World of Fraud

VanderWal Agency

Facilitator: Laurie VanderWal

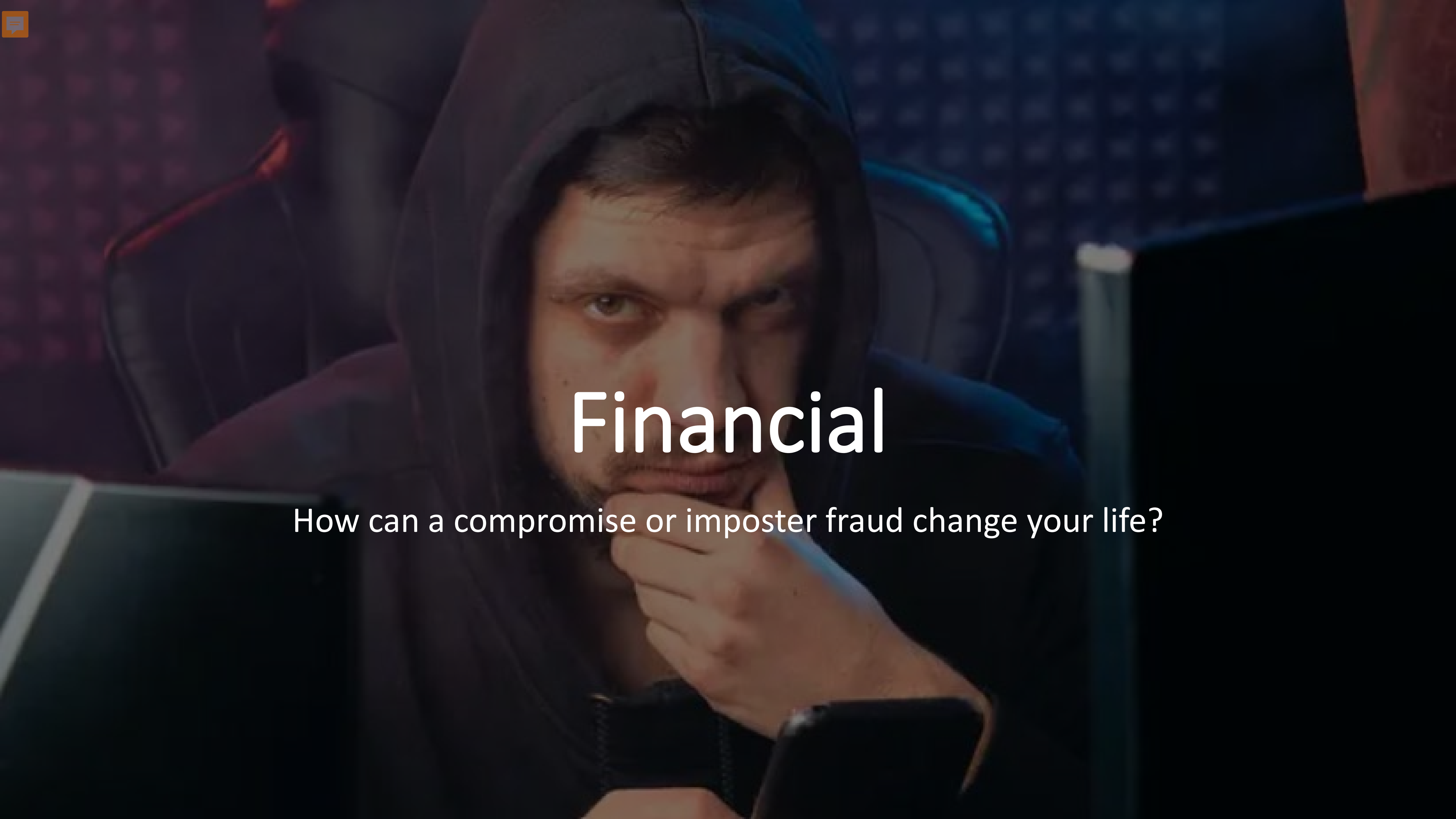
1 Hour General NE-#6000153200 IA-#109397

Facilitator introduction

- ➢Insurance 30+ years
- ➢Live in Nebraska
  - ➢Long time Bellevue resident
- ➢Facilitating CE over 14 years
- ➢Speaking on privacy & security for over 16 years
- ➢Have Beagles/bassets and am a foster to dogs
- ➢Retired P&C agent 2022
- ➢Artisan Crafter-Osoremarkable

Laurie VanderWal

Pen and paper for notes



Financial

How can a compromise or imposter fraud change your life?

When financial turns criminal

When financial turns criminal

- Arrested and spent 32 days in jail
- Lived in Georgia—Extradited to Missouri
- The ride took 7 days, 19 states and he was shackled in a van with other prisoners
- Former roommate stole his identity
- 8 warrants for arrest
- Surrounded by police
- Lost 2 jobs and a car

Consider a victim's mental health

Imposter Bank fraud

What's wrong with this picture?

- Customer on vacation receives call from bank
- Bank states they believe there are fraudulent charges showing on account and confirms customer did not purchase
- To resolve bank requires customer to accept a code via text and read code back to bank which confirms customer identity
- Customer complies with bank directions
- Reads code back to bank
- Financial theft averted

Imposter Bank fraud

- How does the customer know it's the bank?
- This customer was talking to a thief
- Criminals had the username and password for account
- Multi-factor authentication disrupted the hack
- Criminal calls customer commits imposter fraud
- Obtains multi-factor authentication to access account

Victim consequence:

- ✓ Victim had $8,000 transferred out of his bank account
- ✓ A customized pickup truck valued at $130,000 stolen from the Denver International Airport

