



Fraud Bulletin

U.S. Department of Housing and Urban Development
Office of Inspector General

December 2018

Fraud Alert: Fake Procurements

The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), and the Office of the Chief Procurement Officer learned that non-HUD vendors are being victimized by an apparent Nigerian fraud ring to get them to respond to fake purchase requests. This fraud ring poses as HUD contracting employees and sends purchase requests, mostly for laptops, hard drives, and cell phones. These requests indicate urgency and demand shipment before payment is sent. After a vendor ships the equipment, the fraud ring sends someone to take delivery and resells the merchandise. When the vendor bills HUD, they find that they have been swindled.

We have discovered that this scheme is also being used against vendors at other Federal agencies and State and local governments. Another scheme, seen at these other agencies, includes phishing attacks in which scammers call or email, trying to get personal and business data to commit identity theft.

Red Flags of Fraud

Below is an example of an email sent to vendors that highlights the red flags that provide clues that this is not a valid request.

Subject: HUD RFQOA4AAC0078
Date: Tue, 31 Jul 2018 11:56:46 -0700
From: [redacted]@hud.gov
Reply-To: [redacted]@hudgov.us

Dear Offeror,

U.S. Department of Housing and Urban Development (HUD) Require urgent attention of this items and the best price with the formal quote. Enclosed you will find a Request for Quotation (RFQ) QOA4AAC0078. Your Urgent response is required

Warm Regards,
[redacted]
Chief Procurement Officer
U.S. Department of Housing and Urban Development

Not a valid U.S. Government email extension

Incorrect grammar and change in font from a cut and paste procedure

Unusual closing for a business document

Purchase orders never come directly from the Chief Procurement Officer.

Another key red flag noted that scammers used the same incorrect telephone number on all the orders: "202-754-8477". Although they may use different phone numbers, this particular one should raise immediate concern. The schemes seem to be targeted specifically at veteran, minority, and women-owned vendors. Further, note that all email correspondence from a bona fide HUD employee will have an email address that ends

in @hud.gov. Email addresses can be spoofed, like phone numbers, so first make sure that any email address you click on to reply is correct. For example, an incoming email may look like it is coming from joe.j.johnson@hud.gov, but when you reply to it, it shows joe.j.johnson@hud.gov.

Protect Yourself

- **Do not** respond to any solicitation containing the red flags above or that have other questionable content without first verifying the request with the agency. If you have any questions about the veracity of a solicitation from HUD, you may contact someone from the Office of the Chief Procurement Officer at the following website to authenticate the action: https://www.hud.gov/program_offices/cpo/about/OCPO_Contacts#cpo
- **Do not** provide any personal or business information to unknown individuals, including your
 - Social Security number,
 - credit card information, or
 - bank account information.
- **Do not** click on any links or call phone numbers included in the email.
- **Do** ensure that all of your technology devices, including computers, laptops, and mobile devices, have the most recent security updates installed.
- **Do** verify directly with the requesting agencies to ensure that unsolicited purchase orders are valid, especially if they are marked urgent or are from an agency you have not dealt with before.
- **Do** reconcile your monthly bank statements and monitor your credit statements to verify transactions. If your business identity was stolen, scammers may be accessing your bank or credit accounts.
- **Do** file a report on [OIG's website \(https://www.hudoig.gov/report-fraud\)](https://www.hudoig.gov/report-fraud) or call the HUD OIG hotline at **1-800-347-3735 (toll free)**.