



LOS ANGELES COUNTY

**CONSUMER &
BUSINESS AFFAIRS**

CENTER FOR FINANCIAL EMPOWERMENT



CFE COVID Conversations

SCAMS AND SCHEMES

APRIL 21, 2020, 1PM PST



Coronavirus Scams

Tips from the FTC

ftc.gov/coronavirus

Source: Federal Trade Commission | FTC.gov

Welcome

- ▶ **Maricela Segura**
Regional Director
FTC Western Region Los Angeles office
- ▶ msegura@ftc.gov

Scammers follow the headlines

- ▶ As headlines change, so will the scams
- ▶ Scammers target small businesses, too
- ▶ Help the FTC and law enforcement partners know what you're seeing
- ▶ Report scams to [ftc.gov/complaint](https://www.ftc.gov/complaint)

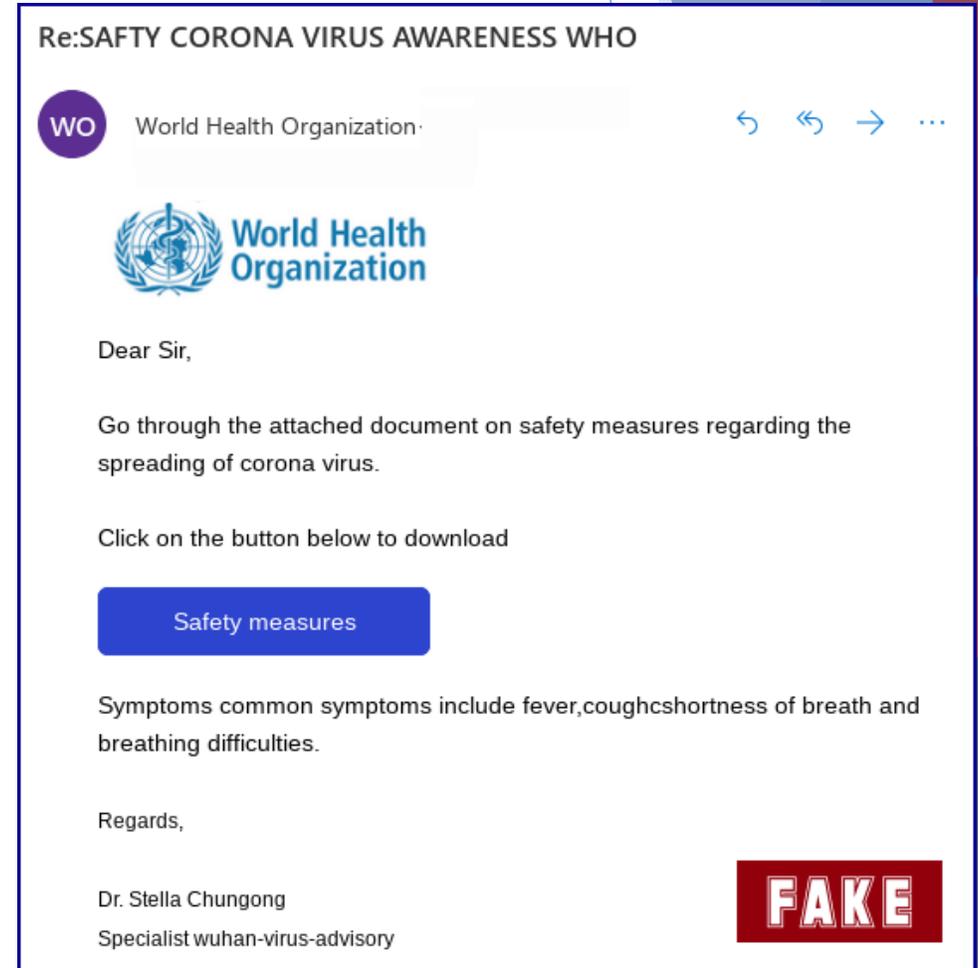
Email/text scams & malicious websites

▶ Phishing emails & texts

- Get your money
- Get your information
- Links to malware sites

▶ Malicious websites

- Lots of domains including “Coronavirus”
- Stick with known, trusted sites



Government help for individuals

- ▶ The government will not ask you to pay up front to get any money
- ▶ The government won't call you out of the blue to ask for your financial or personal information
- ▶ Anyone who tells you they can get you money NOW is a scammer.