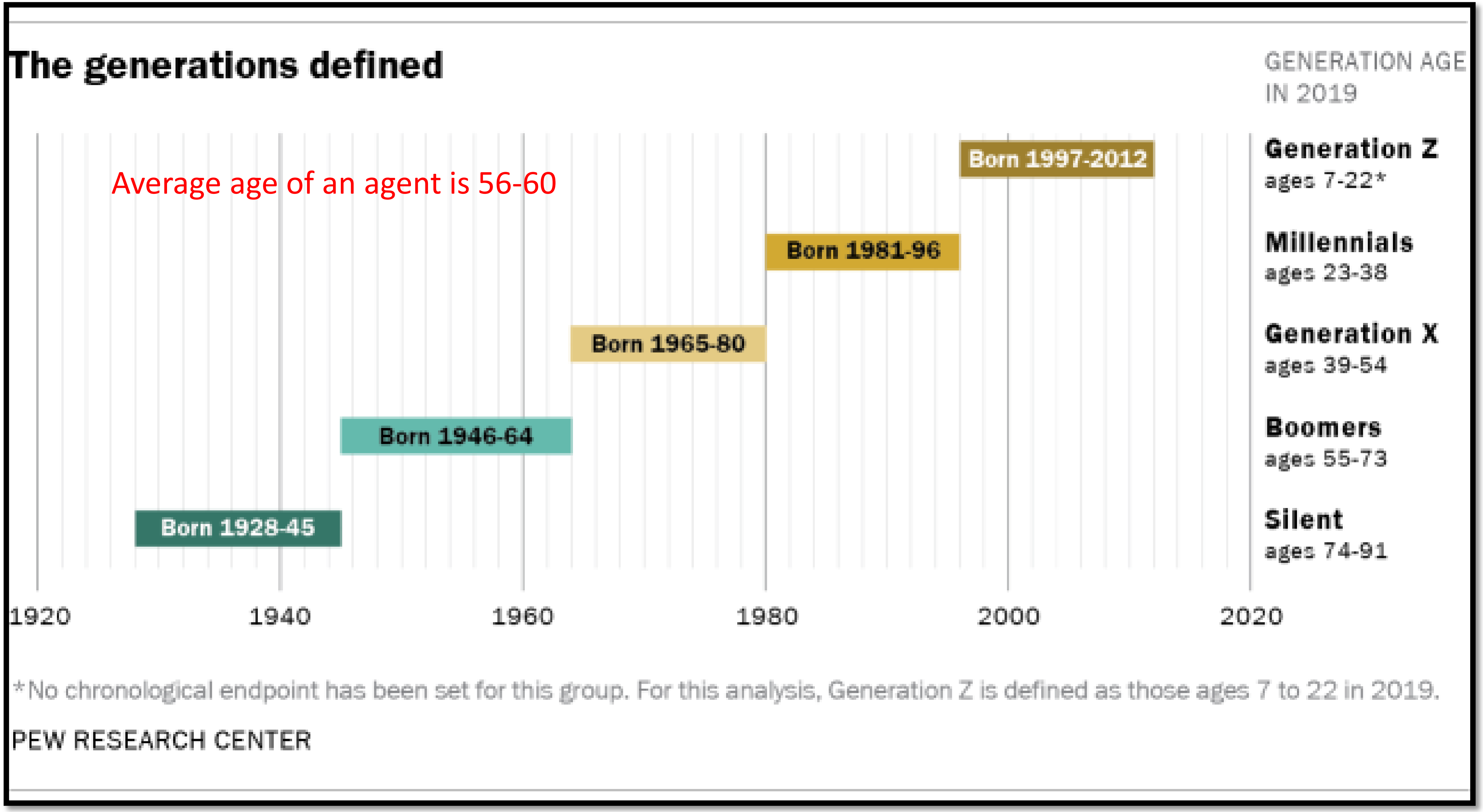
Senior lady 80 years old

- Eating at a restaurant
- Criminal had a card reader within “reading” distance
- Read all the details in her purse
- Committed rampant financial fraud
  - Emptying bank accounts
  - Running up credit cards
  - Soliciting new credit cards
  - Create identification in her name

3 months later still managing

Follow your information…Just for a day!

Average age of an agent is 56-60



Mariana Van Zeller Investigative Reporter

- Credit and debit card fraud
- Bank account hacking
- “Data more valuable than oil”
- Street Gangs “Mindset” shifting to buying and selling financial information
  - “Would you rather have me rob you on the street at gunpoint?”
  - “Is it better if I rob you through your credit card or bank where no physical harm will come to you?”
  - “It’s a dog-eat-dog world, everybody gotta make money somehow”
  - “People get there money back and no harm comes to them”

Cryptocurrency-The Rug Pull

- Offer a new crypto token in the market
    - 83,683 in 2021
    - 117,000 in 2022
    - 41% increase
- Hype it up on social media
- When token value hits a certain amount the thief pulls out everything
- 2 million investors lost funds
- $11 Billion to criminals
- 153 different de-centralized finance exchanges (CeF)
- Rug pulls have options

"***Our identity is*** *increasingly going to become the* ***asset*** *that we have to be most* ***careful to protect in the 21st century*** *where the ability to get information, move it around the world and store it indefinitely creates greater and greater risks to personal reputation and personal privacy"...*

--Homeland Security Secretary Michael Chertoff August 2008

Governing Data

Stolen identity uses

Synthetic Identity Theft

Creating a new person with multiple data points of other people's personal information

The governance of our NPI or PII data

- Social security
- Driver's license
- Financial/credit profile
- Medical records & history
- Birthdate
- Biometrics
- Address
- Your first and last name

Cybersecurity Protection

The privacy of our all our data

- GPS details
- Smart devices like auto, home and Alexa equipment
- Computer IP address, email
- All online clicks 24/7
    - Data bytes—Every click you make!!
    - Pictures
    - Texts
- History of all activity
- Social media content

Policy and Procedure Drive Change

Email address, IP address and other identifiers may now be included in “Protection” of data

Identity Theft Components

The legal and life driven “clicks”

Medical Identity Theft

Record keeping personal information	Name, address, email history
Mother's maiden name	Emergency phone contact
Parents' medical history	Phone numbers
Financial information	Medical diagnosis
Children details	Credit card information w/3 digits

Keep a current copy

Medical Identity Theft

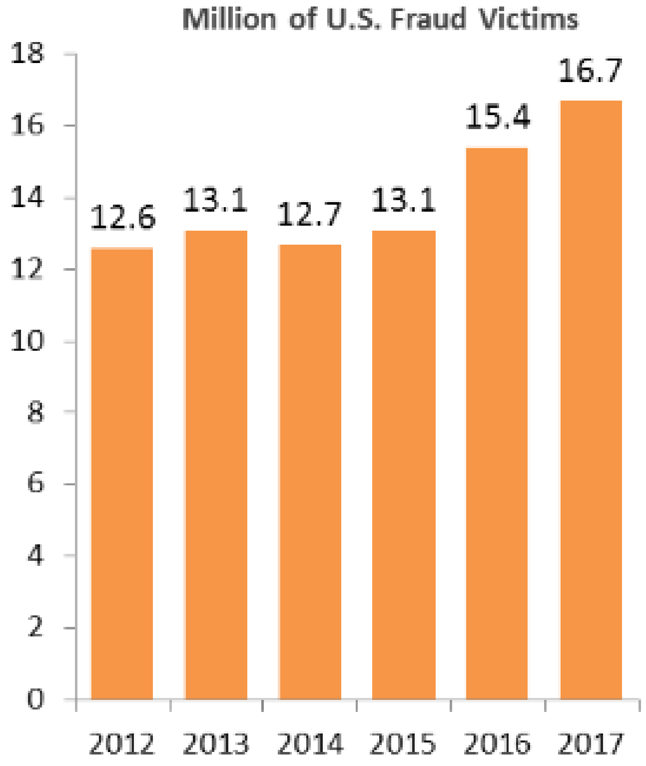
Video Summary

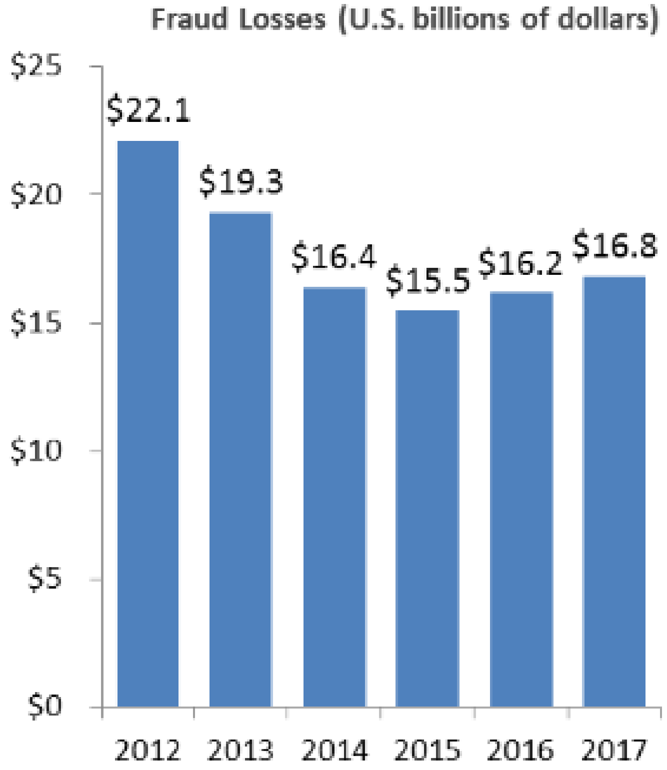
- Woman had purse stolen
- Thief used insurance card for prescription drugs
  - Opioids
- Credit impacted
- Warrant for arrest
- Long term damage
  - Wrong diagnosis or treatment
- Impact 5 years and $1,500 in legal fess

Fraud

Is there really a problem?

