



# COMMERCE FRAUD BUREAU

Tony Ofstead  
Director

Chris Huhn  
Special Agent

10/5/2022

[mn.gov/commerce](http://mn.gov/commerce)

1

# Commerce Fraud Bureau



# Overview of Presentation

## PLAN

- Discuss Prevalence of Online Scams
- Understand Generally How Scams Work
- Common Online Scams
- Recognize the Warning Signs
- Know Who to Contact and What to Do if Scammed

### Crime & Safety

## Rye Police Investigate \$10K 'Grandparent Scam' Over Holiday Weekend

Callers falsely claiming a grandchild was in serious trouble targeted a Rye citizen.

Jeff Edwards, Patch Staff  
Posted Tue, Sep 6, 2022 at 7:30 am ET



**New lottery scam trying to take your money**  
WGAL 8  
Updated: 8:16 PM EDT Sep 16, 2022  
Infinite Scroll Enabled

## Romance scammer took \$400K from Sierra Vista woman

TOP STORY  
Carol Ann Alaimo Aug 24, 2022 Updated Sep 14, 2022

## Defendants in 'Grandparent Scam' Network Sentenced for RICO Conspiracy Targeting Elderly Americans

**On Your Side: Beware IRS impersonation scam this tax season and beyond**

**Scams Targeting Grandparents**

The Office of the Minnesota Attorney General  
helping people afford their lives and live with dignity

**Better Call 4**  
**Better Business Bureau warns of latest lottery scam**

by: Jennifer Bullock  
Posted: Aug 30, 2022 / 05:45 PM EDT  
Updated: Aug 30, 2022 / 06:11 PM EDT

Jamaican National Pleads Guilty to Defrauding Elderly Based on...

**Spartanburg County Sheriff's Office warns of bogus calls coming from fake sheriff**

# Elderly woman scammed out of \$4,600 in phony Publishers Clearing House sweepstakes

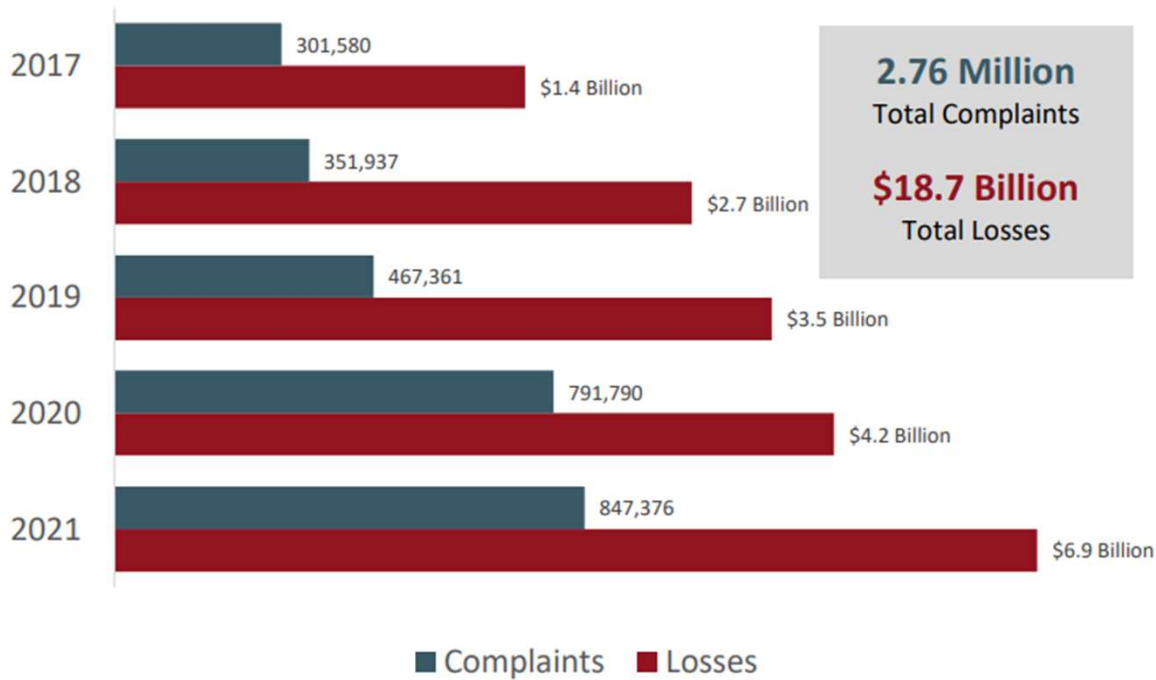
By Jeff Bobo Editor Jul 18, 2022 Updated Jul 18, 2022

