



OIG Fraud Bulletin

January 15, 2025

LA WILDFIRES: FRAUD RISK AWARENESS FOR AFFECTED RESIDENTS

The devastating and tragic wildfires in Los Angeles, like many disasters, have caused hardship conditions that leave individuals, businesses, and communities vulnerable to bad actors who take advantage of those impacted by these emergencies.

These bad actors often disguise themselves as do-gooders seeking to help those in need. They often use sophisticated techniques and official sounding terminology following a disaster to steal the money of unsuspecting property owners and lie to gain their trust.

Residents of LA should beware of the following common fraud schemes:

- **A fraudster approaches a homeowner facing financial difficulties following a disaster and offers to “work with the bank” on the homeowner’s behalf, to help them avoid foreclosure or reduce mortgage payments, by promising a “loan modification” or “mortgage modification.”**
 - While a loan modification or forbearance may be appropriate, homeowners should exercise caution if approached by someone offering these services who is not their verified lender or FHA Servicer. More information on this scam is [available here](#).
- **Fraudsters may claim they work for legitimate repair companies or housing inspectors and ask for up-front payment for home repairs or inspections and do little or no work.** More information on how to protect yourself from this scam is [available here](#).
- **Fraudsters may claim to work for legitimate charities or government relief programs.** While helpful assistance is often available from legitimate charities or government programs following natural disasters to provide emergency relief to communities, be skeptical of anyone asking for an **up-front fee** to apply for, or obtain assistance from a HUD, local government, or charity relief program. Likewise, if you are donating money to emergency relief organizations, research the legitimacy of the charity before donating to avoid wasting your money.
- **“Get rich quick” income schemes where fraudsters enlist victims of disasters to “earn” money by signing up for various disaster programs.** The fraudster may work to exploit your status as a disaster victim to falsify genuine government disaster applications or misuse funds that should rightfully be yours, and yours alone.

Report fraud schemes involving HUD-funded programs and benefits by contacting the HUD OIG

Hotline at 1-800-347-3735 or <https://www.hudoig.gov/hotline>.

Report fraud schemes following a disaster to the U.S. Department of Justice Disaster Fraud Hotline

(1-866-720-5721) or <https://www.justice.gov/disaster-fraud>.

