

HUGHES | FINANCIAL  
SERVICES, LLC





# CYBERCRIME 2020

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How to Identify & Protect  
Against COVID-19 Scams

# **TODAY'S AGENDA**

**COVID-19 Changes**

**COVID-19 Scam Stats**

**How to Identify COVID-19 Scams**

**How to Protect Yourself**

## PANELIST



**PATRICK HUGHES, CFP®**  
Managing Partner  
& Financial Advisor

# COVID-19 SCAMS

Cybersecurity scams are on the rise – why?



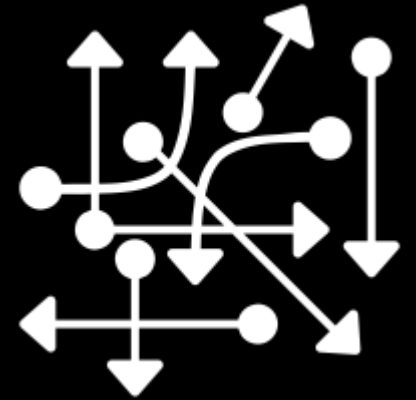
Isolated and  
homebound



Increased online  
presence



High  
unemployment



Chaos and  
uncertainty

“

**Cybercriminals thrive on chaos –  
whether it's real or perceived.**

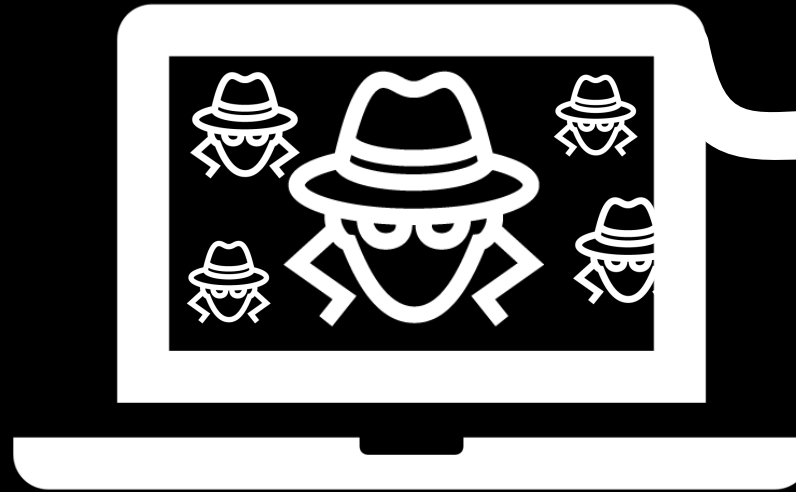
| Robert Herjavec  
CEO, The Herjavec Group  
*Shark Tank* Investor

”

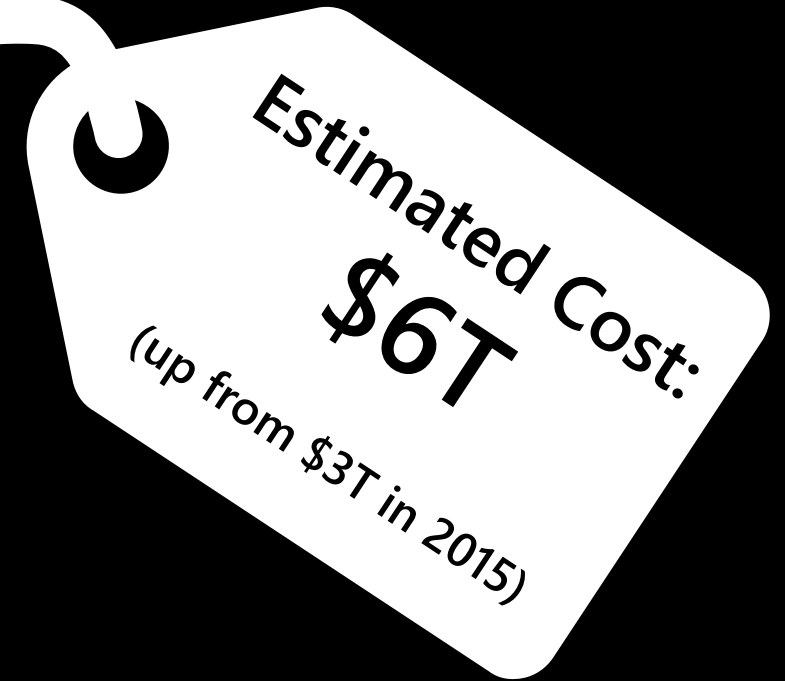
# COVID-19 SCAMS

Cybersecurity scams are on the rise – why?