2017

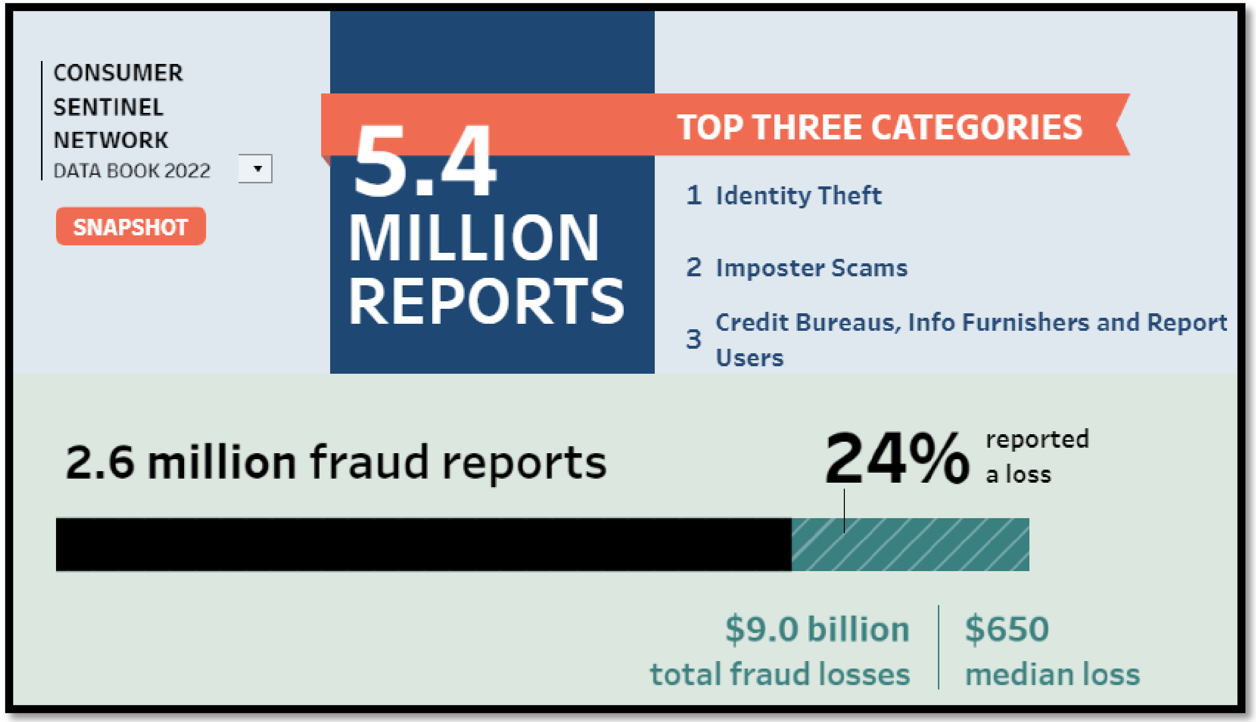


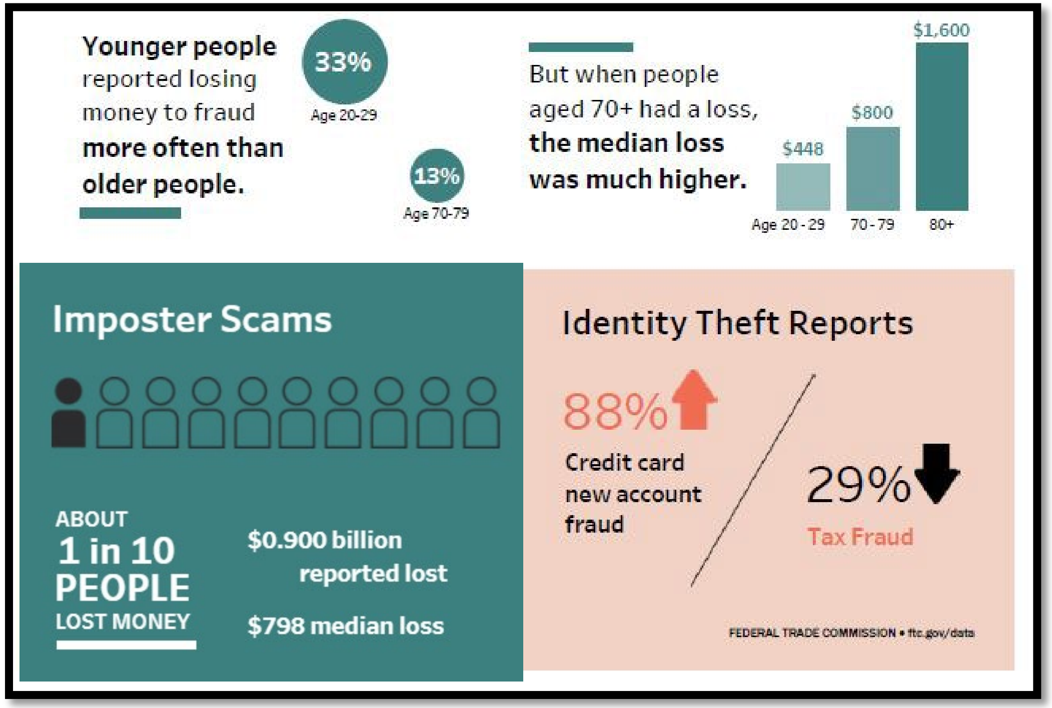


Source: *2018 Identity Fraud Study*, Javelin Strategy & Research

JAVELIN

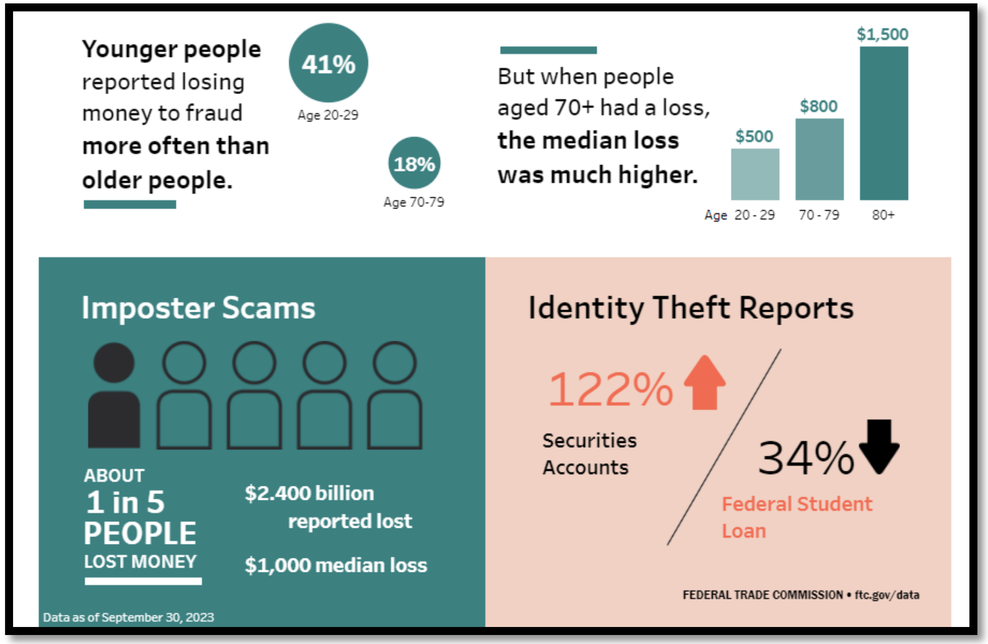
Federal Trade Commission Stats
2019 contrast 2022



