

Fraud and Scams Targeting Delaware



Marketplace scams represent a \$50+ billion scourge on our economy that impacts one in four households and one in five individuals each year.

According to the FTC, in 2017:

- Delaware was #4 in fraud reports, #6 in identity theft reports (per 100k of population)
- Maryland was #7 in fraud reports, #4 in identity theft reports (per 100k of population)

and in 2018:

- Delaware was #4 in fraud reports, #6 in identity theft reports (again)
- Maryland was #6 in fraud reports, #7 in identity theft reports
- Victims in 25% of the reports in MD and DE lost money



How much are people losing?

Total 2018 Delaware
Fraud Losses
(reported):

\$2.6 Million

Average Median Loss
(reported):

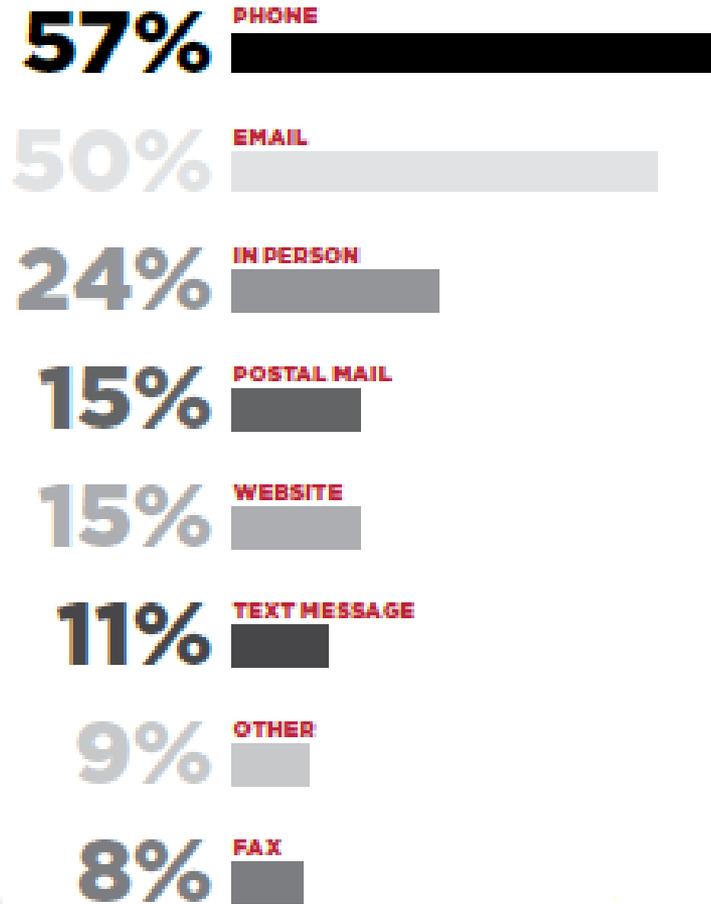
\$313 (business)

\$152 (consumer)



Findings & Insights

Top methods of contact used in scams with reported losses.