Government help for business

- ▶ Source for accurate information
 - sba.gov/coronavirus
- ▶ Scammers tactics:
 - Emails that look like they're from SBA or your bank
 - Calls impersonating the government
 - Promise fast track

Business email scams

- ▶ A scammer sets up an email that looks like it's from your company.
 - Warn your employees
 - Make sure everyone knows who to call to confirm a suspicious directive received by email
 - Keep the network security up to date and remind employees working remotely to do the same

I.T. scams

- ▶ Your employee gets a message from someone claiming to be from your IT department.
- ▶ The fraudster may know a lot about the business.
- ▶ Train your employees and remind them often to:
 - Never give out passwords. Stop and verify.
 - Don't be quick to click on links. Stop and verify.

Supply scams & fake invoices

Avoid fake websites

- ▶ Type in URLs you know to be genuine
- ▶ Check out suppliers with trusted industry colleagues

Don't pay fake invoices

- ▶ Ask employees to follow procedures and verify

The image shows a screenshot of a fake invoice. At the top, there is a table with four columns. The first three columns contain some illegible text, and the fourth column is labeled 'TOTAL PURCHASE' with a value of '\$150'. Below this table, the text 'Payment Due: \$150' is circled in red. Below the circled text, there is a section with a header 'PAY INFORMATION' and a table with two columns: 'TYPE' and 'AMOUNT'. There are two rows in this table, each with a checkbox. To the right of the table is a logo consisting of two overlapping circles. Below the logo is a checkbox and some illegible text. At the bottom right, there is a date '10/10/2010' and a phone number '1-800-888-8888'.

TYPE	AMOUNT
<input type="checkbox"/>	
<input type="checkbox"/>	

Illegal robocalls

- ▶ Don't press any numbers
- ▶ Hang up
- ▶ Block the number
- ▶ Report to [ftc.gov/complaint](https://www.ftc.gov/complaint)

“Your business may be affected by the Coronavirus”



Fake Charities

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

Data scams

- ▶ Keep security software up to date
- ▶ Secure your home network
- ▶ Keep an eye on your laptop
- ▶ Securely store sensitive files
- ▶ Shred sensitive documents
- ▶ Find more at www.csrc.nist.gov and www.ftc.gov/cybersecurity

Misinformation & rumors

- ▶ Ask yourself these 3 questions:
 1. Who is this message from?
 2. What do they want me to do?
 3. What is the evidence behind this message?
- ▶ [usa.gov/coronavirus](https://www.usa.gov/coronavirus)

FTC law enforcement

- ▶ The FTC & FDA sent warning letters to makers of teas, essential oils, and colloidal silver
 - Said their products would help prevent coronavirus
 - BUT: No evidence to back up claims
- ▶ Companies included
 - Vital Silver
 - Aromatherapy Ltd
 - N-ergetics
 - GuruNanda, LLC
 - Vivify Holistic Clinic
 - Herbal Amy, LLC
 - The Jim Bakker Show

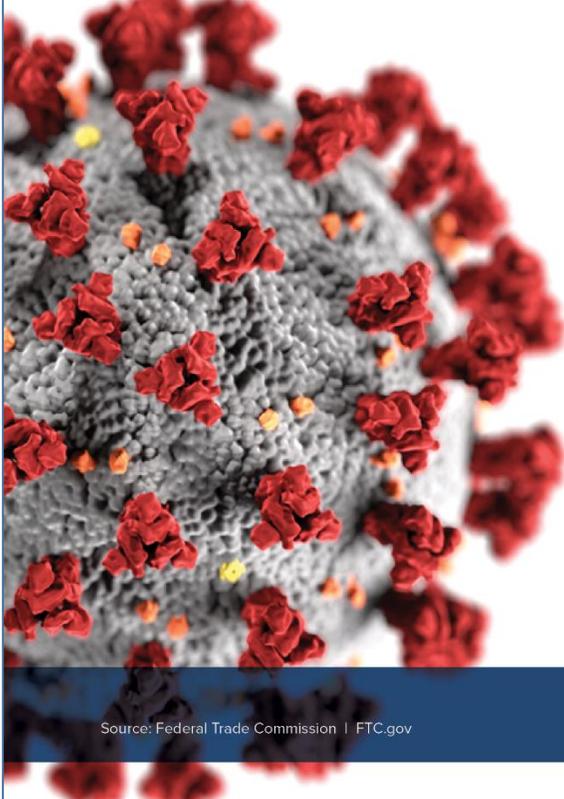
FTC law enforcement

- ▶ The FTC sent warning letter to VoIP companies that:
 - transmit or carry illegal robocalls for telemarketers
 - Or give the phone numbers scammers use for people to call them back

