

# BEWARE OF DISASTER FRAUD AND SCAMS

In the wake of natural disasters such as Hurricanes Harvey and Irma, there are inspiring stories of rescue and generosity. Invariably though, those heartwarming tales are followed by some unfortunate stories of disaster fraud and scams. All too often, storm survivors are victimized by fraudsters looking to capitalize on the loss of others.

The problem became so bad after Hurricane Katrina that the U.S. Justice Department created the National Center for Disaster Fraud. The Center receives hundreds of calls every month, even when there isn't a major disaster.

In the weeks following Hurricane Harvey, there were more than 3,200 complaints about scams, frauds and price gouging in Texas. There's no doubt a similar pattern will emerge following other major disasters. By knowing what scams to look out for, you can avoid being a victim of disaster fraud.

## Beware of these 5 Disaster Scams

### Assignment of Benefits Scams

Following a storm, a repair contractor may ask you to sign an Assignment of Benefits agreement, transferring your insurance policy benefits and rights to them to streamline the claims and repairs process. In recent years, there has been a rise in scam artists operating as contractors fraudulently to rob you of your claims payment. Scam artists are getting paid while homeowners are losing their ability to get claims payments, which delays the claims process. This practice can trigger a chain of events that may result in a tremendous amount of hardship for the homeowner.

### Fake Crowdfunding Campaigns

Disasters regularly attract scammers who create fake crowdfunding charity campaigns. After Hurricane Katrina, investigators found 5,000 questionable

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websites that were set up to collect donations. To combat this, GoFundMe has created legitimate, centralized pages to collect donations for local charities following a major disaster.

### Misleading Telephone Numbers

There are fake numbers for agencies that will provide assistance being shared on social media, through robocalls and emails. For example, people on Twitter have shared a fake number for the National Guard that connects people to an insurance scam. FEMA has reported that scammers are using robocalls to tell people their flood insurance premiums were past due and where to send the money.

### Phony Repair Professionals

After hurricanes and natural disasters, individuals pose as repair professionals to scam people out of their money. To avoid this, verify who you are taking to, call their organization and make sure they are who they claim, and check the Better Business Bureau and other online sources to determine their viability. Limit any type of upfront deposit, and do not pay in full until the work is done to your satisfaction.

### Phishing and Malware

Hackers use natural disasters to scam people out of confidential information by clicking on malicious links, or using phishing emails to steal confidential information. Sometimes these emails look very legitimate and many offer hurricane assistance as a hook. Hurricane Irma victims should be cautious and diligent when it comes to emails. If you don't know the sender, or the offer sounds a little too good, don't click on the link or attachment!