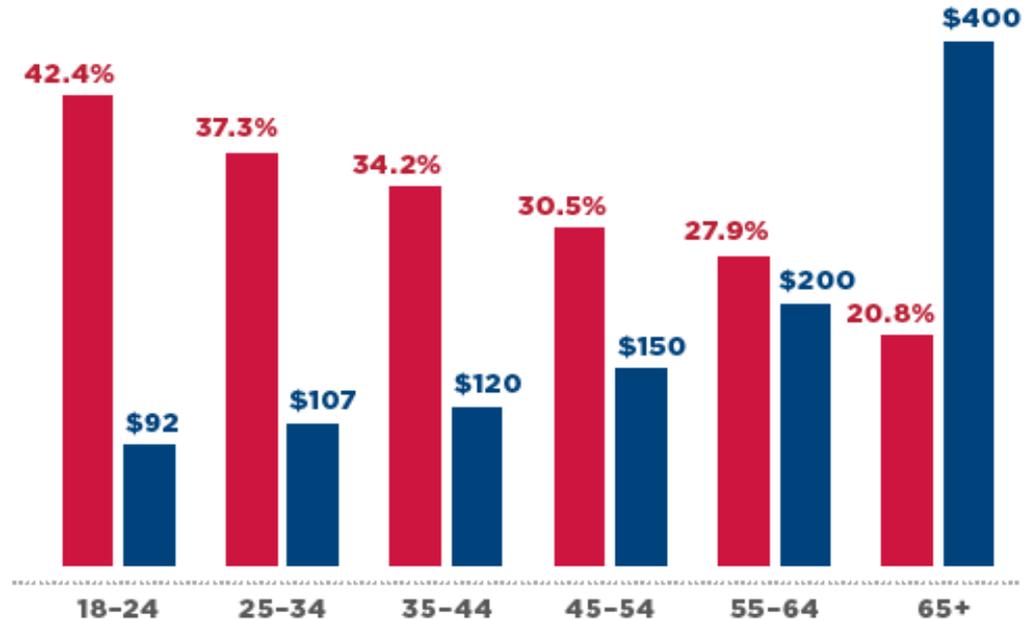
Consumer Risk by Age

Susceptibility

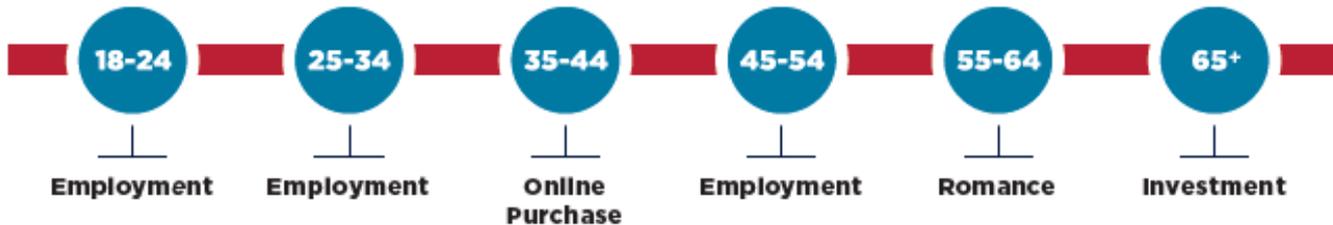
decreases with age, but when losses occur, they are higher in the older age groups.

SUSCEPTIBILITY

MEDIAN \$ LOSS



Most Risky Scam Types by Age



Findings & Insights

Small businesses are:

- Particularly vulnerable to scams
- Less likely to report scams
- Particularly susceptible to online scams



Top Scams Victimizing Delaware

- More Commonly Known:
 - Business Email Compromise
 - Employment Scam
 - Tech Support
 - Ransomware
 - Bank/Government/Utility Imposter
 - Directory Listing/Advertising
 - Fake Check
 - Fake Invoice
- Less Commonly Known:
 - Lead List Sales
 - Vanity Awards
 - Charity Scammers



What does Phishing Look like?

Sample phishing simulation emails

Samantha,

A number of employees have been asked to attend a *mandatory harassment awareness training*. If you have not been asked to attend this training by your supervisor, please use the *attached word document* to confirm that your attendance is not required.

Best regards,

Human Resources Department

To all employees,

Someone left their headlights on in the parking lot. An employee took [a picture of the car that I've uploaded here](#). Please check to see if this car is yours, as we don't want anyone leaving work today only to find their battery is dead!

Thanks again everyone.

Amena Adnan
Building Manager



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And now a brief anecdote about money mules.



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Top Impersonated Organizations

1 U.S. Internal Revenue Service
.....

2 U.S. Government / All Other Agencies
(Treasury, Reserve, Medicare,
Social Security, Grants)
.....

3 Publishers Clearing House
.....

4 Microsoft
.....

5 Apple
.....

6 Amazon

7 Cash Advance/Advance America
.....

8 Canada Revenue Agency
.....

9 Facebook
.....

10 Ray Ban
.....

11 Better Business Bureau
.....

12 PayPal
.....

13 Bank of America
.....

14 Secret Shopper
.....

15 Yellow Pages



Scamming is Big Business

Noida, India call center bust
December 21, 2018.

- 126 arrested
- Targeted primarily US and Canadian citizens
- Tech Support and IRS
- Accent Classes



AFP photo, timesofindia.indiatimes.com 2018

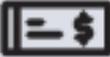
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Findings & Insights

Top 5 Riskiest Small Business Scams

-   Bank/Credit Card Company Imposter
-   Directory Listing and Advertising
-   Fake Invoice/Supplier Bill
-   Fake Check
-   Tech Support

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 - Lead List Sales



Phishing leads to personal service . . .

Dear Member,

I had a chance to visit your company website and realized you are also a BOMA member.

I'm curious to know if you would be interested in contacts list

- Building/Property Manager
- Facility Manager / Asset Manager
- Building Engineer/Maintenance
- Building Owner/Investor
- Developer/Builder
- Architect/Designer
- Leasing Agent/Broker and more with verified Email address.

