

Episode 3: Scams in the time of COVID

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Blake Moore:

My name is Blake Moore. Natural Resources and Horticulture agent.

Dan Severson:

Hey, I'm Dan Severson. AG agent.

Jake Jones:

Jake Jones. Kent County, AG agent.

Katie Young:

I'm Katie Young. Digital Content Specialist.

Blake Moore:

Welcome to Extension 302.

Dan Severson:

Well, good day guys. Welcome to Extension 302. Today we have our special guest, State Auditor, Kathleen McGuinness. She is a State Auditor since 2018. She is Delaware grown and a Cape Henlopen high school graduate. She was the first female auditor of accounts in the State of Delaware. She's a Certified Fraud Examiner. She was also a local business auditor. I am not sure if she still owns businesses or not. But they were down in Rehoboth and she was also a Rehoboth Beach Commissioner. Auditor Kathleen McGuinness, how are you today?

Kathleen McGuinness:

Good. How are you?

Dan Severson:

I am good. We're going to start this all off. The question of the week is for you. Since you're down around the beach, Auditor McGuinness, what's your favorite beach food?

Kathleen McGuinness:

French fries.

Blake Moore:

Can't go wrong down there. That's a lot to choose from.

Dan Severson:

You are [inaudible 00:01:28]

Blake Moore:

All right. What is the auditor's office and what is the role of the State auditor?

Kathleen McGuiness:

Well, I'm glad you asked that. I've had folks call me looking for their tax return. I'd say nine out of 10, people that are even aware we have a State auditor and an office, don't know what we do. We are kind of dubbed to be fiscal watchdog. This is an elected office for four years. We want to make sure that your tax dollars are spent the way they were intended. We do agreed upon procedures. We're known for our investigations. We've had a hotline for over 20 years. We do all, and special reports.

Blake Moore:

Thank you. I didn't know. Again, as you've mentioned earlier, most folks don't know about the role of the auditor's office and this has been very informative for myself and I'm sure the listeners as well. We appreciate what you guys are doing.

Dan Severson:

Can you give us the definition of a scam or fraud?

Kathleen McGuiness:

Sure. Fraud is something that's intentional or deliberate. It's an act to deprive someone else of money or their property. You can have internal fraud inside of an agency or an entity, like from an employee or a manager or someone else. You can have external fraud, and there're all kinds of broad schemes, tax schemes. There's so many examples I can give and talk about and we recently just had a town hall focusing on fraud where we partnered with the Better Business Bureau and the Department of Justice because all of us, whether you're a government, private or nonprofit industry. We all probably have experienced some amount of fraud, waste or abuse in our lives.

Dan Severson:

Auditor McGuiness, what types of scams and frauds are my most prevalent right now doing in these uncertain times?

Kathleen McGuiness:

Well-

Dan Severson:

Are we seeing anything that's really open?

Kathleen McGuiness:

Yeah. I'm sure you know during any pandemic or crisis, we are known to have a higher or larger uptake of fraud, waste and abuse. Right now we have the coronavirus. With that being said, there're all kinds of scams going on, testing kit scams or there's price gouging, stimulus check scams, all types of things that are happening right now.

Kathleen McGuinness:

It's usually involving this current crisis with coronavirus, but a lot of people like to prey on the vulnerable and the weak. As you know, a lot of us are listening to the news all the time because we want to know what's going on. We want to know what modifications are happening. We want to learn more about how to keep our family and ourselves and our friends safe, or how to be safe when we're doing something as simple as going to the grocery store. People are always looking for ways of how to prey on the weak.

Blake Moore:

Thank you. Would you say that most of these folks that are engaging in this type of thing, is it usually external from the State or is it internal or is it really just all over the place? You can't really pin down exactly where all of these are going to end up coming from?

Kathleen McGuinness:

Yeah. I think it's all over the place. I don't know if anybody's ever measured or done a study of internal versus external fraud.

Blake Moore:

What are some tips that you can give to Delaware citizens on how to avoid some of the fraud and scams that they may run across?

Kathleen McGuinness:

Well, I mean, when you get something in the mail that says, "It's no different than, it's just more of a focus on coronavirus right now, get free money or sign up here or give us your personal information and we can get you, we want your social security number or your credit card." All of those things, if it doesn't feel right, it probably isn't, avoid the robocalls.

Kathleen McGuinness:

Your websites, clicking on links. There's so many things right now that we might think are appropriate or news or helpful or scientific in relation to COVID. But it actually is not, they're scams. Believe me there's enough people that on them. I think they said 7% of people will click on anything, click on anything on a computer. We're all [crosstalk 00:06:04] in this technological world, especially with so many of us using VPN and working remotely, our office has not shut down. We haven't skipped a bit and we were fortunate enough to already have the VPN access. But I will tell you there're all kinds of scams, frauds going on now and we all have to be very aware of what's going on to avoid these scams.

