Through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress has provided more than $12 billion to the U.S. Department of Housing and Urban Development (HUD) to assist homeowners, renters, landlords, and communities impacted by the pandemic caused by the coronavirus disease of 2019 (COVID-19). As with most major disasters, unscrupulous individuals and companies will likely find a way to take advantage of the resources and aid the Federal Government designates in response to and for recovery from this health emergency. The availability of such large amounts of funding will attract dishonest people, who are determined to steal government funds designated to help individuals and communities for their own personal gain. This bulletin was created for HUD’s partners who assist in administering its programs. HUD’s Office of Inspector General (OIG) has discovered unscrupulous actors using misleading product information to entice business owners and government agencies to purchase defective or ineffective equipment or products that are purported to protect people from COVID-19.

What is Misleading Product Information?

Products like cleaners, disinfectants, masks, etc. are particularly susceptible to fraud as these items are in high demand due to the ongoing COVID-19 pandemic. Program administrators may be seeing products with labeling or advertising that contains false or deceptive information designed to entice you to purchase their product over another. This includes claims of product capability, features, or benefits that it does not have. Advertising may hide or leave out important information necessary to make an informed decision. In some cases, products could cause harm buyers and selling them is often prohibited by state and federal consumer protection laws.

What You Might Encounter

- False representations of product use, capability, features, or benefits which are misleading or outright false
- False representations of state or federal government endorsement or use. May include claims of joint governmental development, production, or distribution
- Products that fail to comply with safety rules and regulations and pose a substantial risk of injury to the user
- Fraudulent testimonials that are difficult to prove because they are based on the experience of one individual and not verified by scientific evidence
- False representations of Immunity Boosting or Antiviral effects such as:
  - corona viral immune support
  - proven antiviral that could help fight COVID-19
  - antiviral agent for coronavirus
  - studies show antiviral activity against coronavirus
  - Organic or natural cures with no evidence

If you think you may be a victim of a fraud scheme, report it to the HUD Office of Inspector General by calling the HUD OIG Hotline at 1-800-347-3735 or visiting www.hudoig.gov/hotline.
COVID-19 FRAUD BULLETIN

- unsupported statistics that claim they kill 98% or more of COVID causing bacteria, protects surfaces for 90 days, or 100% proven effectiveness
- the cost is significantly higher (price gouging) or lower than similar products
- spelling errors. FDA approved drugs go through a review and editing process to ensure they are accurately described. Fraudulent products may contain spelling errors
- misleading illustrations or photographs
- falsely claiming the product contains certain ingredients or claiming it contains higher or lower quantity of specific ingredients

Government Resources Are Available for Use Prior to Product Purchase

Environmental Protection Agency (EPA) Bulletin
U.S. Food and Drug Administration Bulletin
Health and Human Services OIG Bulletin
Federal Trade Commission Bulletin

Don’t be taken to the cleaners when buying your specialized cleaning products! Understand and be on the lookout for misleading, fake or over-priced products and remember to follow your procurement requirements.

HUD officials and participants are urged to be on the lookout for any of these and any other fraud schemes by contacting the HUD OIG Hotline at 1-800-347-3735 or visiting https://www.hudoig.gov/hotline.