

RISK Alert

ACTIONABLE INSIGHTS FOR BOND POLICYHOLDERS.



Alert Type

Awareness

Watch

Warning

Coronavirus Stimulus Scams Surface Targeting Members

Fraudsters have been quick to deploy scams involving the coronavirus stimulus package that would include direct payments to individuals and married couples filing jointly. Many variations of the scam could impact your members.

Details

Fraudsters haven't wasted any time with scams related to the coronavirus. In response to the federal stimulus package, the [Better Business Bureau \(BBB\)](#) reported that fraudsters have deployed a variety of scams involving coronavirus stimulus checks. The [BBB Scam Tracker](#) has received several reports of coronavirus scams where individuals are contacted through text messages, social media post /messages, or phone calls.

One version of the scam targets seniors through a Facebook post informing them that they can get a special grant to help pay medical bills. The link within the post takes them to a bogus website claiming to be a government agency called the "U.S. Emergency Grants Federation" where they are asked to provide their Social Security Number under the guise of needing to verify their identity. In other versions, fraudsters claim individuals can get additional money – up to \$150,000 in some cases. The victims are asked to pay a "processing fee" to receive a grant.

In North Carolina, there are several reports of a coronavirus scam in which potential victims received phone calls. Fraudsters told the victims they qualified for a \$1,000 to \$14,000 coronavirus stimulus payment; however, they must first pay a processing fee.

Coronavirus direct payments will likely be in the form of direct deposits or through U.S. Treasury checks. Fraudsters may look to seize this opportunity to create counterfeit U.S. Treasury checks to use in their scams. Knowing when the stimulus checks will be issued, fraudsters could steal U.S. Treasury checks out of the mail and attempt to cash them at a credit union after opening an account. This was a common occurrence in the aftermath of Hurricane Sandy as fraudsters counterfeited and forged U.S. Treasury checks representing the Federal Disaster Assistance checks.

Fraudsters may also attempt to scam your members into providing their account number under the pretense of direct depositing the stimulus payment to their account.

Date: March 31, 2020

Risk Category: Fraud, Scams, Deposit Account Services

States: All

Share with:

- Branch Operations
- Executive Management
- Front-Line Staff
- Teller Supervisor
- Risk Manager



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Risk Mitigation

Credit unions should follow these mitigation tips:

- Alert members of the various coronavirus scams through text alerts, email, and newsletters as well as posting articles on your credit union website and your online banking landing page
- Explain that Government agencies do not communicate through social media outlets, such as Facebook
- Never pay a fee for a government grant. A government agency will never request an advanced processing fee to receive the grant
- Beware of fake government agencies promoted by fraudsters. The only official list of all U.S. federal grant-making agencies can be found at www.grants.gov

Credit unions should consider the following loss controls when accepting U.S. Treasury checks for deposit:

- Verify U.S. Treasury Checks using the [Treasury Check Information System](#) (TCIS). The TCIS is typically available from Monday 6:00 a.m. through Saturday 12:01 a.m. (Eastern Time).
- Front-line-staff and tellers should refer to [U.S. Treasury Check Security Features](#).
- Do not accept third-party U.S. Treasury Checks where the listed payee endorses the check over to your member. Credit unions will be on the hook for the loss involving U.S. Treasury Checks containing a forged endorsement.

Risk Prevention Resources

Access CUNA Mutual Group's [Protection Resource Center](#) at cunamutual.com for exclusive risk and compliance resources to assist with your loss control efforts. The Protection Resource Center requires a User ID and password.

Review these resource to learn more:

- [COVID-19 Outbreak Risk Overview](#)
- RISK Alert: [Coronavirus Outbreak Requires Precautionary Workplace Measures](#)
- RISK Alert: [Increased Coronavirus Infections Leads to Preparing Pandemic Response Plans](#)
- RISK Alert: [Coronavirus Opens Doors to Scams](#)
- RISK Alert: [Managing Risk When Changing Business Practices Due to COVID-19](#)
- [Common Member Scams Risk Overview](#)



Access the Protection Resource Center for exclusive resources:

- [Loss Prevention Library](#) for resources & checklists
- [Webinars and Education](#)
- [RISK Alerts Library](#)
- [Report a RISK Alert](#)

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Facing risk challenges?

[Schedule](#) a free personalized discussion with a Risk Consultant to learn more about managing risk.

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Interested in learning more about fraud, scams, and other emerging risks?

Contact CUNA Mutual Group's Risk & Compliance Solutions at 800.637.2676 or riskconsultant@cunamutual.com