Every Contact comes with Business Name, Contact Name, Email address, Phone Number, Mailing Address, Job Title, Industry Type, Emp. Size, Rev. size, etc.

In turn, I'll get back with precise Counts and Pricing details for your consideration.

Regards,
Eleanor Murphy
Marketing Director

If you do not wish to receive future emails from us, please reply as "leave out"



Findings & Insights

Which of the following tactics were used by the scammer(s) that harmed your business?

53%



They pretended to be someone we trusted.

49%



They created a sense of urgency.

32%



They flew under the radar, slipping through our normal business processes undetected.

They used intimidation and fear.

19%



They enticed us with promises of amazing deals.

17%



Other

7%



Findings & Insights

Most effective preventive measures, according to survey participants:

1. Training on how to detect and avoid scams,
2. Limiting the number of people authorized to pay invoices or place orders,
3. Talking about scams and sharing information in employee meetings; and
4. Having clear procedures in place to make sure invoices are legitimate.



Findings & Insights

Top factor hindering organizations' ability to advance security efforts against business scams?

25%

Lack of Information

21%

Lack of resources

20%

Lack of time

16%

Lack of expertise/
understanding

12%

Other

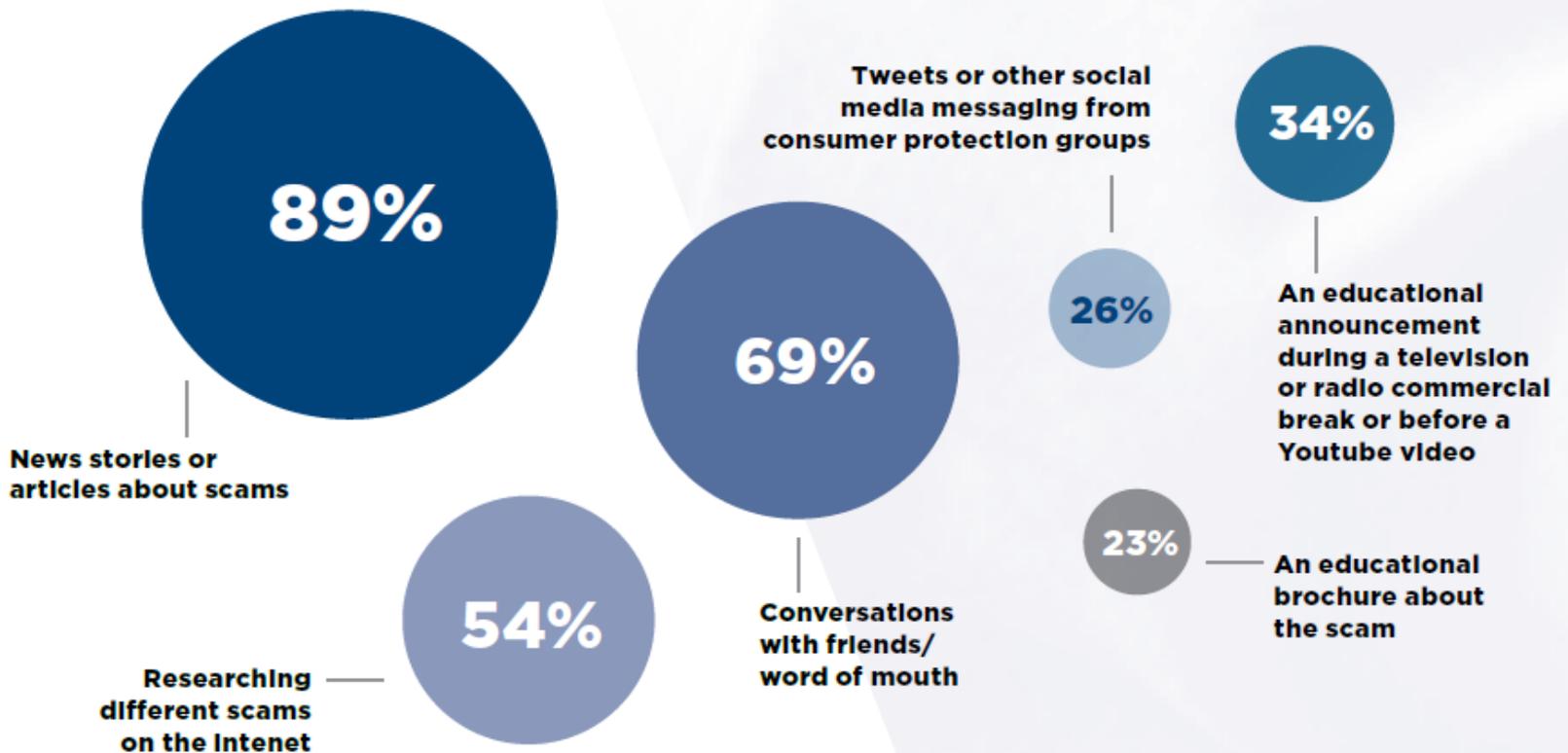
6%

Lack of
training



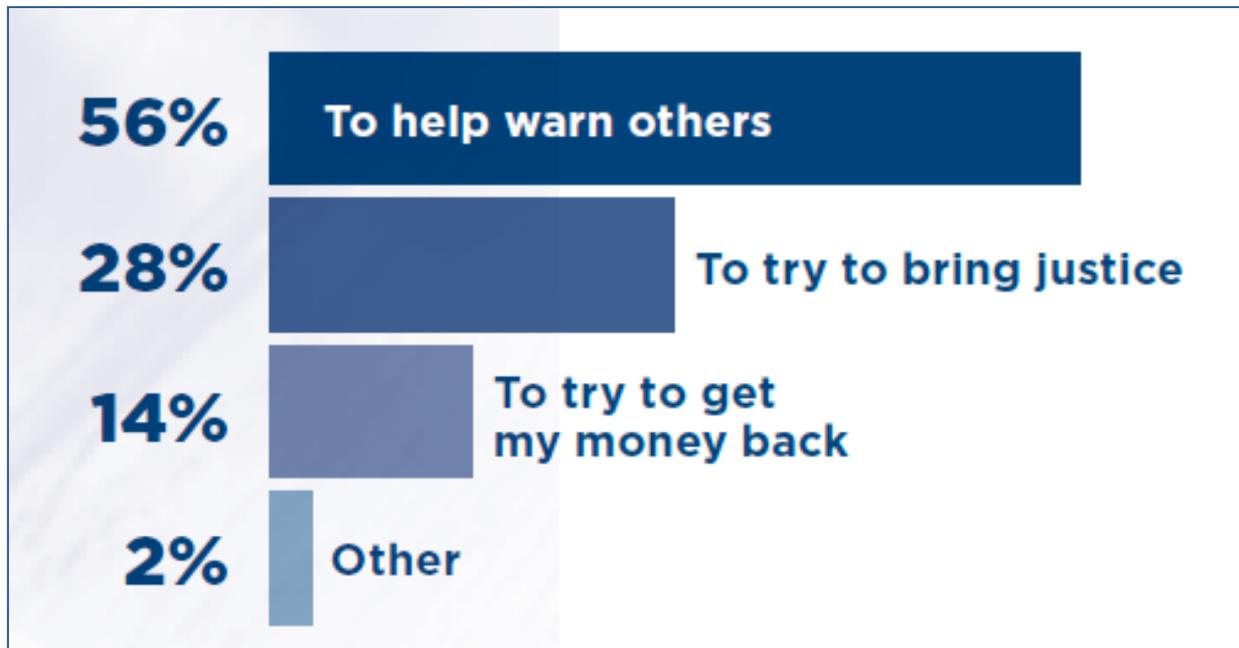
Findings & Insights

Where did you learn about scams?



Findings & Insights

91% of surveyed businesses said they WOULD report a scam. **Why?**



Findings & Insights

Reason they do not report scams.

**“No easy way
to report
attempted
scams.”**

**“Do not
know who
to report
to.”**

**“Don’t believe
anything would
be done about
it.”**



Additional Resources

Additional Fraud and Scam Prevention Information/ Reading

BBB Data Security Tips: www.bbb.org/data-security

BBB Scam Prevention Tips: www.bbb.org/scamtips

Identity Theft Resource Center: www.idtheftcenter.org

FTC ID Theft and Data Breach Tips: www.ftc.gov/idtheft

6 Steps to Improve Online security: www.lockdownyourlogin.org

Step-by-step instructions for enabling 2-factor authentication on most websites/services: www.turnon2FA.com

Ransomware Guidance:

<https://www.justice.gov/criminal-ccips/file/872771/download>

National Cyber Security Alliance Online resources and videos:

<https://staysafeonline.org/cybersecure-business/>

Delaware Specific Cybersecurity:

<https://digiknow.dti.delaware.gov/>

Tips, posters and videos for kids, home, business and mobile:

www.staysafeonline.org ; www.onguardonline.gov



Questions