**FOR IMMEDIATE RELEASE**  
**Lottery and Romance Fraud Scheme Participant Sentenced to 6 Years in Federal Prison**  
U.S. Attorney's Office  
District of Connecticut  
Tuesday, August 2, 2022

**FOR IMMEDIATE RELEASE**  
**Man Arrested For Leading Role In \$10 Million Tech Support Fraud Scheme That Exploited Elderly Victims**  
Southern District of New York  
Wednesday, July 20, 2022  
Allegedly Was a Leader of a Technical Support Scheme That Exploited Elderly Victims in the United States and Canada, Many of Whom are Elderly, Through Repair Services

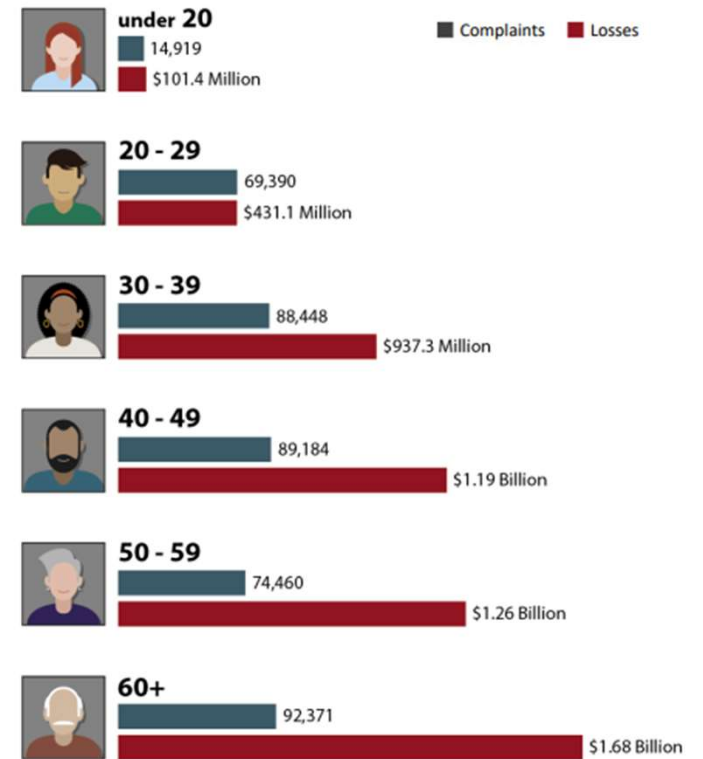
# Online Fraud Trends - National

### Complaints and Losses over the Last Five Years



Source: FBI. *Internet Crime Report 2021*. Washington DC. 7,19, [https://www.ic3.gov/Media/PDF/AnnualReport/2021\\_IC3Report.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2021_IC3Report.pdf)

### 2021 Victims by Age Group<sup>17</sup>



# Online Fraud Trends - Minnesota

## Victims by Age Group

Age Range	Count	Amount Loss
Under 20	187	\$368,499
20 - 29	691	\$3,529,825
30 - 39	882	\$10,263,726
40 - 49	849	\$8,237,145
50 - 59	771	\$15,661,709
Over 60	1,228	\$17,157,693