Estimated  
**158%**  
increase  
in 2020  
due to  
COVID-19



**CYBERCRIMES  
INCREASE!**



# COVID-19 SCAMS

What are the numbers?



## FEDERAL TRADE COMMISSION PROTECTING AMERICA'S CONSUMERS

**14,000%**

Increase in  
emails using  
phony COVID-19  
info in 2 weeks

**12,000**

U.S. consumer  
COVID-19  
related  
complaints

**\$8.39M**

loss as of early  
April 2020



# COVID-19 SCAMS

## 6 Methods and Lures

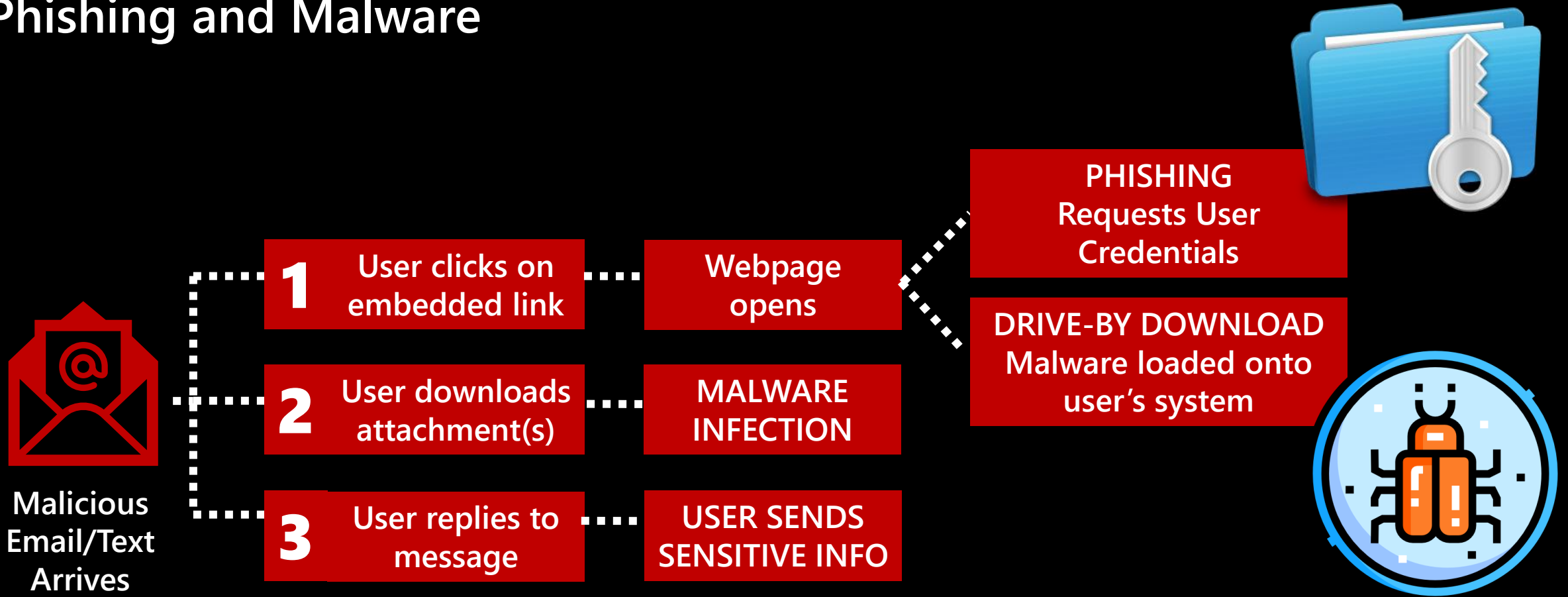
- PHISHING AND MALWARE
- SOCIAL MEDIA MISINFORMATION
- MALICIOUS WEBSITES/APPS
- FRAUDULENT AND COUNTERFEIT GOODS
- ONLINE CREDIT CARD SKIMMERS
- STIMULUS CHECKS



**IT'S A  
TRAP!**

# COVID-19 SCAMS

## 1. Phishing and Malware



# COVID-19 SCAMS

## 2. Social Media Misinformation

- Global “infodemic” (WHO) spread via social media
- False info designed to:
  - incite panic, racism and xenophobia
  - promote harmful at home cures and solutions