Stay informed

- ▶ Get the FTC's Business Alerts: [ftc.gov/subscribe](https://www.ftc.gov/subscribe)
- ▶ Report scams or questionable claims: [ftc.gov/complaint](https://www.ftc.gov/complaint)
- ▶ Know the latest on the Coronavirus
 - Health info: www.coronavirus.gov
 - COVID-19 Scams: [ftc.gov/coronavirus](https://www.ftc.gov/coronavirus)
 - Federal gov't response: [usa.gov/coronavirus](https://www.usa.gov/coronavirus)

Help us spread the word



CORONAVIRUS
S C A M S
— **Tips from the FTC** —

ftc.gov/coronavirus

Source: Federal Trade Commission | FTC.gov

Questions?

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**CONSUMER &
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Fighting COVID-19 Scams in L.A. County

Keven Chavez, Public Information Officer, L.A. County DCBA

Fighting COVID-19 Scams in L.A. County

L.A. County Disaster Help Center

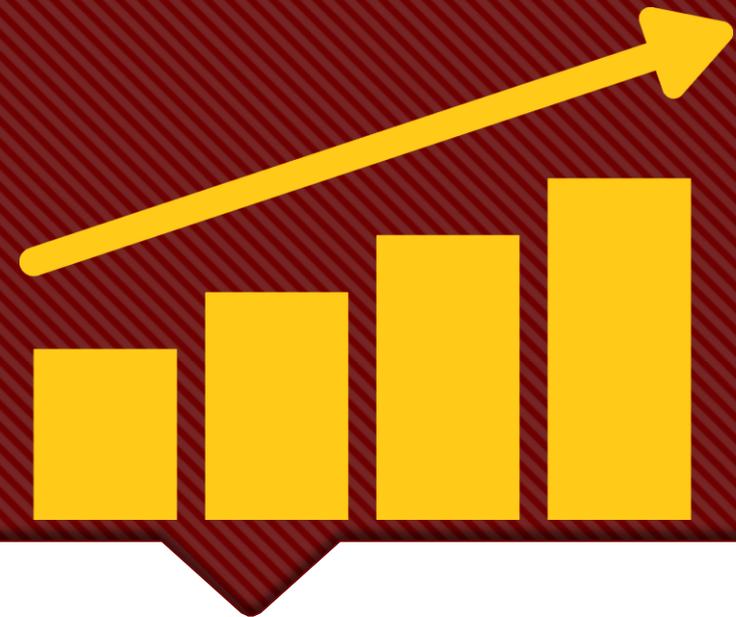
- Nonprofits
- Businesses
- Workers
- Renters
- Landlords