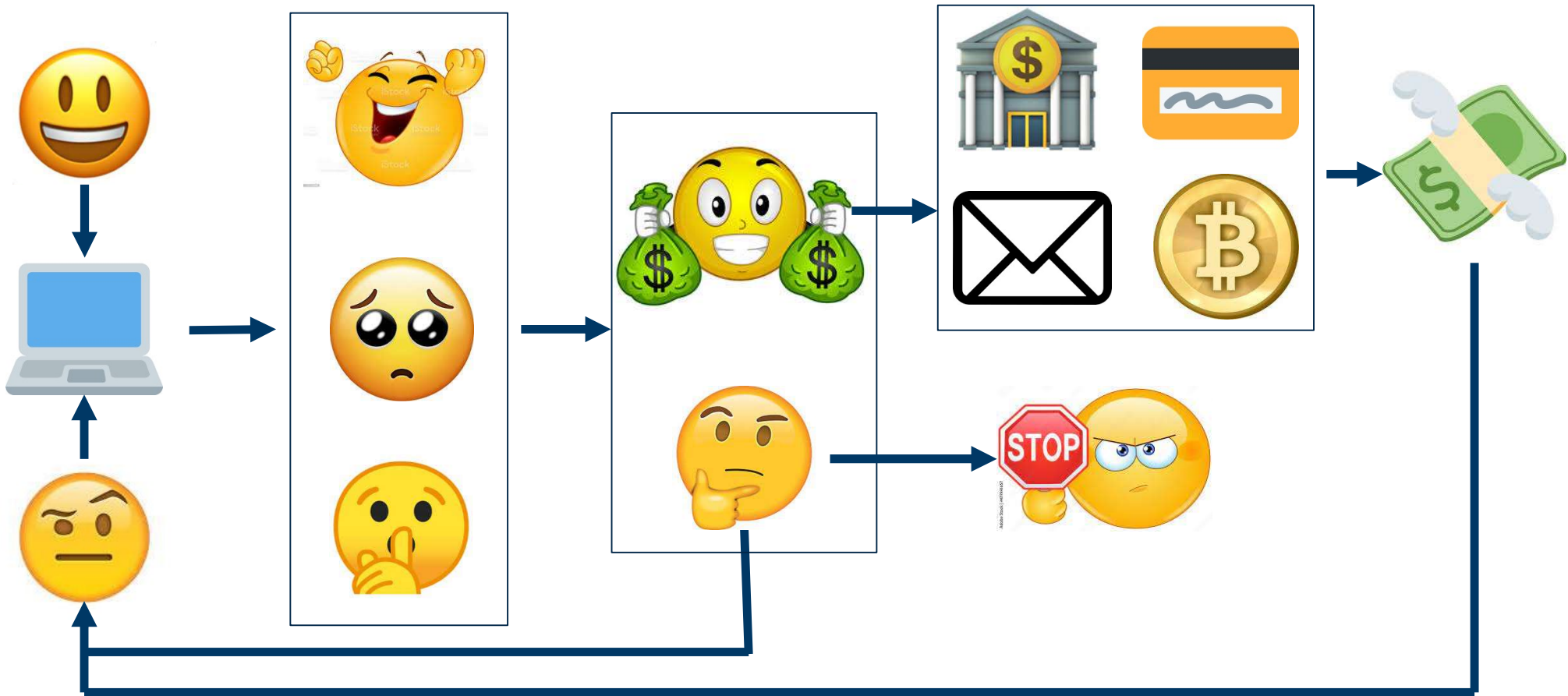


## Crime Type by Victim Loss

Crime Type	Loss Amount	Crime Type	Loss Amount
Advanced Fee	\$1,490,134	Investment	\$6,087,957
BEC/EAC	\$38,988,362	Lottery/Sweepstakes/Inheritance	\$1,646,023
Civil Matter	\$51,950	Malware/Scareware/Virus	\$0
Computer Intrusion	\$0	No Lead Value	\$0
Confidence Fraud/Romance	\$11,823,203	Non-payment/Non-Delivery	\$4,344,689
Corporate Data Breach	\$174,490	Other	\$325,010
Credit Card Fraud	\$1,494,686	Overpayment	\$366,861
Crimes Against Children	\$18,982	Personal Data Breach	\$7,250,421
Denial of Service/TDoS	\$0	Phishing/Vishing/Smishing/Pharming	\$244,502
Employment	\$319,047	Ransomware	\$311,165
Extortion	\$638,729	Re-shipping	\$23,600
Gambling	\$0	Real Estate/Rental	\$1,896,098
Government Impersonation	\$729,577	Spoofing	\$280,826
Health Care Related	\$218,950	Tech Support	\$5,092,149
IPR/Copyright and Counterfeit	\$120,348	Terrorism/Threats of Violence	\$62,090
Identity Theft	\$3,434,304		

Source: FBI. *Internet Crime Report 2021*. Washington DC. <https://www.ic3.gov/Media/PDF/AnnualReport/2021State/StateReport.aspx?s=26>

# Trajectories of Online Scams



INCOMING!







10/5/2022

[mn.gov/commerce](https://mn.gov/commerce)



# Grandparent Scams



## THE SCAM

- Call from person pretending to be a relative (most often a grandchild) in jail
- Provide phone number to an “attorney”
- Demands payment for release

