Washington Food Industry Association

Fraud, Identity Theft and Cyber in the Age of COVID

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Governments around the world are developing and rolling out support programs for citizens in response to the economic and social crises related to the COVID-19 Pandemic.

The speed, scope and scale of these programs is unprecedented.
Trillions in economic relief payments... what could go wrong?

Forbes
Paycheck Protection Fraud Is Massive And Unsurprising

CNBC
About $1.4 billion in stimulus checks sent to deceased Americans

The Seattle Times
‘Hundreds of millions of dollars’ lost in Washington to unemployment fraud amid coronavirus joblessness surge

THE HILL
Maryland officials discover $501 million unemployment fraud scheme
Paycheck Protection Program

What is it?
• A loan designed to provide a direct incentive for small businesses to keep their workers on the payroll

Key details
• No collateral, no personal guarantees and no fees to business
• No fees
• SBA will forgive loans if conditions are met

What went wrong?
• Zero risk to banks
• Incentives to hand out money and do so quickly
• No controls in place
UI – How Bad Is It?

Some examples:

- UI fraud is now the top caseload for Secret Service
- Contractor handling UI claims in Michigan stole $2 M
- California 1M claim backlog
- 20 states have loans from USDOL totaling nearly $36 B
- USDOL says over $6 B lost to fraud
1. Data Breach
Billions of records exposed annually

2. Dark Web
Info combined and sold
$1 SSN, $5 Credit/debit

3. Identity Theft
22% of all identity theft
2nd only to banking

4. Government Fraud
1 in 4 notified of data breach
1 person every 3 seconds

2021 Cybercrime
$11.4 M/Min
Cyber Hygiene 101

01. Don’t Click!

02. Avoid Public Wi-Fi

03. Payment Cleanliness

04. Passwords 2.0

05. Apps and Malware

06. "Government" = extra caution

Extra Credit: VPNs, Fake phishing e-mails
Have additional questions?

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