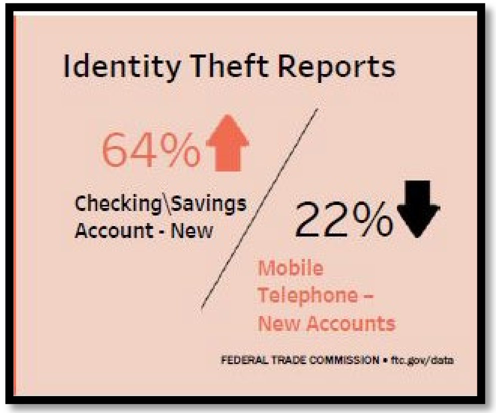


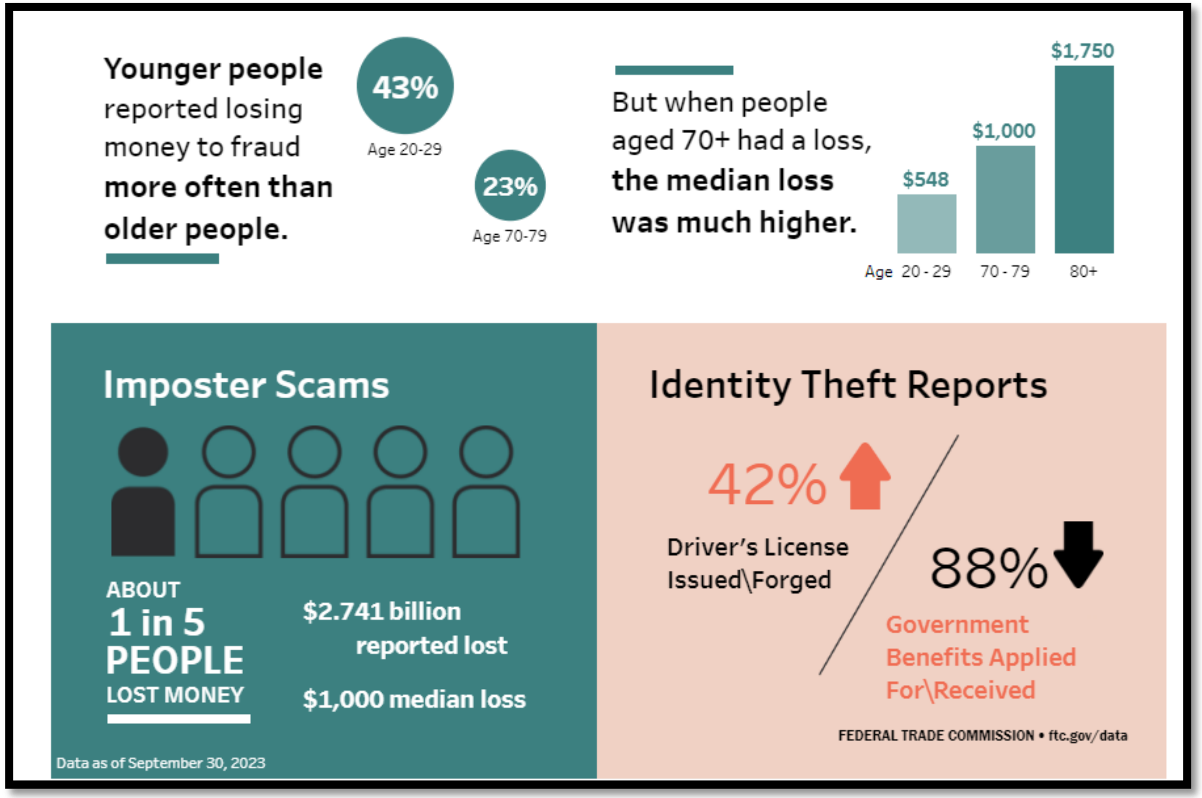
2019

2020



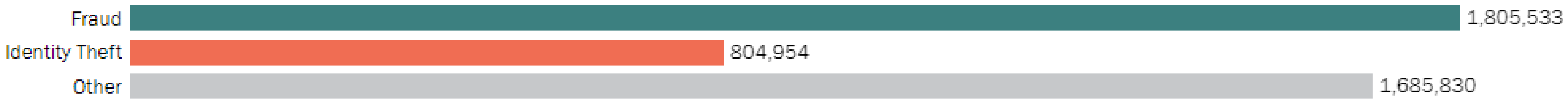
2021





2022-Leap frogging our identity the Smash Mouth Stage

Federal Trade Commission Stats--2023



Top 10 Fraud Categories

Rank	Category	# of Reports	% Reporting $ Loss	Total $ Loss	Median $ Loss
1	Imposter Scams	605,428	21%	$1,967.4M	$828
2	Online Shopping and Negative Reviews	265,701	51%	$307.7M	$134
3	Prizes, Sweepstakes and Lotteries	89,264	14%	$210.9M	$800
4	Business and Job Opportunities	77,612	31%	$337.8M	$2,050
5	Investment Related	75,755	75%	$3,172.7M	$7,000
6	Telephone and Mobile Services	69,550	10%	$18.1M	$200
7	Internet Services	69,201	6%	$24.3M	$237
8	Health Care	52,514	5%	$9.7M	$291
9	Travel, Vacations and Timeshare Plans	39,527	20%	$78.2M	$1,167
10	Foreign Money Offers and Fake Check Scams	27,644	34%	$124.6M	$1,920