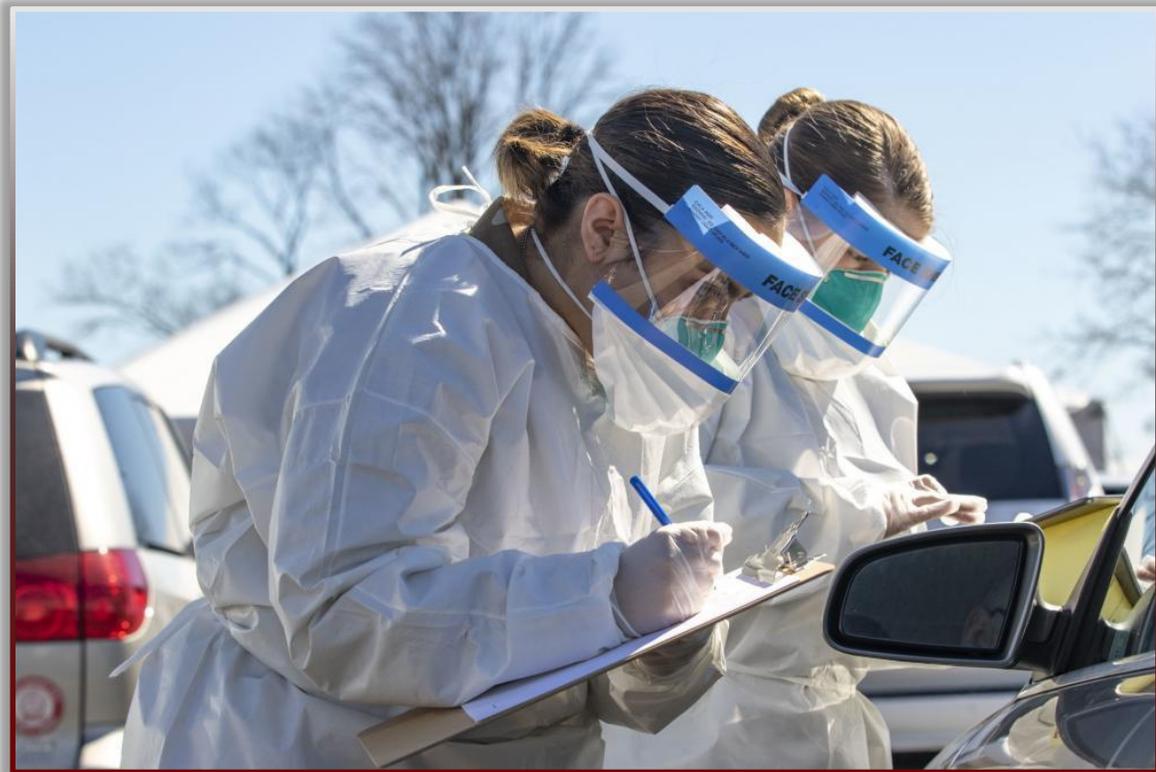
LA COUNTY
DISASTER HELP CENTER

The screenshot shows the website covid19.lacounty.gov. The navigation menu includes: WORKERS, BUSINESSES, **NON-PROFITS**, MEDIA TOOLKIT, EVENTS, CONTACT US, NEWS. The main content area features an article titled "COVID-19: For Nonprofits" with a sub-header "CORONAVIRUS EMERGENCY LOANS GUIDE AND". The article text reads: "The LA County Business & Worker Disaster Help Center is here to help nonprofits affected by the coronavirus health emergency. We've identified a number of valuable resources designed specifically to assist nonprofit organizations that may be facing adversities due to the global COVID-19 pandemic." The article is accompanied by a photo of a woman in a blue shirt sitting at a desk with a painting easel in the background.

Scams are always a booming business.



Coronavirus testing scams



 Home coronavirus testing kits

 Red Cross testing door-to-door

 Updates from [covid19.lacounty.gov](https://www.covid19.lacounty.gov)

Scams about cures and vaccines



Holistic cures and “miracle cures”



Fast-track list to receive a COVID-19 vaccine



Investing in companies working on vaccines



Personal physician, CDC, L.A. County Public Health



Disinfection scams

“Buy our homemade hand sanitizer for only \$5 an ounce.”

“Hire our company to give your home or office a complete EPA-approved disinfection. Act now!”



Scammers always play the greatest hits

- Real estate fraud
- Government lookalike scams
- Online scams





Educate and protect the vulnerable

L.A. County DCBA & Disaster Help Center

dcba.lacounty.gov/coronavirus

[Lacountyhelpcenter.org](https://lacountyhelpcenter.org)

(833) 238-4450

Price Gouging Amid Covid-19

What is Price Gouging?

Price gouging is an act of raising prices of essential products and services over ten percent during a declared state of emergency. (Pen. Code § 396; LACC § 8.09.040; LAMC § 47.12.)

- **When does California's anti-price gouging statute apply?**

Immediately after the federal, state, or local declaration of emergency. Lasts for 30 days after an emergency declaration, and 180 days for reconstruction and emergency cleanup services. May be extended by state and local governments beyond these timeframes.

- **Who is subject to the statute?**

Individuals, businesses, and other legal entities.

- **What goods and services does the anti-price gouging statute cover?**

Lodging (including rental housing, hotels and motels); food and drink (including food and drink for animals); emergency supplies (water, flashlights, radios, batteries, candles, blankets, soap, diapers, temporary shelters, tape, toiletries, plywood, nails, and hammers); and medical supplies (prescription and nonprescription medications, bandages, gauze, isopropyl alcohol, and antibacterial products).

