**NAPSA Scam Advice Forum April 2025**

Topic: The current legal remedies available for victims of payment fraud in the U.S

Guest: Carla Sanchez-Adams is a senior attorney at the National Consumer Law Center (NCLC) focusing on emerging issues in banking and payment systems, fintech, and high-cost lending. Carla is board certified by the Texas Board of Legal Specialization in Consumer and Commercial Law, is a board member for the National Association of Consumer Advocates (NACA), and a Fellow of the American Bar Foundation.

**Co-Hosts:** Steve Baker and Debbie Deem

Sign up for Steve’s weekly ‘www.Bakerfraudreport.com’ for news/trends/ arrests/prosecutions worldwide on transnational organized crime frauds/scams.

**National Elder Fraud Hotline (U.S. DOJ)** 1-833-372-8311

National federal hotline for adults 60 and over to report fraud and providing support and resources/safety tips. Help with filing IC3 and FTC reports. Language line. https://ovc.ojp.gov/program/stop-elder-fraud/providing-help-restoring-hope

**Report Fraud to Local Police/Adult Protective Services (APS) as Well as One or More of These Federal Govt. Databases/Agencies**

* www.ic3.gov FBI Internet Crime Complaint Center
* www.reportfraud.ftc.gov Federal Trade Commission
* www.identitytheft.gov Report Identity Theft to the FTC
* https://www.uspis.gov/report U.S Postal Inspection Service (USPIS)

Or report 1-877-876-2455

* If Crypto Investment Confidence Fraud/Crypto-Romance Investment - contact your local U.S. Secret Service office, in addition filing a complaint with CryptoFraud@SecretService.gov.

**FBI Guidance for Crypto-Currency Fraud Victims in Completing an IC3 report** https://www.ic3.gov/Media/Y2023/PSA230824

**To find a consumer law attorney** who specializes in various consumer rights/fraud victimization contact the National Association of Consumer Advocates (NACA) at https://www.consumeradvocates.org/findanattorney/

**National Consumer Law Center:** NCLC uses its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S.<https://www.nclc.org/>

* **Payments and Payment Fraud** Consumers use a variety of methods to make payments and send money, including person-to-person payment apps, remittances, gift cards, and newer forms of faster payments. Scammers exploit weaknesses in payment systems and bank payment protections to steal money. NCLC works to ensure that payments are safe, fees are clearly disclosed, and consumers have protection against fraud.
* <https://www.nclc.org/topic/payments-and-payment-fraud/>
* Carla Sanchez- Adams Testimony to the US Senate Committee on Banking, Housing and Urban Affairs.
* Testimony on frauds in the banking system <https://www.nclc.org/resources/written-testimony-for-senate-committee-on-banking-housing-and-urban-affairs-hearing-on-examining-scams-and-fraud-in-the-banking-system-and-their-impact-on-consumers/>
* The Problem of Payment Fraud <https://www.nclc.org/wp-content/uploads/2024/02/Written-testimony-The-Problem-of-Payment-Fraud.pdf>
* Helping Consumers Harmed by Payment Fraud (2025) <https://library.nclc.org/article/helping-consumers-harmed-payment-fraud?s=payment%2C%20consumer%2C%20fraud%2C%20consumers%2C%20harmed>

**Proposed Federal Legislation**

* https://www.nclc.org/federal-legislation-aims-to-protect-consumers-from-payment-fraud/
* <https://democrats-financialservices.house.gov/uploadedfiles/08.02.2024_paymnt_scms_bill1pgr.pdf>
* <https://www.blumenthal.senate.gov/newsroom/press/release/the-senate-permanent-subcommittee-on-investigations-releases-new-staff-report-on-zelle-bank-failures-to-protect-consumers>

**ChatGPT Definitions:**

**Payment fraud** is any type of false or illegal transaction carried out by a cybercriminal. It typically involves someone stealing payment information (like credit card numbers, bank account details, or login credentials) to make unauthorized purchases or transfers.