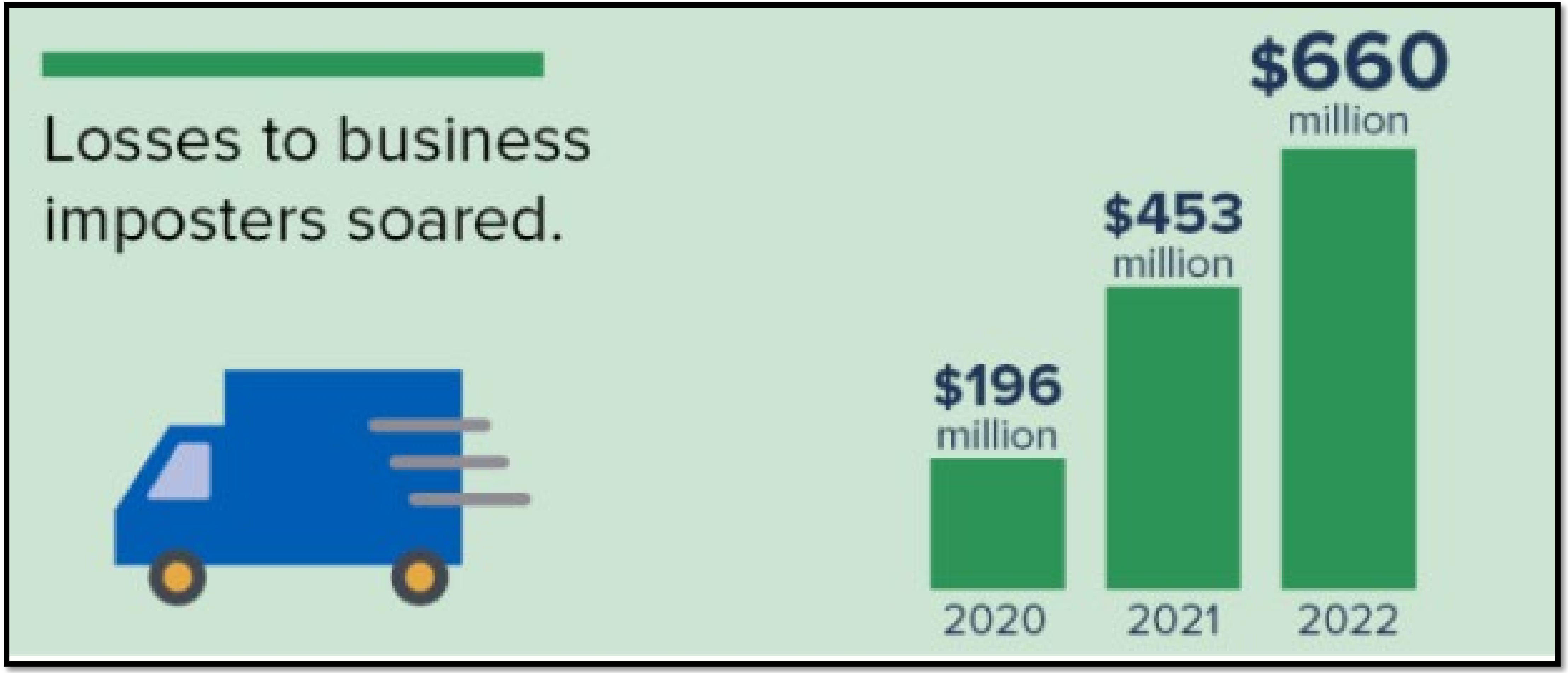
Identity Theft Types

Rank	Theft Type	# of Reports
1	Credit Card Fraud	318,142
2	Other Identity Theft	202,174
3	Loan or Lease Fraud	114,783
4	Bank Fraud	107,469
5	Government Documents or Benefits Fraud	74,986
6	Employment or Tax-Related Fraud	74,322
7	Phone or Utilities Fraud	60,585

Top 10 Other Categories

Rank	Category	# of Reports
1	Credit Bureaus, Info. Furnishers and Report Users	869,606
2	Banks and Lenders	176,970
3	Auto Related	126,240
4	Debt Collection	95,995
5	Credit Cards and Loss Protection	72,269
6	Home Repair, Improvement and Products	57,966
7	Television and Electronic Media	29,162
8	Computer Equipment and Software	14,841
9	Education	13,512
10	Privacy, Data Security, and Cyber Threats	13,166

The Financial Imposter Fraud Shift



The Financial Imposter Fraud Shift

$1.8 Billion

2021

$3.8 Billion

2022

Losses to investment scams more than doubled

The Financial Imposter Fraud Shift

Imposter Fraud

How many imposter fraud schemes or scams can you name?

The Consumer Scam Trend

Let’s start with the Federal Trade Commission List

Define Consumer Scam

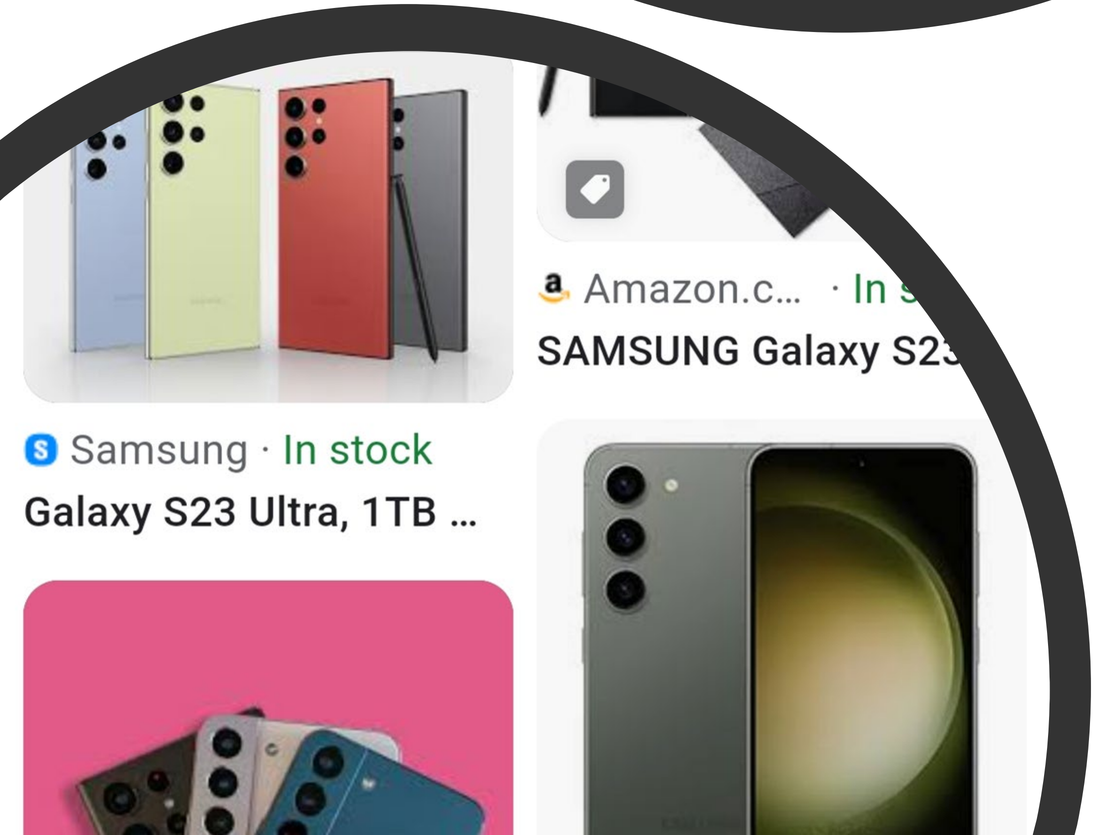
- Business Impersonators
- COVID-19
- Car Buying
- Charity
- Debt and Credit Card
- FTC Impersonators
- Family Emergency
- Free Trial
- Gift Card
- Government Impersonators
- Health and Weight Loss
- IRS Impersonators
- Job or Employment

Define Consumer Scam

- Medicare Impersonators
- Money-Making Opportunity
- Phishing Scams
- Phone Scams
- Prize and Grant
- Rental and Housing
- Romance Scams
- Scams Against
  - Older Adults
  - Small Businesses
  - Immigrants
- Social Security Impersonators
- Student Loan and Education
- Tech Support
- Wire Transfer