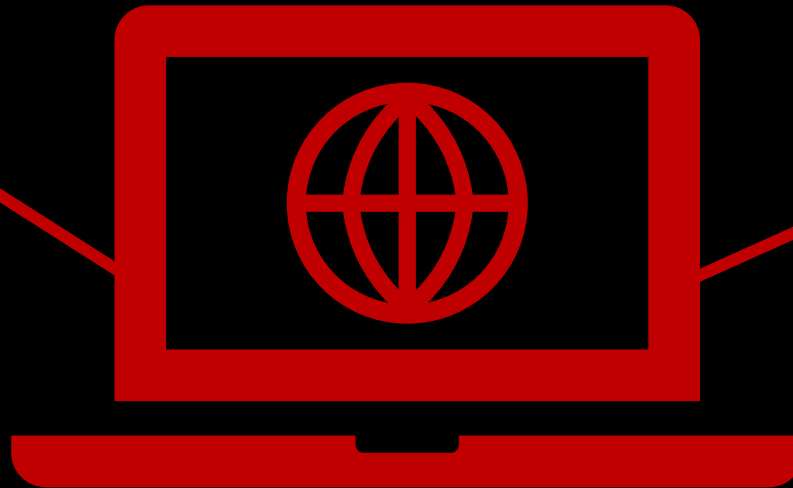


# COVID-19 SCAMS

## 3. Malicious Website Domains

SINCE JAN 2020:  
**350% SPIKE**  
in COVID-19  
related web  
domains  
registrations

**LESS THAN 1/3** of URLs  
worldwide are safe



END OF 2019:  
**1 WEBSITE**  
containing  
COVID in URL



END OF MAR. 2020:  
**42,000 WEBSITES**  
with COVID or  
Corona in URL



# COVID-19 SCAMS

## 3. Malicious Website Domains

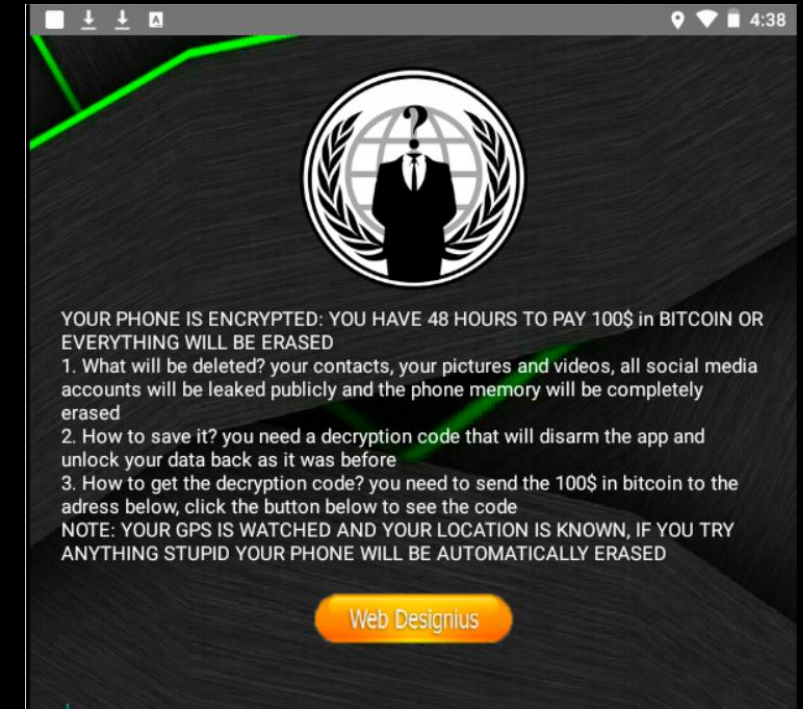
### Phony Websites Containing COVID-19 Maps and Dashboards