## THE WARNING SIGNS

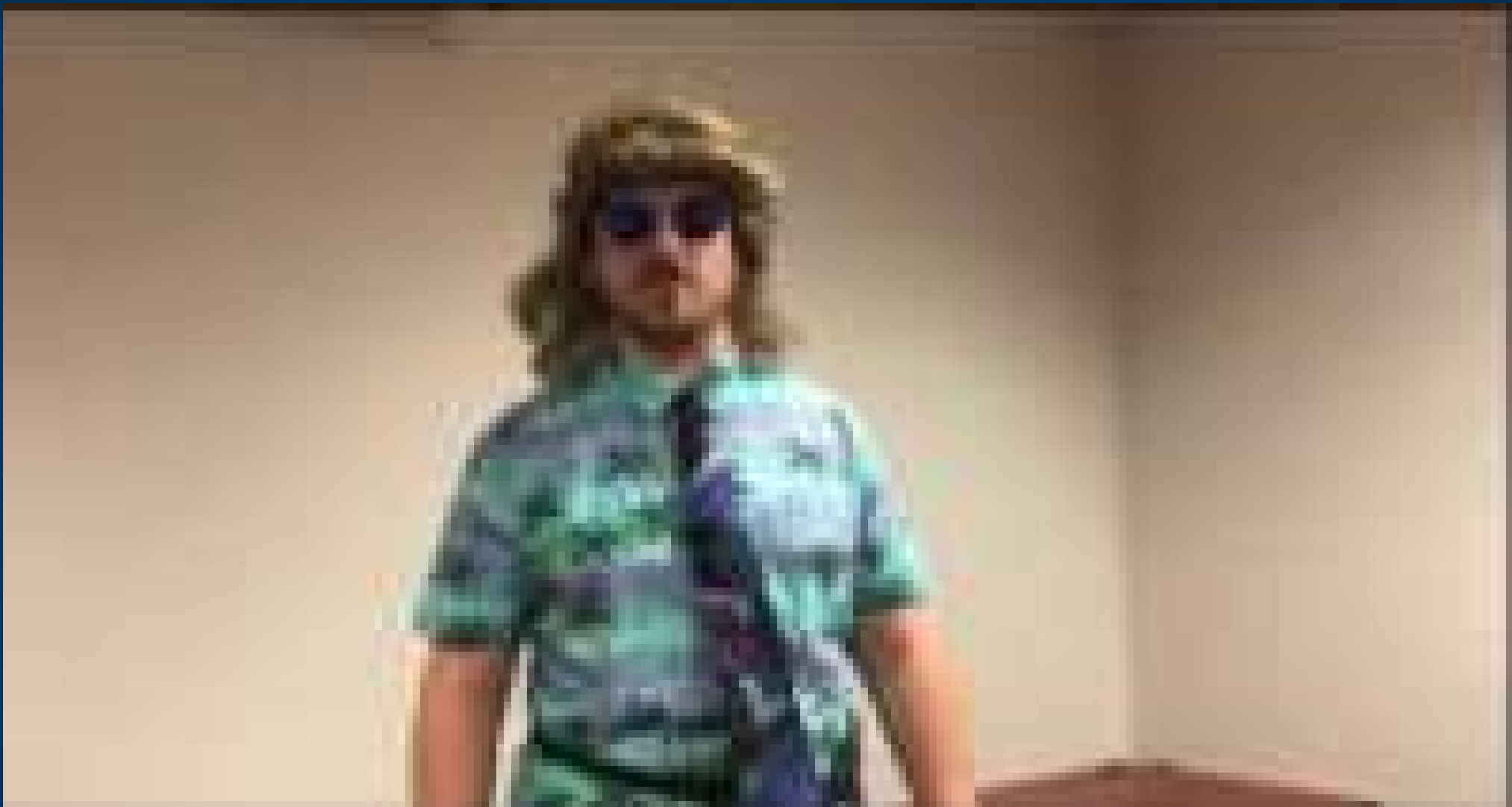
- Late night call
- Request for immediate payment via gift card or Western Union
- Caller says “it’s me” instead of a name

Source: AARP. *Scams and Frauds*. <https://www.aarp.org/money/scams-fraud/info-2019/grandparent.html>

10/5/2022

[mn.gov/commerce](https://mn.gov/commerce)

11



10/5/2022

[mn.gov/commerce](https://mn.gov/commerce)

12

# Lottery Scams

## THE SCAM

- The victim is told they have won a lottery
- The victim is told they need to pay fees or taxes in advance of receiving the payout