- FBI identifies common scams

Fraud Approach Methods



The Phone Call Approach

From Party Line to FaceTime

The Email Approach

The
Social Media
Approach

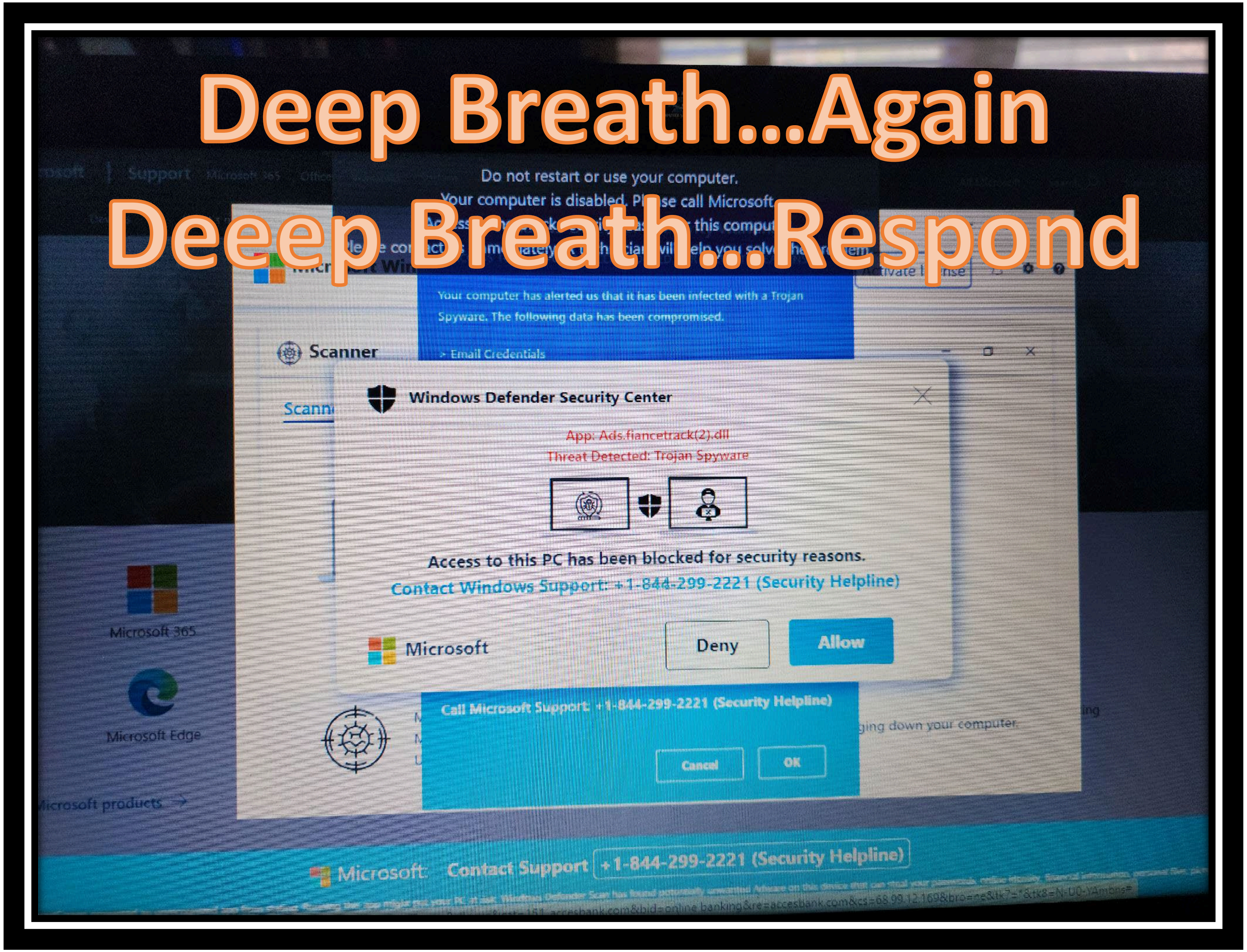
Most Common Fraud Impersonators

- Tech support
- Government agency
- Grandparent scam
- Romance scam
- Emergency Financial Family Need
- Charities or Grant Money
- Investment scam
- Utility fraud
- Law enforcement

Computer Scams

Microsoft Scam

- Computer issues
- Distraction
- Fear/anxiety



Total reported lost over the past five years has now reached $1.3 billion.

The Romance Fraud Scam-2017 to 2021

Median Loss-$2,400

Age 70 and older-$9,000

Younger victim reports grew tenfold in 2017 to 2021

The Romance Fraud Scam

Imposter Fraud Favorite Payment Options

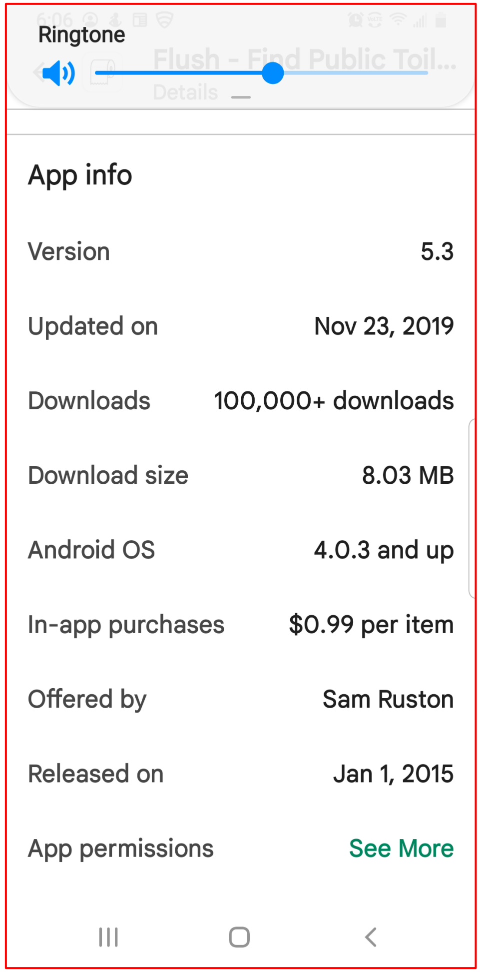
- Cryptocurrency
- Gift Cards
- Wire transfer via Western Union
- We'll send you a check upfront to get started, then reimburse us later

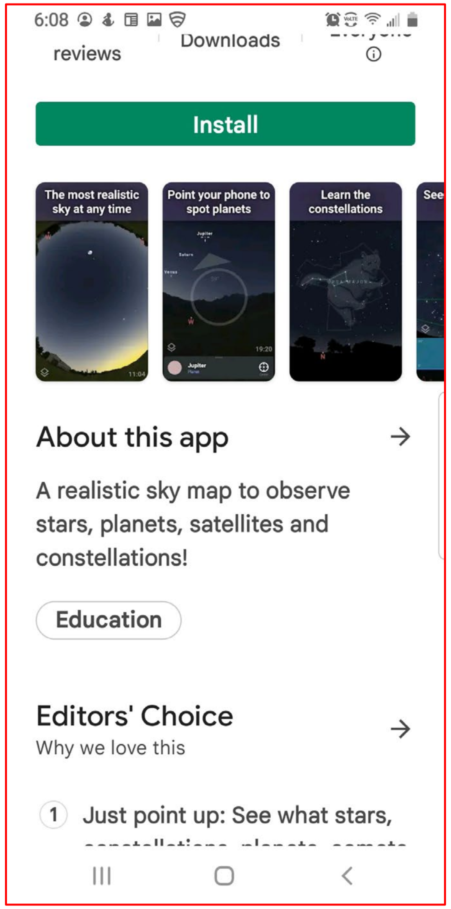
Top Criminal Options
Gift Card or Reload Card

