

## CLIENT ALERT

### The Virginia Coronavirus Fraud Task Force

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Virginia law enforcement agencies have created a new task force to address the increased threats of fraud associated with the COVID-19 outbreak. Specifically, the Virginia Coronavirus Fraud Task Force is a joint federal and state initiative that will be led by Assistant U.S. Attorney Kaitlin G. Cooke in the Eastern District of Virginia, Assistant U.S. Attorney Michael Baudinet in the Western District, and fraud investigators from the FBI and Virginia State Police. The mission of the task force is to identify, investigate, and prosecute fraud related to the ongoing coronavirus pandemic in Virginia.

According to the U.S. Department of Justice, the task force will review and investigate all credible leads of fraud, regardless of amount of loss from those activities. The task force will focus on schemes that are designed to exploit vulnerable populations, including the elderly. Federal prosecutors from the Eastern and Western Districts of Virginia will meet and confer with their agency counterparts from the FBI and the Virginia State Police on a regular basis to prioritize cases and surge resources where needed. In addition, the task force will pay close attention to reports of cybercrime, according to FBI Richmond Office Special Agent in Charge, David W. Archery.

Task force officials have identified potential scenarios in which coronavirus and COVID-19 fraud attempts could occur, including:

- Treatment scams with people offering to sell fake cures, vaccines and advice on unproven treatments.
- Supply scams with fake shops, websites and accounts claiming to sell medical supplies that are in high demand.
- Provider scams with people reaching out who claim to be doctors or hospital representatives that say a friend or relative of the victim has been treated for COVID-19 and now payment must be made.
- Charity scams soliciting donations for people, groups or areas impacted by the virus.
- Phishing scams posing as national or global health authorities (including the WHO and the CDC) that are trying to get people to download malware or collect financial information.
- App scams with people creating apps that are reportedly designed to track the spread of the virus but instead puts malware on the person's device.
- Investment scams with people claiming that products or companies can cure the virus and their stock will increase in value with specific "target prices" or low-priced stocks.
- Price gouging scams where people and businesses try to sell essential goods for significantly higher prices than in a non-emergency setting.

This is the first of what will likely be many task forces addressing COVID-related crimes in the coming years. As audits and investigations are common after national disasters, it will be important for contractors to maintain detailed contract files and records during this national disaster to enable them to defend against any future inquiries.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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