## THE WARNING SIGNS

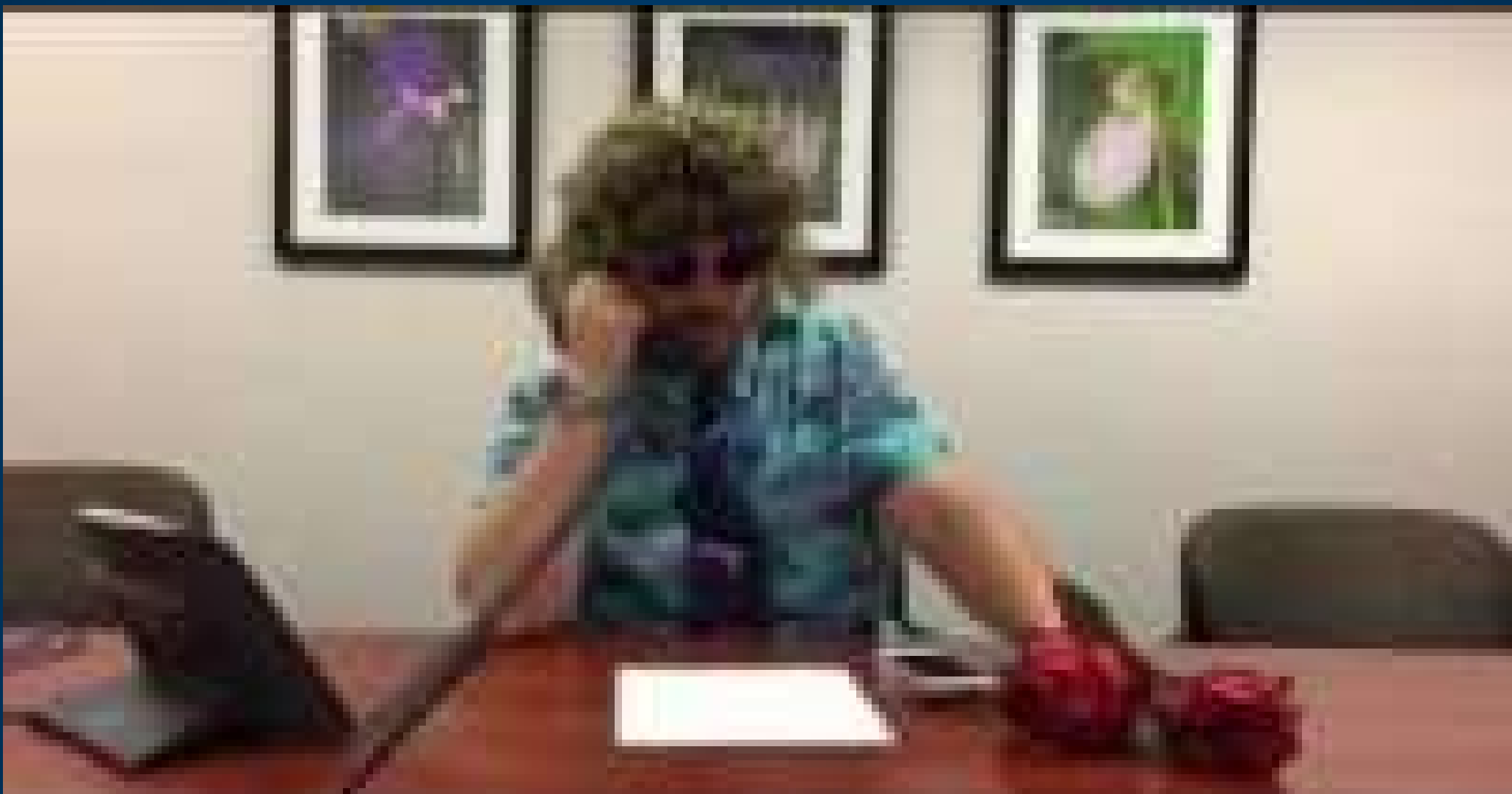
- Winning a foreign lottery
- Winning a lottery you did not enter
- Having to pay to get your winnings



If you can't locate Belize on a map, you probably haven't won their lottery.



**mn** COMMERCE DEPARTMENT



# Romance Scams

## THE SCAM

- Presents themselves as an ideal partner
- Convinces the victim they are in a genuine relationship
- Often use their “work” as an excuse for being out of contact (e.g., military, oil rig)

## THE WARNING SIGNS

- Falls in “love” very quickly
- Experiences a “crisis” every time a meeting is planned
- Asks for money to get out of the crisis. Sometimes promises to pay back from “inheritance” or other future wealth

10/5/2022

[mn.gov/commerce](http://mn.gov/commerce)



# Tech Support Scams

## Windows Defender Alert : Zeus Virus Detected In Your Computer !!

Please Do Not Shut Down or Reset Your Computer.



The following data will be compromised if you continue:  
1. Passwords  
2. Browser History  
3. Credit Card Information  
4. Local Hard Disk Files.

This virus is well known for complete identity and credit card theft. Further action through this computer or any computer on the network will reveal private information and involve serious risks.