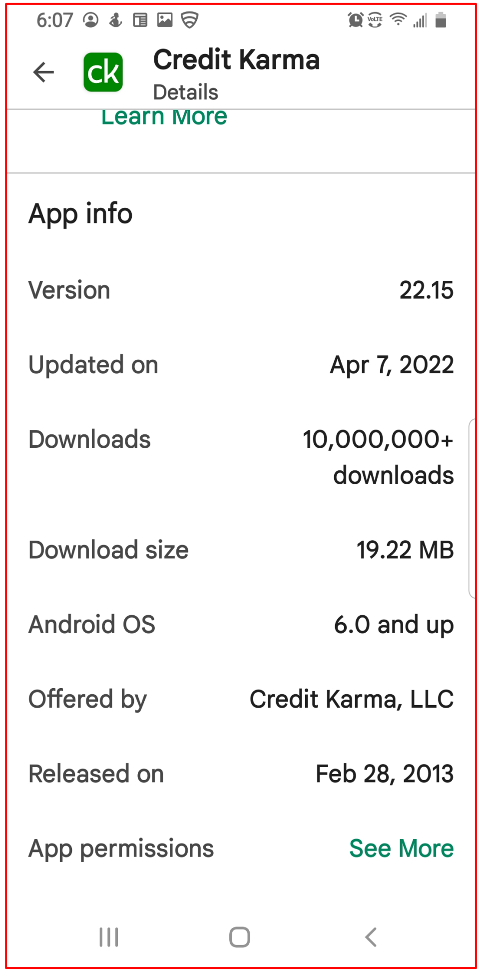
CYBERCRIME-CONSUMER VULNERABILITY

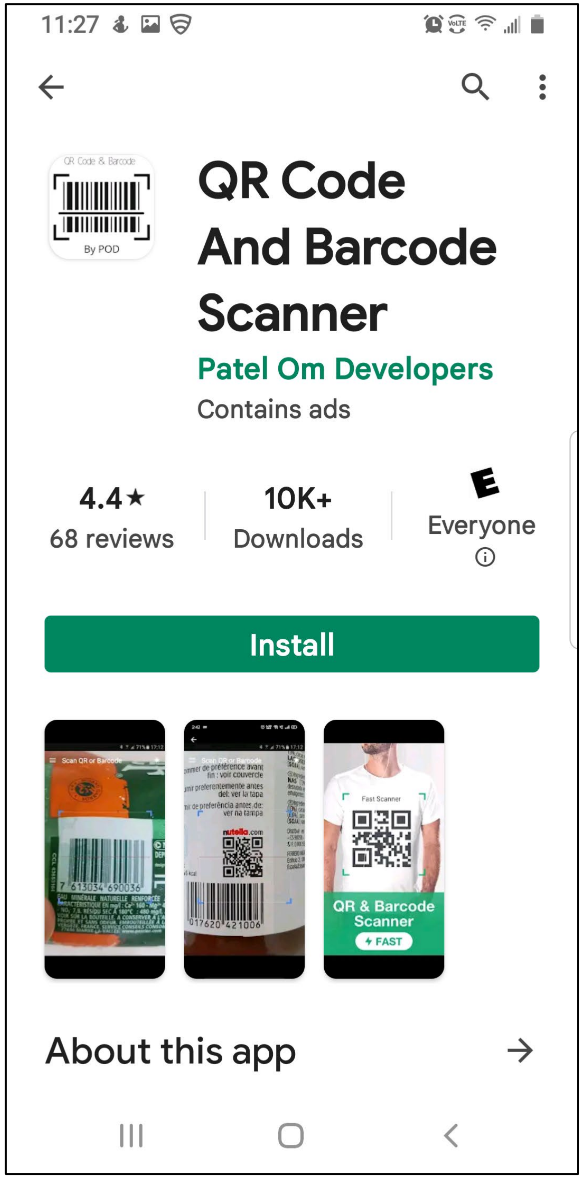
Application security

Cybercrime-Consumer vulnerability





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QR Code And Barcode Scanner
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4.4★
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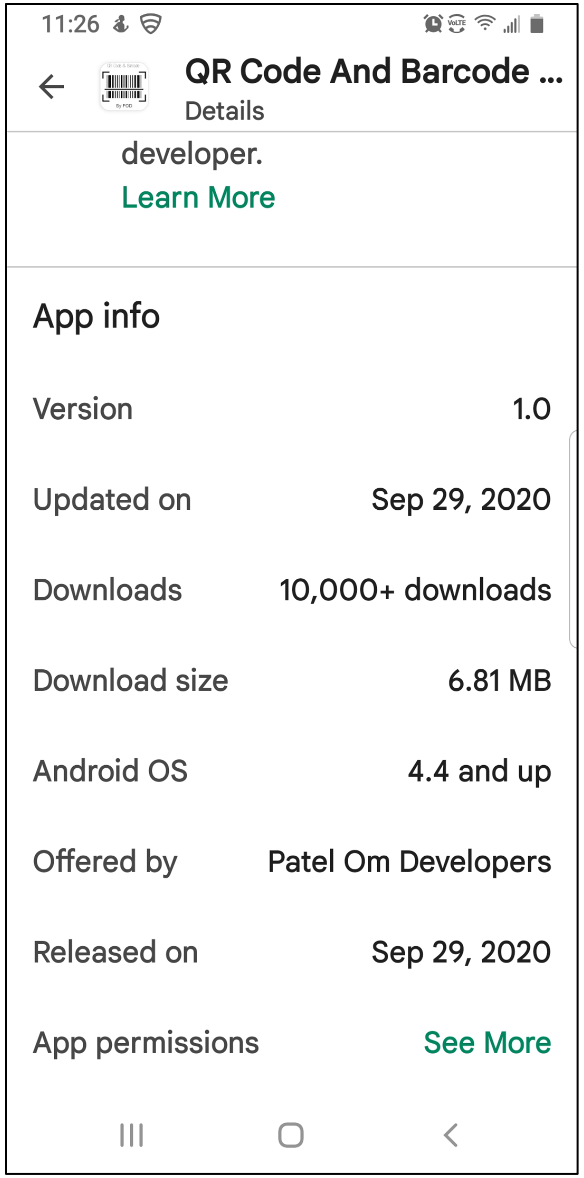
About this app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Details
developer.
Learn More
App info
Version 1.0
Updated on Sep 29, 2020
Downloads 10,000+ downloads
Download size 6.81 MB
Android OS 4.4 and up
Offered by Patel Om Developers
Released on Sep 29, 2020
App permissions See More

Preventive Measures Minimize Risk

Consumers must begin to protect their own data—

No one is coming to rescue you!

Chat with others

Email, text, message share your cyber hygiene knowledge with others

Chat with others

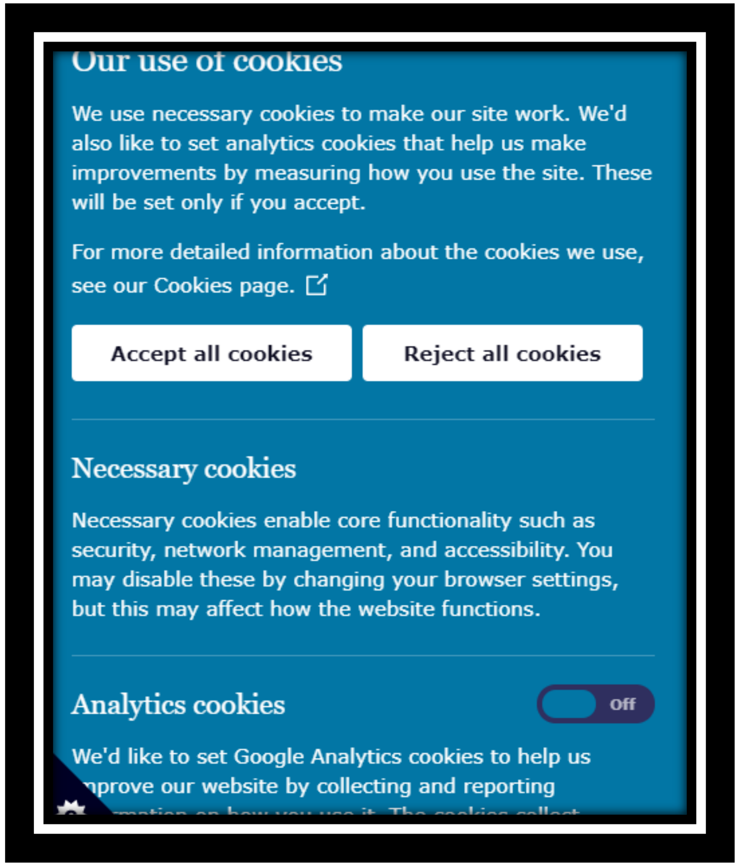
Ensure family, friends or colleagues are all informed

Personal account –Hardware & Software

- Security measures
- Firewalls
- Virus protection
- Password protect router and wireless connections
  - Each router has own ID and password assigned
  - WiFi connection safety

Personal account –Hardware & Software

- Discuss wireless and hardwire connection
  - Understand public Wi-Fi vulnerability
  - Talk to family members
- Browse incognito
- VPN-Virtual private network
  - Phone carrier offers VPN
- Managing cookies
  - Deleting cookies
  - Look for opportunity to reject cookies



Computer Offense & Defense

- Review access decisions
- Consider multi-factor authentication
- Clean cache routinely
  - Including history
- Review what data is stored on you by browsers and update restrictions
- Schedule computer maintenance time
- Create a folder with financial information websites
  - Keep list of companies that store biometric data
  - Delete one-time accounts with financial information
- Use 1 credit card for shopping
- Utilize encryption

Password Offense & Defense

- Schedule time to change passwords
- Create a password alphabet
- Review all current passwords
  - Business
  - Personal
  - Search engines, ie Google, Yahoo, Bing

2020

You Don't Say:

An FTC Workshop on Voice Cloning Technologies

Voice Cloning

- Are you next?