### **Common Types of Payment Fraud:**

1. **Credit Card Fraud**
	* Using stolen credit card numbers to make purchases.
	* Often happens after data breaches or phishing attacks.
2. **Chargeback Fraud (Friendly Fraud)**
	* A customer makes a legitimate purchase, then disputes the charge to get a refund and keep the product.
3. **Account Takeover**
	* A fraudster gains access to someone’s account and uses it to make unauthorized payments.
4. **Phishing & Social Engineering**
	* Scammers trick users into giving up sensitive payment information via fake emails, websites, or calls.
5. **Fake Invoices or Vendor Fraud**
	* Businesses are tricked into paying invoices from fraudsters posing as real vendors.
6. **Payment Diversion Fraud (Business Email Compromise)**
	* Criminals hack or spoof a business email and redirect payments to their own account.

**Push payment fraud**, also known as **Authorized Push Payment (APP) fraud**, happens when a victim is tricked into voluntarily sending money to a fraudster — usually under false pretenses. Unlike traditional fraud, where someone hacks your account or steals your card, you’re the one making the payment — but you’ve been deceived.

**How Push Payment Fraud Works**

A scammer convinces the victim to transfer money by pretending to be:

* A **bank representative** ("Your account is compromised, transfer your funds to a safe account.")
* A **romantic partner** ("I need money for an emergency, can you help?")
* A **legitimate business or supplier** ("We’ve updated our bank details, please send the invoice payment here.")
* A **law enforcement officer** or **government official** ("There’s a fine you must pay now to avoid legal trouble.")
* Someone posing as a **crypto investment advisor** urging you to invest in a crypto account.

**Common Types of Push Payment Fraud**

1. **Impersonation Scams**
	* Fraudsters pose as banks, the police, or tax agencies.
2. **Romance Scams**
	* Scammers build online relationships and then request money.
3. **Investment Scams**
	* Victims are persuaded to send money to fake investment opportunities.
4. **Invoice/Business Email Compromise (BEC)**
	* Companies are tricked into sending payments to fraudsters instead of the real vendor.

**Federal Trade Commission (FTC.gov)**

* Will Your Bank or Investment Fund Stop a Transfer to a Scammer- Probably Not.<https://consumer.ftc.gov/consumer-alerts/2024/03/will-your-bank-or-investment-fund-stop-transfer-scammer-probably-not>

**Federal Reserve Articles of Interest**

* **Fraud Classifier:** https://fedpaymentsimprovement.org/strategic-initiatives/payments-security/fraudclassifier-model/
* https://www.kansascityfed.org/research/payments-system-research-briefings/combating-authorized-push-payment-scams-in-fast-payment-systems/
* https://www.atlantafed.org/blogs/take-on-payments/2024/09/23/addressing-authorized-push-payment-fraud-in-us

**What Is Authorized Push Payment (APP) Fraud? Understanding Crypto- Related Scams and Prevention (Chainalysis)**

* <https://www.chainalysis.com/blog/preventing-authorized-push-payment-fraud-in> crypto/

**Free National Online Fraud Support Programs (for all ages)**

* **AARP Fraud Support Group** Support for those victimized and family members of these frauds: To register (you don’t have to be AARP member, no age restriction).
	+ <https://www.aarp.org/money/scams-fraud/fraud-victim-support-group/?cmp=RDRCT-CSN-FRD-NEW-SUPPORT_GROUP_PAGE>

* **Cybercrime Support Network** Free romance imposter fraud 10-week online peer support program.
	+ https://fightcybercrime.org/programs/romance-scam-recovery-group/
* **GiveAnHour**  Weekly free support programs for those victimized and bimonthly support meeting for family members.
	+ https://giveanhour.org/financial-fraud/
* **Cathy Wilson, Therapist** https://www.scamsurvivorhealing.com/
	+ - Includes free YouTube video series for those victimized, and resources/videos for family members, mental health professionals, law enforcement, etc. <https://www.scamsurvivorhealing.com>
		- https://www.youtube.com/@fraudpsychology/videos

[**https://fedpaymentsimprovement.org/strategic-initiatives/payments-security/fraudclassifier-model/**](https://fedpaymentsimprovement.org/strategic-initiatives/payments-security/fraudclassifier-model/)