Call Technical Support immediately at (844) 7618-171

Call Microsoft Technical Department: (844) 7618-171 (Toll Free)



## THE SCAM

- Scammer calls and tricks victim into installing software and allowing remote access
- Scammer displays a fake warning message on a website with a phone number

## THE WARNING SIGNS

- Payment requested via gift card or Bitcoin
- Pop-up message has a phone number
- Unsolicited calls offering tech support

Source: Microsoft. *Protect yourself from tech support scams.* <https://support.microsoft.com/en-us/windows/protect-yourself-from-tech-support-scams-2ebf91bd-f94c-2a8a-e541-f5c800d18435#:~:text=Tech%20support%20scams%20are%20an,with%20your%20device%20or%20software.>



10/5/2022

mn.gov/commerce

16



# Email Account Compromise

## THE SCAM

- Suspect gains control of an email account
- Suspect sends emails as if they were from the real person

## THE WARNING SIGNS

- Last minute change to payment details
- Destination account does not make sense
- Urgency
- Poor wording



# Non-Delivery Scams



**FOR SALE**



## THE SCAM

- A highly desirable product is placed for sale on Craigslist, Facebook, or another platform
- The ad is often cloned from a real ad
- Price and available number may be low or there may be other time pressure

## THE WARNING SIGNS

- The price is “too good to be true”
- Poorly worded ad
- The same item appears for sale on other websites for a different price

No. The IRS  
does not  
contact  
people over  
the phone.



# Government Impersonation Scams

## THE SCAM

- Criminal impersonates a federal agency, local law enforcement, or other government agency
- Criminal may use real names (e.g., Chris Wray)
- Criminal request payment for fines, fees, or to conduct an investigation

## THE WARNING SIGNS

- The government does not charge for service
- The government does not accept gift cards



Audio Source: Radford, Bobby. "LISTEN NOW: Scam calls targeting SFC residents using 'spoofed' police phone numbers, real officer names." Daily Journal Online. August 23, 2022. [https://dailyjournalonline.com/news/local/crime-and-courts/listen-now-scam-calls-targeting-sfc-residents-using-spoofed-police-phone-numbers-real-officer-names/article\\_4ec1e2af-8aa0-5185-a834-d02366f948d5.html](https://dailyjournalonline.com/news/local/crime-and-courts/listen-now-scam-calls-targeting-sfc-residents-using-spoofed-police-phone-numbers-real-officer-names/article_4ec1e2af-8aa0-5185-a834-d02366f948d5.html)

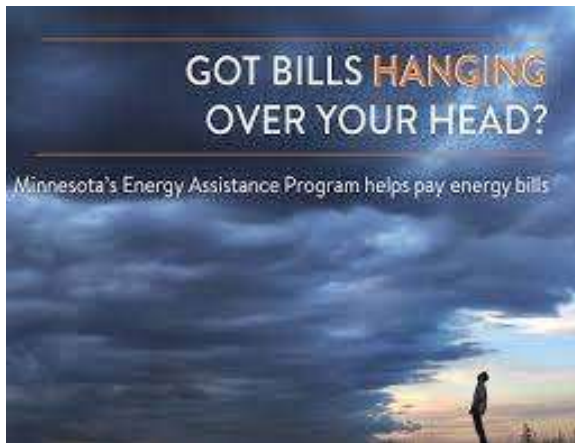
10/5/2022

mn.gov/commerce

20

# Minnesota Energy Assistance Program

**m** COMMERCE  
DEPARTMENT  
Energy Assistance Program



## THE SCAM

- Criminals are calling consumers pretending to be with the Energy Assistance Program
- The caller may offer a refund to a credit card
- The caller may spoof a real utility company or Energy Assistance service provider

## THE WARNING SIGNS

- To apply, consumers do not need to initially provide financial information
- The Energy Assistance Program will not ask for credit card information over the phone

# Phishing

## THE SCAM

- Criminal sends an email or text with a hyperlink
- The message appears to be from a trust business
- The message has a hyperlink that will install a virus

## THE WARNING SIGNS

- Poorly worded
- From a bank or financial institution you do not do business with



Dear valued customer of TrustedBank,

We have recieved notice that you have recently attempted to withdraw the following amount from your checking account while in another country: \$135.25.

If this information is not correct, someone unknown may have access to your account. As a safety measure, please visit our website via the link below to verify your personal information:

<http://www.trustedbank.com/general/custverifyinfo.asp>

Once you have done this, our fraud department will work to resolve this discrepancy. We are happy you have chosen us to do business with.

Thank you,  
TrustedBank

Member FDIC © 2005 TrustedBank, Inc.



What do I do?



# What To Do If You Are Scammed

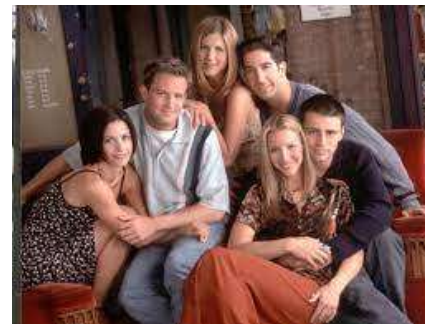
## TELL SOMEONE

Local Police

FBI or another federal agency

Bank or financial institution

Family, friends, support network





# What To Do If You Are Scammed



## Filing a Complaint with the IC3

The IC3 accepts online Internet crime complaints from either the actual victim or from a third party to the complainant.

