

## Small Business Administration (SBA) Fraud Alert

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The Coronavirus Aid, Relief and Economic Security Act (CARES Act), was created to provide fast and direct economic assistance to individuals, families and small businesses in response to the economic impact of COVID-19. Unfortunately, there is a potential for fraud and abuse. The Small Business Administration, Office of Inspector General, has identified a rise in SBA Fraud scams. Fraudsters are targeting small business owners in an attempt to steal their personal and financial information, or trick them into sending money. Be on the lookout for grant fraud, loan fraud and phishing.

### Fraud Prevention Tips:

- Visit official government websites for information and never trust text messages, emails, or phone calls promising financial relief for a payment up front.
- SBA does not initiate contact on either 7a or Disaster loans or grants. If you are proactively contacted, do not disclose personal or financial information.
- The SBA limits the fees a broker can charge a borrower to 3% for loans \$50,000 or less and 2% for loans \$50,000 to \$1,000,000 with an additional ¼% on amounts over \$1,000,000. Any attempt to charge more is inappropriate.
- Look out for phishing attacks utilizing the SBA logo or with a COVID-19 related subject line. Avoid clicking on links in unsolicited emails and be wary of email attachments. These may be fraudsters attempting to obtain access to your personal information or banking credentials, or install ransomware/malware on your computer.
- If you are in the process of applying for an SBA loan and receive email correspondence, verify its authenticity. Emails from the SBA will come from sba.gov. In addition, also confirm that the referenced application number is consistent with the actual application number.
- Do not withdraw or transfer funds per instructions from an unknown party.
- If you receive proceeds for an SBA loan that you did not apply for, immediately contact the SBA and your financial institution.
- If you think you are a victim of a scam or attempted fraud involving SBA loans and COVID-19, contact the SBA OIG hotline at (800)767-0385, or online at <https://sbax.sba.gov/oigess/>.