

States and Feds Cracking Down on Corona Virus Scams - How To Protect Yourself

March 9, 2020 - As the COVID-19 virus has begun the spread across the United States, scam artists have started targeting consumers. While that may be detestable, it really isn't surprising and it has led both state and federal law enforcement agencies to begin a crack down on everything from price gouging to miracle cures. Here is what you need to know to protect yourself.

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Shortly after California declared a statewide emergency due to the spread of Corona Virus, the state also made it clear that it would pursue charges against merchants engaged in price gouging. The initial targets in their probe appeared to be directed at merchants engaged in huge price mark-ups on items like hand sanitizer, cleaning supplies and toilet paper. If all of the hype about the virus continues, it is conceivable that we could eventually see state enforcement extend to many other items too, including foods with long shelf life such as dried pasta and canned foods.

After the move by California, other states announced similar policies. And now the federal government has jumped on the bank wagon. The Department of Justice announced that it too would target those engaged in price gouging. That's very good news because while states have a right to enforce price gouging laws on merchants located within their borders, it isn't at all clear that they can enforce such laws for online merchants located elsewhere.

But price gouging isn't the only way that consumers are being targeted and the DOJ isn't the only federal agency tasked with enforcement. Miracle preventions and cures are also getting some well-deserved attention. After all, when there is a public health crisis, the snake-oil salesmen are sure to follow.

Today, the FTC and FDA announced enforcement actions against seven companies. Specifically, they sent warning letters to them ordering that they halt the sales of certain products that can supposedly prevent you from getting COVID-19 or claim that they can cure you after you have it. They also sent a letter to a company in Boise, ID called Herbal Amy. The company sells CBD based products. The letter urged the company to halt advertising of certain products that they said were effective in the treatment of the virus. Because their products are all natural, the FDA doesn't have the power to regulate them but they can have an impact on the way they are advertised.

We expect to see more scams as the virus progresses. But you can protect yourself if you have a little information.

There is no cure for COVID-19 and there are no inoculations to prevent it at present. It is likely to be a year or more before a vaccine is available. The EPA has just released a list of sanitizers that are effective against COVID-19. You can find it here: https://www.epa.gov/sites/production/files/2020-03/documents/sars-cov-2-list_03-03-2020.pdf. If you are seeing advertisements for other items that can supposedly kill the virus, check the ingredients to see if they are the same as the products named on the list. If they aren't, you may want to move on to something else.

For anyone anxious to get a head start on trying a vaccine, there are currently 51 clinical trials that have been announced, 27 of which are recruiting patients. But the vast majority of those trials are in China. There are only three that are recruiting patients in the United States and they are located in Maryland, Washington State, Nebraska and Texas. More are likely to be announced in the coming weeks. Anyone interested in participating can look them up at <http://www.clinicaltrials.gov> and then search on Corona Virus. It is important to note that most clinical trials pay participants and in most cases, patients either need to seek out the trial themselves or be referred in by a doctor. We anticipate that there will be some scams that approach consumers by phone or mail and which may ask them to pay to participate in vaccine trials for COVID-19. **DO NOT FALL FOR THIS**. There is no guarantee that a clinical trial will work and there is a very real possibility that you will receive a placebo rather than an active drug. Additionally, there may be other risks to your health in a trial. Anyone considering this path should consult with their doctor first.

When it comes to price gouging, you can protect yourself by keeping copies of any receipts you receive and referring merchants to the State Attorney General's Office, the Department of Justice, the Federal Trade Commission and/or the Food and Drug Administration. Each of these agencies play a roll in enforcement. There are also a number of cities and counties that have declared emergencies and law enforcement agencies in these jurisdictions may be able to assist you.

The bottom line here is that the scam artists are out in force and that we expect to see a lot more of them before the virus is actually contained. Being aware of this could prevent you from becoming a victim of fraud.

by Jim Malmberg

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