[File a Complaint](#)

[ic3.gov](https://ic3.gov)

[reportfraud.ftc.gov](https://reportfraud.ftc.gov)

## Report to help fight fraud!

[Report Now →](#)



Protect your community by reporting fraud, scams, and bad business practices.

# What To Do If You Are Scammed

- Don't be ashamed - Scams are not intelligence tests
- Stay vigilant for attempts to revictimize
- Consider changing phone number
- Change email and account passwords
- Credit monitoring



# Commerce Fraud Bureau

[mn.gov/commerce/industries/cfb](https://mn.gov/commerce/industries/cfb)

**888-FRAUD MN**

[mnfraud.bureau@state.mn.us](mailto:mnfraud.bureau@state.mn.us)

Now, the good news...

**Joe Kaul, Senior Community Services**

Technology Partners Coordinator + Wright & Sherburne County Tech Services

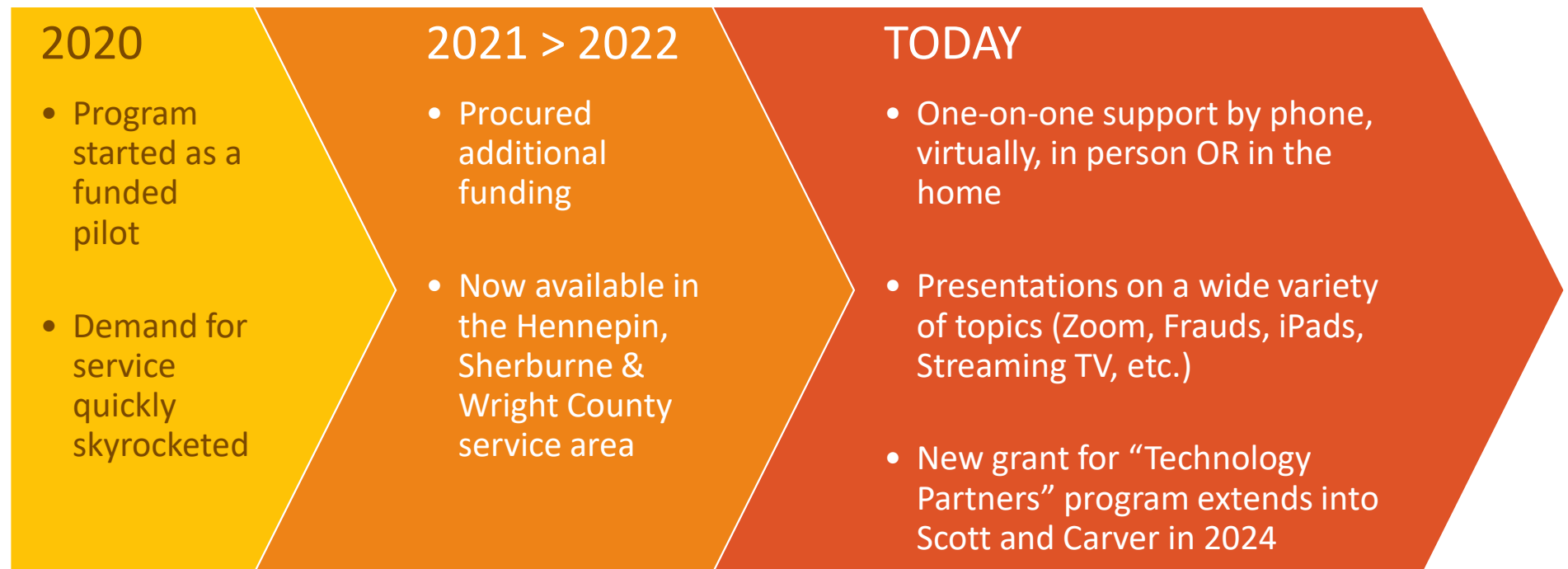
- Wright / Sherburne County HOME Program Coordinator 2019-2022
- St. Olaf Undergrad and UNIX/Linux Networking Degree (Hennepin Technical College)
- Network Administrator (9 years)
- Previous owner of IT support company
- Married 33 years with two great kids
- Enjoys music & lake time



SENIOR  
COMMUNITY  
SERVICES



# Focus on Technology



- Many volunteers engaged to provide routine support free of charge at designated locations
- Empower existing paid staff to offer tech assistance if they feel comfortable with the request

