



Department of Justice

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FOR IMMEDIATE RELEASE
WEDNESDAY, March 25, 2020
www.usdoj.gov/usao/kye

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Federal and State Officials Launch Kentucky Coronavirus Fraud Task Force

LEXINGTON, Ky. – In response to the increased threat of fraud presented by the coronavirus, federal and state law enforcement leaders from Kentucky announced today the formation of the Kentucky Coronavirus Fraud Task Force.

The Kentucky Coronavirus Fraud Task Force is a joint federal and state partnership coordinated by Assistant United States Attorneys from both the Eastern and Western Districts of Kentucky, in partnership with experienced fraud investigators from the Federal Bureau of Investigation (FBI) and the Kentucky Attorney General’s Office. The mission of the task force is to identify, investigate, and prosecute fraud related to the ongoing coronavirus pandemic impacting Kentuckians.

“Kentucky law enforcement is united in the fight against those who seek to profit from fear during the COVID-19 national emergency,” said Robert M. Duncan, Jr. U.S. Attorney for the Eastern District of Kentucky. “Federal prosecutors in Kentucky are working closely with the FBI and the Kentucky Attorney General’s Office to identify individuals engaging in COVID-19 fraud, preying on vulnerable populations and the extraordinary anxiety caused by this public health crisis. Together, we remain committed to protecting our fellow Kentuckians from fraudsters and these truly despicable schemes.”

“We will not allow thieves to profit from fear,” said U.S. Attorney Russell Coleman. “Kentuckians should be confident that their state and federal law enforcement is steadfastly working as one to prevent those who would use this virus to exploit our families.”

"FBI Louisville stands ready to investigate scams surrounding the COVID-19 crisis. The last thing the American people need, in the middle of this pandemic, is criminals trying to exploit them for their financial gain," said Special Agent in Charge Robert Brown, FBI Louisville Field Office. "In starting this task force, FBI Louisville and its partners share a commitment to protect the American people in spite of these unprecedented circumstances."

“Those who try to capitalize on this health crisis by taking advantage of our citizens will be

prosecuted to the fullest extent of the law,” said Kentucky Attorney General Daniel Cameron. “This unified effort between our office and our federal partners should signal to fraudsters that we will take aggressive action against them for targeting Kentuckians during this pandemic.”

The task force will review and investigate credible leads of fraud associated with the coronavirus pandemic, regardless of the loss amount, focusing on schemes to exploit vulnerable populations, including the elderly and concerned citizens, and schemes that endanger health and safety. Federal prosecutors from the Eastern and Western Districts of Kentucky will meet and confer with the FBI and Office of the Kentucky Attorney General on a regular basis to prioritize cases and surge resources where needed.

In the Eastern District of Kentucky, Assistant U.S. Attorney Paul McCaffrey is serving as the COVID-19 Fraud Coordinator. Assistant United States Attorney David Weiser is serving as the COVID-19 Fraud Coordinator for the Western District of Kentucky.

As our nation continues to face the spread of COVID-19, the critical mission of the U.S. Department of Justice must and will continue, as we work together to safeguard our public health system, protect the safety and security of the citizens of Kentucky, and reassure the public that law enforcement is enduring to meet its mission. The Department of Justice will be a nationwide partner in bringing aggressive action against scams, hoarding, and price gouging for critical medical supplies.

Some examples of COVID-19 scams include:

- **Treatment scams:** Scammers are offering to sell fake cures, vaccines, and advice on unproven treatments for COVID-19.
- **Supply scams:** Scammers are creating fake shops, websites, social media accounts, and email addresses claiming to sell medical supplies currently in high demand, such as surgical masks. When consumers attempt to purchase supplies through these channels, fraudsters pocket the money and never provide the promised supplies.
- **Provider scams:** Scammers are also contacting people by phone and email, pretending to be doctors and hospitals that have treated a friend or relative for COVID-19, and demanding payment for that treatment.
- **Charity scams:** Scammers are soliciting donations for individuals, groups, and areas affected by COVID-19.
- **Phishing scams:** Scammers posing as national and global health authorities, including the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC), are sending phishing emails designed to trick recipients into downloading malware or providing personal identifying and financial information.
- **App scams:** Scammers are also creating and manipulating mobile apps designed to track the spread of COVID-19 to insert malware that will compromise users’ devices and personal information.
- **Investment scams:** Scammers are offering online promotions on various platforms, including social media, claiming that the products or services of publicly traded

companies can prevent, detect, or cure COVID-19, and that the stock of these companies will dramatically increase in value as a result. These promotions are often styled as "research reports," make predictions of a specific "target price," and relate to microcap stocks, or low-priced stocks issued by the smallest of companies with limited publicly available information.

- **Price Gouging scams:** When sellers and/or retailers sell or rent an item for a price “which is grossly in excess of the price prior to the declaration” per KRS 367.374. Goods and services included in this prohibition include consumer food items; goods or services used for emergency cleanup; emergency supplies; medical supplies; home heating oil; building materials; housing; transportation, freight, and storage services; and gasoline or other motor fuels.
- Other scams include fraudsters claiming to work for the government or banks/credit cards and offering assistance for student loan relief, foreclosure or eviction relief, unemployment assistance, debt relief, and direct financial assistance, like government checks.

U.S. Attorney Coleman, U.S. Attorney Duncan and Attorney General Cameron urge everyone, especially those most at risk of serious illness, to avoid these and similar scams by taking the following steps:

- Independently verify the identity of any company, charity, or individual that contacts you regarding COVID-19.
- Check the websites and email addresses offering information, products, or services related to COVID-19. Be aware that scammers often employ addresses that differ only slightly from those belonging to the entities they are impersonating. For example, they might use "cdc.com" or "cdc.org" instead of "cdc.gov."
- Be wary of unsolicited emails offering information, supplies, or treatment for COVID-19 or requesting your personal information for medical purposes. Legitimate health authorities will not contact the general public this way.
- Do not click on links or open email attachments from unknown or unverified sources. Doing so could download a virus onto your computer or device.
- Make sure the anti-malware and anti-virus software on your computer is operating and up to date.
- Ignore offers for a COVID-19 vaccine, cure, or treatment. Remember, if there is a medical breakthrough, you won't hear about it for the first time through an email, online ad, or unsolicited sales pitch.
- Check online reviews of any company offering COVID-19 products or supplies. Avoid companies whose customers have complained about not receiving items.

- Research any charities or crowdfunding sites soliciting donations in connection with COVID-19 before giving. Remember, an organization may not be legitimate even if it uses words like "CDC" or "government" in its name or has reputable looking seals or logos on its materials. For online resources on donating wisely, visit the Federal Trade Commission (FTC) website.
- Be wary of any business, charity, or individual requesting payments or donations in cash, by wire transfer, gift card, or through the mail. Don't send money through any of these channels.
- Be cautious of "investment opportunities" tied to COVID-19, especially those based on claims that a small company's products or services can help stop the virus. If you decide to invest, carefully research the investment beforehand. For information on how to avoid investment fraud, visit the U.S. Securities and Exchange Commission (SEC) website.
- For the most up-to-date information on COVID-19, visit the Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO) websites.

If you believe you have been a target or victim of a scam or fraud, please report it to the National Center for Disaster Fraud Hotline at 866-720-5721 or via email at disaster@leo.gov

Kentuckians wishing to report online scams and fraud can contact the Federal Bureau of Investigation at <https://www.ic3.gov/default.aspx>

To file a price gouging complaint, visit ag.ky.gov/pricegouging or call the Consumer Protection Hotline at **1-888-432-9257**.

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