IF we don’t properly identify what to protect… How do we know when we’ve breached our duty to protect it?

The gray definition of data in general creates additional exposure as the rules are always moving!

The END of Privacy

On the end of privacy as we know it…

"The end of privacy as we know it is closer than you may think. Privacy definitions are very different between nation states and cultures, however, one thing that is common is that privacy is becoming less and less of an option for most citizens. In public, almost everyone is being watched and monitored 24/7…

Joseph Carson, Chief Security Scientist at Thycotic

The END of Privacy

…with thousands of cameras using your expressions, fashion, walk, directions, interactions, and speech to determine what you need, what you might be thinking, who you are going to meet, who is nearby, and even algorithms that determine what your next action might be"

Joseph Carson, Chief Security Scientist at Thycotic

MANAGING EXPOSURE & RISK

High Value Prospects and Clients

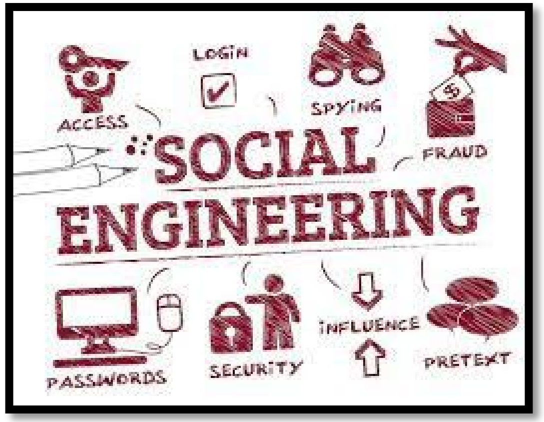
Identity Fraud
Product Coverage

The new Cyber Identity Theft Basics

- Identity theft
- Social engineering
- Extortion
- Cyber bullying
- System analysis and repair

Personal lines compromise options

- Social engineering compromise
- A financial loss due to a thief deceiving you into willingly giving of your funds
  - My local Bassett/Beagle rescue asks for funding, but it is a social engineering attack
  - I release funds



Personal lines compromise options

- Extortion expense
  - Threaten to introduce malware/virus
  - Hold computer or data hostage
  - Threat to release PII
  - Damage your reputation

Sound familiar?

Personal lines compromise options

- Cyber bullying
  - Verified bullying events
  - Specific time frame
  - Specific number of communications

Personal lines compromise options

- Cyber bullying
  - Counseling services for depression, anxiety
  - Temporary relocation expenses
  - Private tutor-temporary
  - New school enrollment fees
    - Time specific

Personal lines compromise options

- Systems issues
  - Restore hard and software
- Forensic assistance
  - Determine incident origination
- Restore your reputation
  - Internet search and clean up

Fraud Schemes or Scam Exclusions

- Negligence on the consumer's part
  - Failure to exercise reasonable care with respect to the disclosure of or providing access to your accounts etc.
- Voluntary disclosure or authorization
  - Your voluntary initiation or authorization of funds transferred to a third-party eve if induced by a dishonest act etc.
- Cyber attack loss
  - Losses from external attacks including loss of data, or a device, payments made in response to an extortion threat etc.

CYBERSECURITY & INFRASTRUCTURE SECURITY AGENCY

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COVID Questions

Report Cyber Issue

CYBERSECURITY | INFRASTRUCTURE SECURITY | EMERGENCY COMMUNICATIONS | NATIONAL RISK MANAGEMENT | ABOUT CISA | MEDIA

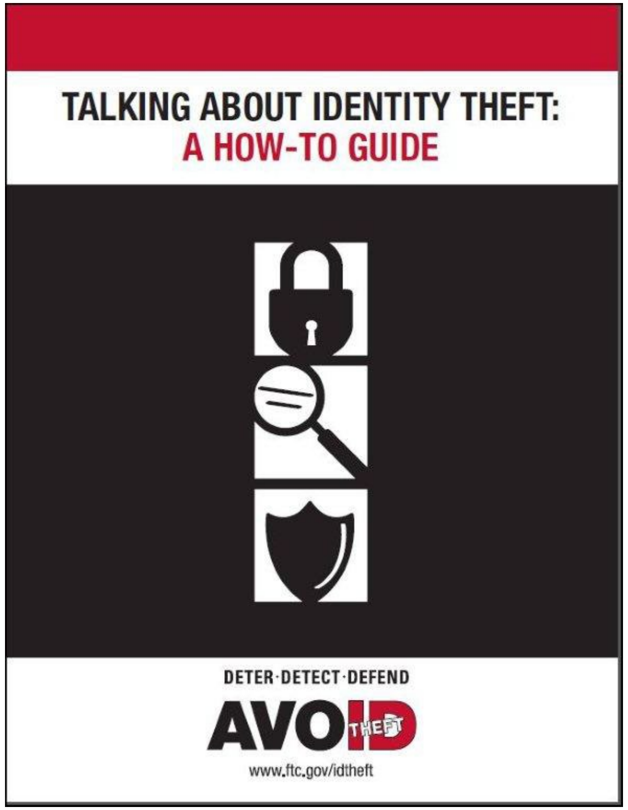
Cybersecurity > STOP. THINK. CONNECT.™ > Cybersecurity Awareness Month

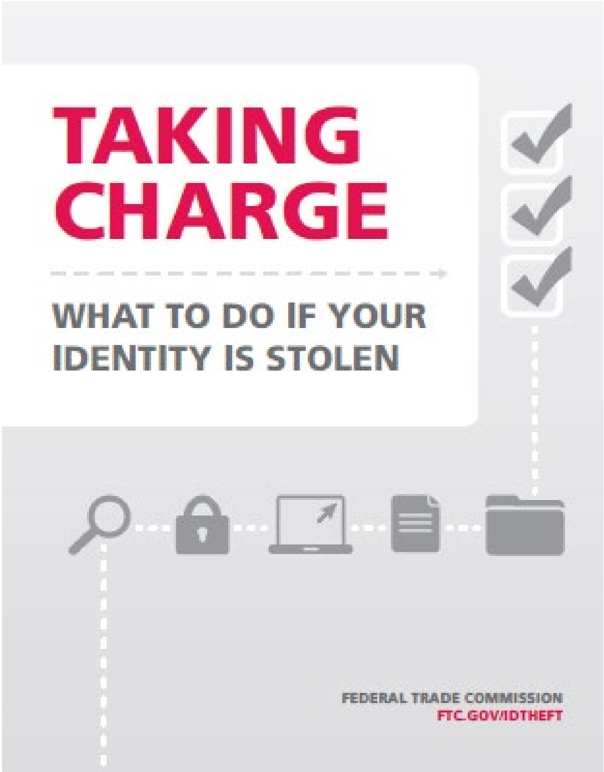
STOP. THINK. CONNECT.™

- About the Campaign
- Join the Campaign
- Cybersecurity Awareness Month
- Cybersecurity Awareness Month Resources
- Cybersecurity Awareness Month Sample Social Media Posts and Graphics

CYBERSECURITY AWARENESS MONTH

Privacy and Identity Protection Division





Common Sense Steps

Medical Information Bureau—mib.com

Opt Out—optoutprescreen.com

What you can do for yourself…

- 90 Day Fraud Alerts
- Credit Freezing
- Review credit report annually
- Choose a monitoring service partner
  - Premiere
  - DIY

Common Sense Steps

- Order your free credit report from: annualcreditreport.com
  - Go to ftc.gov and then search for free credit report link

- Write for and/or call in for your children's reports

Thank you for listening, learning and chatting with me!

"Peace of Mind Comes With a Plan"

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