# COVID-19 SCAMS

## 3. Malicious Apps

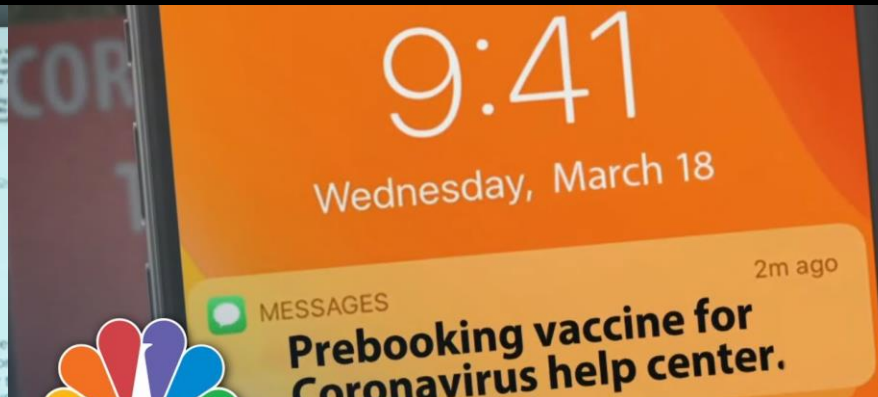
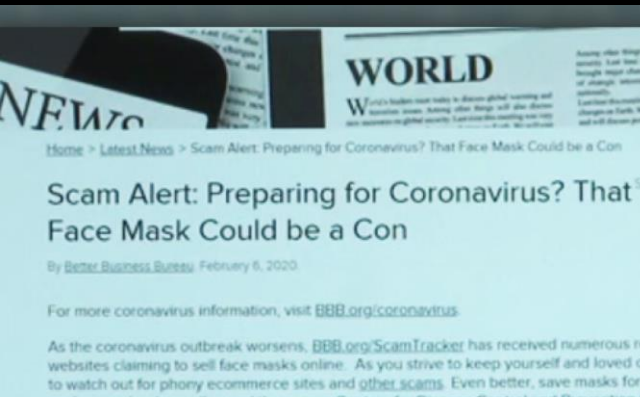
- Coronavirus Maptracker App: claims to track and send alerts when someone nearby is diagnosed with coronavirus
- Appears to provide COVID-19 tracking and statistical info including heatmap visuals
- App asks for various permissions
- Ransom note pops up on screen
- “Your phone is encrypted: you have 48 hours to pay \$100 in BITCOIN or everything will be erased.”



# COVID-19 SCAMS

## 4. Fraudulent and Counterfeit Goods/Schemes

- Scammers taking advantage of vital equipment shortages
- Price gouging
- Dubious claims
- FTC and FDA: warnings given to seven companies promoting products with scientifically unsupported claims they can cure or prevent coronavirus





# COVID-19 SCAMS

## 5. Online Credit Card/Debit Card Skimmers

- Malicious code injected into website to steal customer's sensitive info
- Usually installed on checkout page or log in page
- Website security controls have been compromised



# 5 STAR TIP

The official IRS term for the stimulus check is "Economic Impact Payment"

# COVID-19 SCAMS

## 6. Stimulus Check/Payment: Economic Impact Payment

- Impersonate IRS or bank
- Ask you to sign over Economic Impact Payment (EIP)
- Ask by email, text, phone, social media for verification of personal banking info
- Claim they can get payment faster, sometimes for a fee
- Mail a bogus check with a phone number to call or online verification info