Other goods and services: (home heating oil; building materials, including lumber, construction tools, and windows; transportation; freight; storage services; gasoline and other motor fuels; and repair and reconstruction services.)

Prohibits housing evictions for re-renting at a higher price.

Defenses and Penalties

- **Defenses**

Business can show that price increase is attributable to additional costs of procuring, producing, or maintaining goods, services, and/or housing rental units; Tenant eviction for other lawful reasons or commenced prior to emergency; On-sale price prior to emergency taken into account.

- **Penalties**

Criminal prosecution (one year jail time and \$10,000 fine); civil prosecution (injunctive relief, civil penalties \$2,500 per violation, and consumer restitution).

- **Who enforces the law?**

State and local prosecutorial and consumer protection agencies (e.g. attorney general, district attorney, city attorney, county counsel, Los Angeles County Department of Consumer and Business Affairs); Los Angeles Price Gouging Taskforce.

Los Angeles County Board of Supervisors Motion: re Price Gouging

- On March 17, 2020, the Board of Supervisors passed a motion, which:
 1. Directed DCBA and County Counsel to further strengthen the County's price gouging ordinance;
 2. Delegated authority to DCBA to issue administrative subpoenas to enforce the County's price gouging ordinance; and
 3. Extended the County emergency declaration by an additional 30 days, and automatically extend it thereafter every 30 days until the declaration of emergency is terminated.

Governor Newsom's Executive Order: N-44-20 (Price Gouging)

- Expands price gouging prohibitions in response to COVID-19. **Effective April 3, 2020**
 1. Price gouging is prohibited through September 4, 2020.
 2. From April 4, 2020 through September 4, 2020, price gouging of the following categories of goods is prohibited: a) food items; b) consumer goods; c) medical or emergency supplies; and d) any other materials designated by the U.S. Secretary of Health and Human Services as scarce or threatened.

Exceptions: 1) increase in price directly attributable to additional costs imposed on seller; or 2) on-sale price on February 4, 2020 taken into account.
 3. If the seller was not offering the item for sale on February 4, 2020, then the seller may not offer to sell the item for an unconscionably excessive price (i.e., 50% greater than either (a) the amount that the person paid for the item; or (b) if the person didn't buy the item, the total cost of producing and selling the item).
 4. Remedies. Each violation is misdemeanor. Each violation is also redressable in civil court pursuant to Business and Professions Code section 17200, et seq.

Price Gouging- What is DCBA doing?

- Investigators performed an educational outreach campaign to 50 businesses throughout Los Angeles County.
 - Business owners were provided with information on price gouging
- Tracking online pricing
- Reviewing complaints from various sources – more than 1,000 reports received
- Conducting investigations on the most viable cases for referral to prosecuting agencies

WHEN A DISASTER STRIKES

DON'T GET OVERCHARGED

If the government declares an emergency, increasing the price of goods and services **10%** or more may be price gouging.



1 BE AWARE
Price gouging is a crime.

After a disaster, price increases can occur at grocery stores, gasoline stations, housing, emergency and medical supply stores, and construction or repair services.

2 IDENTIFY
If you think a store or service provider is committing price gouging, compare prices prior to the state of emergency and in areas not affected by the disaster.

Consumers are protected from a price increase of 10% or more for 30 days on goods and services and for 180 days on contractor-related services. Keep detailed records of purchases you make during a declared emergency.

3 REPORT
If you believe you were a victim of price gouging, contact our department to file a complaint by calling (800) 593-8222 or visit us online at dcba.lacounty.gov.



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DCBA.LACOUNTY.GOV • (800) 593-8222

What Makes a Price Gouging Report Viable?

1. **Identify the business**

- Business name, address or other contact/website information
- Have you shopped there before?

2. **Price**

- What is the current price of this item? What was the price before February 2020? The same brand/quantity?

3. **Supporting documentation**

- Pictures of the product with the price, receipts with the purchase price, older receipts with the prior price of the item, weekly ads, prior purchase knowledge

4. **Witnesses**

- DCBA will accept anonymous complaints; however, witnesses may be needed to testify if the case goes to trial

NO PURCHASE NECESSARY TO REPORT

How to Report Price Gouging to DCBA

- File a complaint on our website: dcba.lacounty.gov
- Call us: (800) 593-8222
- Coming soon: DCBA's Price Gouging Phone App
 - Report price gouging and add pictures directly from your phone