# Technology Service Funding Partners



Hennepin County  
Board of Commissioners



Sherburne County  
Board of Commissioners



Wright County  
Board of Commissioners



Wright County Area  
United Way

Wright County  
United Way



City of Plymouth

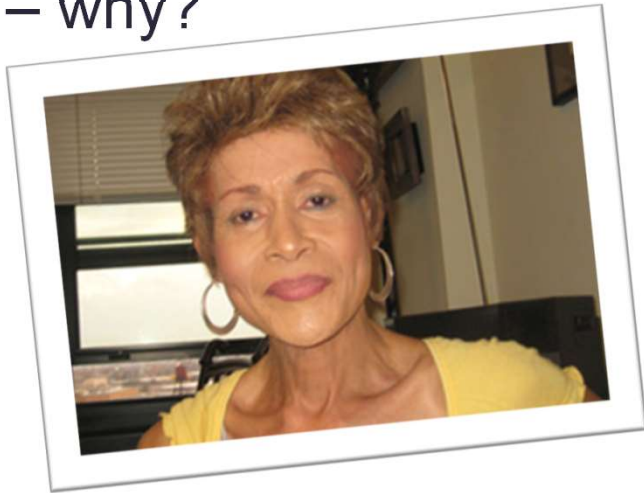


City of Brooklyn Park



# Who is a target for fraud?

**Anyone** can be a target, but **older adults** are targeted more frequently – why?



This Photo by Unknown Author is licensed under [CC BY-NC-ND](#)

- Many older adults can be emotionally vulnerable due to loss or isolation
  - Appreciate having someone to interact with
- Hearing loss reduces ability to properly recognize voices of family & friends
- Often home during the day
- Usually answer the phone if a number appears local
- Often more trusting and inclined to believe misinformation about winnings or opportunities
  - Have difficulty spotting scams in email or online

# What do scammers want?

Ultimately, they are after just **TWO things**:



## Your Money

- Scammers will do anything to talk you into giving them money, including intimidation and threats.

## Your Identity

- By stealing your personal information, scammers can file tax returns, attempt title fraud, open credit cards and bank accounts **in your name** – all designed to obtain more of your money.



# How do I protect myself?

**Verify everything and don't trust until you know the facts – then double check!**

- If a **grandchild** calls saying they're in trouble, hang up and call their phone yourself to see if they answer and if the story is true
- If you get an email saying you **need to take action** to reset a password or something related to taxes, **DO NOT** click any links in unsolicited emails!
  - The IRS will never send you an email without notifying you first
  - You can check links by hovering over them
- Call your bank, doctor, or other person directly to ask about suspicious emails

# How do I protect myself?

**Keep an eye on family & caregivers –  
even those you think you can trust may be up to no good.**

- **Family members** may ask for access to your money so they can “help” you make purchases and get things you need – but will also use your money for their own bills and may be able to move your money to their own account.
- **Caregivers** can also gain your trust and talk you into giving them access to your accounts, your money, cars, jewelry, heirlooms and other valuable items
  - Call the agency that employs the caregiver to report anything that seems out of the ordinary
  - If the caregiver is a family member, talk to other family members about any situation that seems unusual

# I think I've been scammed – now what?

**It happens even if you're cautious,  
so don't be ashamed and report it a.s.a.p.!**

- Thinking you may have been scammed can be embarrassing, but if a scammer thinks you won't report it, they will continue to pursue your identity and/or more of your money
  - Call your local law enforcement to report the fraud
  - Law enforcement may ask you to report it to other agencies such as the State Attorney General's office, the FTC or the FBI.
  - Talk it over with a family member you trust or call Senior Community Services and we can help you take the appropriate actions based on your unique situation

# Utilize our Technology Support service

**Our HOME Program is here to help!**

- FREE tech support by **phone** for HOME Program participants, and others that may just need a few minutes of guidance.
- FREE one-on-one tech support with an **experienced volunteer** at many locations in our service area including Senior Centers & Community Living Buildings
- IN-HOME tech support service and training
- Offer group and individual tech training in person and virtually

# Visit our online FAQ page for more answers!

[Seniorcommunity.org > Our Services > Tech Support > Tech FAQ](#)

- Web page dedicated to helping you find answers to common tech questions from internet access to TV services to cell phones.
- Find information for low-cost and sometimes free internet access and phone service options for your location and income situation.
- More information and videos that explore scams and fraud at a more in-depth level in order to help you understand what fraudulent activities and behaviors to watch out for.

# Questions

**Tony Ofstead**

Director

[tony.ofstead@state.mn.us](mailto:tony.ofstead@state.mn.us)

**Chris Huhn**

Special Agent

[chris.huhn@state.mn.us](mailto:chris.huhn@state.mn.us)

**Joe Kaul** – Senior Community Services

Technology Partners Coordinator

[j.kaul@seniorcommunity.org](mailto:j.kaul@seniorcommunity.org)