# CYBERSECURITY IS LIKE HOME SECURITY

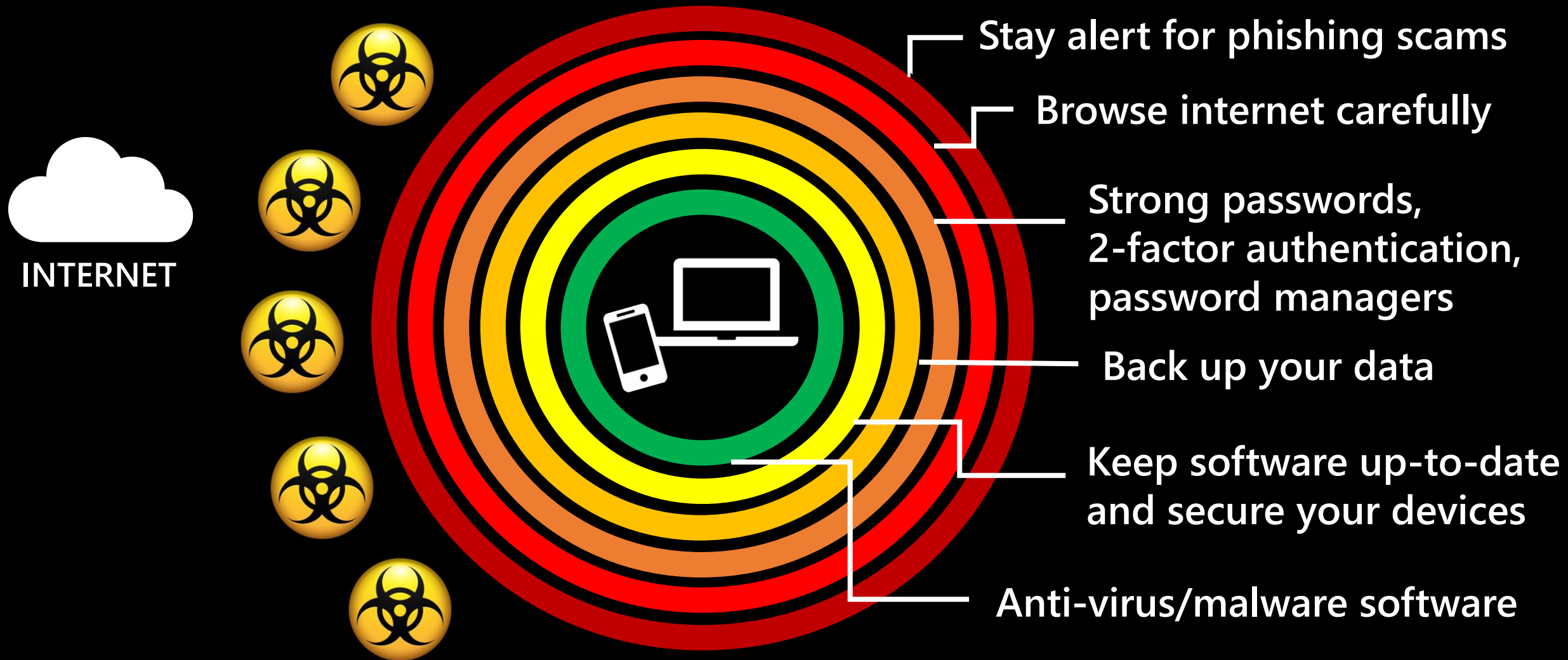
It's all about letting the good guys in, keeping the bad guys out and selectively controlling access to your networks, accounts, and data through

