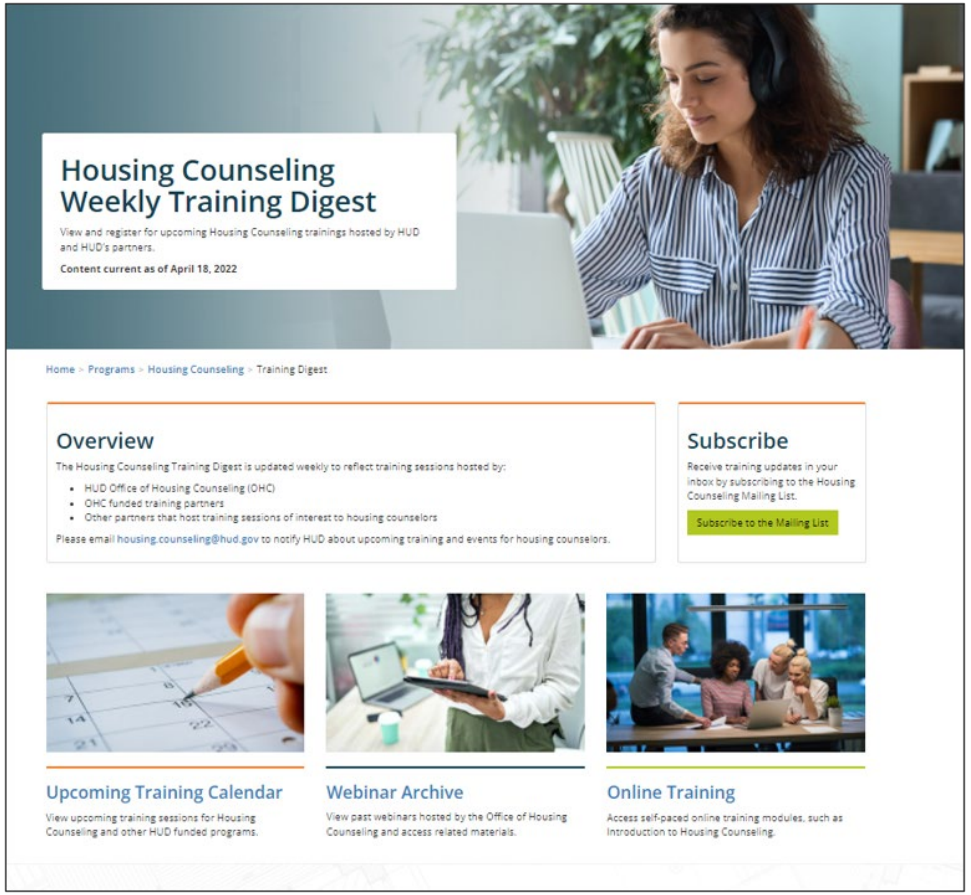
- AARP Scams & Fraud Resource Center
- Free Active Duty Credit Monitoring:
  - Active Duty Credit Monitoring (equifax.com)
  - Experian IDnotify™ for Active Military Members
  - Active Duty Credit Center | TransUnion



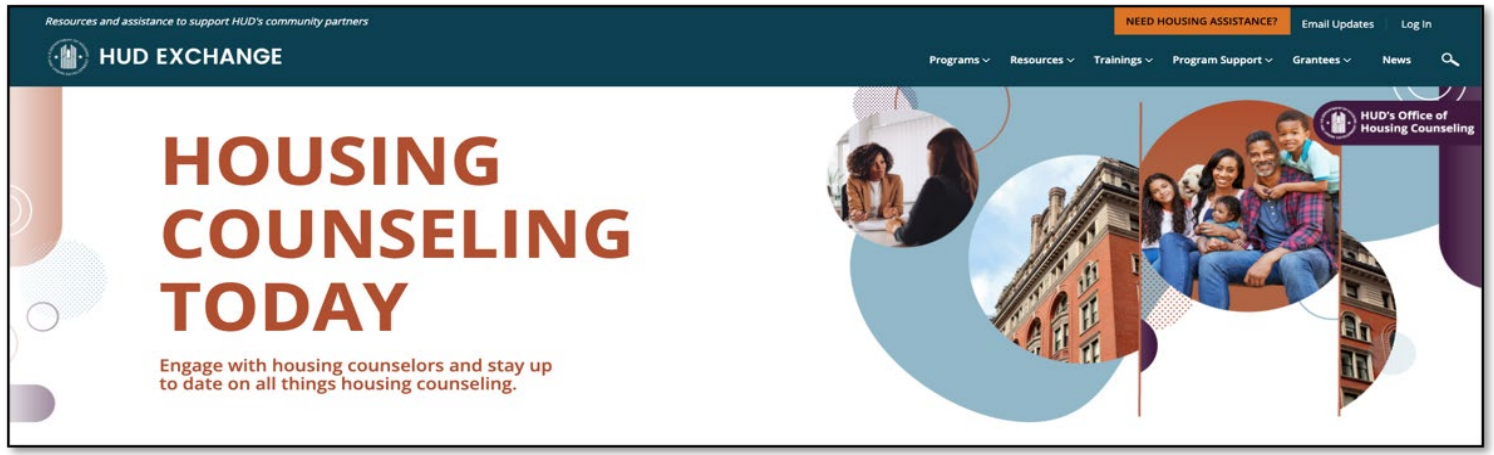
Questions and Answers

Housing Counseling Training Digest

- Visit the Training Digest on the HUD Exchange
- View upcoming training hosted by HUD and other partners:
  - Save the Date: 2023 OHC Virtual Community Conference – September 12-14, 2023



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Thank you for attending

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U.S. Department of Housing and Urban Development

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