## LAYERS OF SECURITY TOOLS



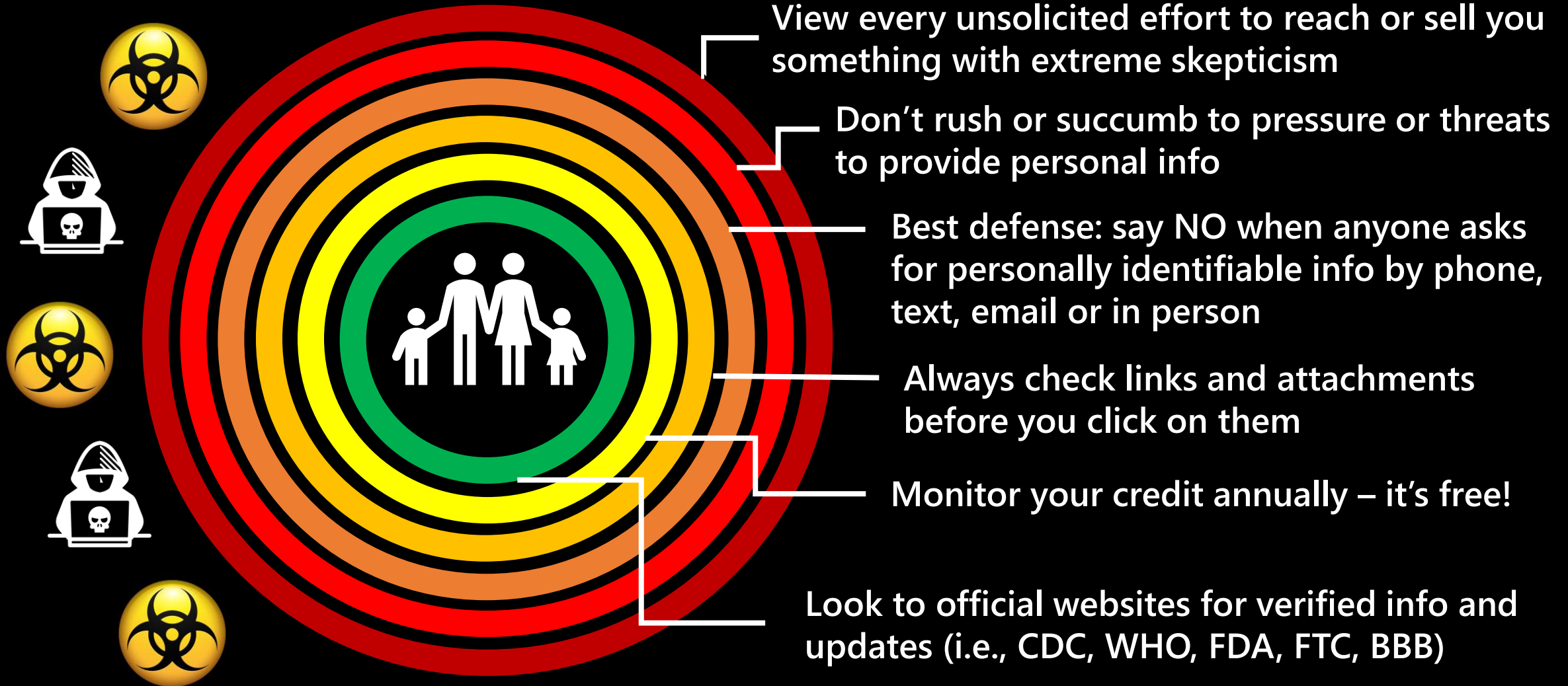
# LAYERS, LAYERS, LAYERS

Keeping the bad guys out one layer at a time



# LAYERS, LAYERS, LAYERS

Keeping the bad guys out one layer at a time



# CONTACT INFORMATION

## CREDIT REPORTING AGENCIES

EXPERIAN 888-397-3742  
[www.experian.com/freeze](http://www.experian.com/freeze)

EQUIFAX 866-349-5191  
[www.freeze.equifax.com](http://www.freeze.equifax.com)

TRANSUNION 888-909-8872  
[www.transunion.com/credit-freeze/place-credit-freeze](http://www.transunion.com/credit-freeze/place-credit-freeze)

## OFFICIAL ORGANIZATIONS MENTIONED IN TODAY'S PRESENTATION

FEDERAL TRADE COMMISSION  
[www.ftc.gov](http://www.ftc.gov)

CENTERS FOR DISEASE CONTROL AND PREVENTION  
[www.cdc.gov](http://www.cdc.gov)

WORLD HEALTH ORGANIZATION  
[www.who.int](http://www.who.int)

FOOD AND DRUG ADMINISTRATION  
[www.fda.gov](http://www.fda.gov)

BETTER BUSINESS BUREAU  
[www.bbb.org](http://www.bbb.org)

INTERNAL REVENUE SERVICE  
[www.irs.gov](http://www.irs.gov)

Hughes Financial Services will be hosting **20-minute virtual educational Lunch & Learn sessions** during which we'll do a deep dive on an array of financial planning topics. Grab your device and lunch and join us each **Wednesday at 12:00 pm** to juice up your financial planning knowledge!



WEDNESDAY, APRIL 1<sup>st</sup>

## **Roth IRAs: To Convert or Not to Convert**

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WEDNESDAY, APRIL 8<sup>th</sup>

## **Cybercrime 2020: How to Identify & Protect Against COVID-19 Scams**

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WEDNESDAY, APRIL 15<sup>th</sup>

## **Estate Planning Steps to Take During the COVID-19 Pandemic**

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WEDNESDAY, APRIL 22<sup>nd</sup>

## **Fundamentals of Investing**

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**We offer our clients an impressive wealth of expertise in retirement and estate planning, investment and risk management, insurance, and education planning. Our advisors hold a variety of professional designations and certifications and are well versed in a number of financial disciplines. Our combined education and experience allows us to proudly offer you independent financial advice that you can trust.**

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Investing involves risk including the potential loss of principal. No investment strategy, such as asset allocation and rebalancing, can guarantee a profit or protect against loss in periods of declining values. Please note that rebalancing investments may cause investors to incur transaction costs and, when rebalancing a non-retirement account, taxable events will be created that may increase your tax liability.

If annual compensation is less than the applicable limits shown, then the maximum contribution is limited to 100% of compensation. 2. If you contribute to a TDA, 403(b) Thrift and/or 401(k), the total amount contributed to all plans may not exceed \$19,000 (\$25,000 to all plans if age 50 or older. 3. Tax-Deferred Annuity, 403(b), 401(k) and governmental Section 457(b) plans. Section 457(b) Eligible Deferred Compensation Plan participants can make a special catch-up contribution if they are within three years of their normal retirement age.

Withdrawals from Roth IRA may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change.

**Sources: US Department of Justice; Federal Trade Commission; Wall Street Journal; RiskIQ.com; Federal Bureau of Investigations; World Health Organization; HackenAI; IBM X Force Research Division; Cybint Solutions; Digital Shadows; Business Insider; Cybercrimesupport.org; Internal Revenue Service; cisomag.com**



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