Blake Moore:

You touched on avoiding scams. Is there anything Delaware citizens can do to protect themselves from scams and frauds and maybe prevent them in the first place?

Kathleen McGuinness:

There's frauds and scams everywhere. The best way I would say to protect yourself would be awareness, education, reading, staying up to date with the latest scams that are out there. I mean, we put out brochures, we have things on our website, the way we deliver our message now is very different. Some folks are interested and will read certain articles, some will not. We do a one page hot sheet of what the

engagement is, why we did it, here's our findings, if any, and here's our recommendations, and then people can hyperlink to the article. You can learn a lot about what's going on in State Agencies, sometimes when you read our reports and go, "Wow, I never thought of that."

Dan Severson:

Oh, so you brought up, before I get to my questions, because I take notes as we do this. Can you give our listeners your website that they can go to, to get the hot sheet?

Kathleen McGuinness:

Absolutely. We can send you a blast through constant contact, so please sign up and we don't inundate you with a bunch of junk. It's auditor.delaware.gov. We also have developed, remember I talked earlier about great ideas from other States. We developed the first ever fraud app for the State of Delaware in my first year of office, which was last year, 2019. On any mobile device, if you type in fraud.delaware.gov, a little icon will pop up. You don't have to pay for it. You don't have to upgrade it. It's really easy, about five or six swipes across. You can anonymously as well, report fraud that way, if you'd like to do that. We have our fraud hotline. Any of those ways you can get to us, you can interact with us. I really encourage folks though, to go to auditor.delaware.gov and sign up and you will be able to keep up to date with the latest and the greatest.

Dan Severson:

I think that's great for our people in Delaware. You're anonymous and you have a tip line. How does this process work? You get a ring, and you get a tip, then how does it proceed?

Kathleen McGuinness:

Okay. We actually even get regular mail.

Dan Severson:

Oh.

Kathleen McGuinness:

Send us anonymous mail, believe it or not. Absolutely. You can go to our auditor.delaware.gov site. You can use the fraud app. You can also call 180055 fraud. All these we'll get logged into a certain folder that only certain people have access to. This is our fraud hotline group. We meet once a week, at least. We triage and we do our due diligence. Sometimes you look at certain items and we think, "Wow, we need to do a little more research." It can take a while for other people to get back to us, to get information we need. Sometimes that leads to an investigation or an audit. A lot of times it can get referred to another agency. We're used on many platforms to get people connected with the right department or agency to either get their question answered or ask a question, or find some remedy.

Dan Severson:

I think that leads into, I guess the main question I was going to ask until I got taking notes but, so where can one go to get help if they feel they've been involved in a scam or a fraud, you guys handle it, or even if you get the tip, like you said, you can refer them to the Department of Justice or whoever?

Kathleen McGuinness:

Absolutely. Many of us agencies refer back and forth and we have a nice collaboration and a partnership where they might say, "Hey, this belongs in your wheelhouse, we take it, we log it." Everything is logged. Everything has a description. Everything is accounted for. Again, this is a very big part of his office and it always has been far long before I got here, I just updated the process. I like to when possible, somebody does leave their name or email, even if they don't want to be a part of the conversation, we do like to acknowledge them. We're trying to hold ourselves accountable as well as other agencies when we referred out.

Blake Moore:

This is great. It's like your office is our conscience, it's keeping us all honest. That's fantastic.

Kathleen McGuiness:

Well, we try.

Blake Moore:

What are the consumers rights in regards to scams and frauds?

Kathleen McGuiness:

Well, I mean, it depends on what it is. We don't really get involved with consumer rights as far as fraud, waste and abuse. We just handle the incoming fraud, waste and abuse in the best manner that we can thoughtfully. Again, we do our due diligence and then we would actually get it to where it needs to go or handle it ourselves.

Dan Severson:

That basically go to like the Department of Justice or Better Business Bureau kind of thing?

Kathleen McGuiness:

It could.

Dan Severson:

Depending on the situation, I guess?

Kathleen McGuiness:

Yes. It depends.

Dan Severson:

That's a good extension answer. That's our favorite answer. It depends.

Kathleen McGuiness:

It depends. Well, I mean, it's different if someone calls in and says that their coworkers are stealing time and taking a three hour lunch break versus someone who says, "Hey, there's a million dollars of something over here you might want to look into. Again, it's the whole gamut, it's a large broad range and we hear and see everything.

Dan Severson:

All right. I guess I'm the one that's going to take us home. I have a couple more questions that are just kind of fun, something to deal with. First, I would like to say, thank you. I'm echoing what he said, as far as this has been very beneficial. I'm sorry. I tried to log into when you had your Facebook live with the BBB and Alan Ratko at the Department of Justice.

Kathleen McGuiness:

Yes.

Dan Severson:

It just was not working well that day, somehow internet. I'm in Sussex County. Something was going on, but that's how we got together to get this together, this idea. I thought it was a good thing to fit. One last question. First of all, so I want to know how true Delawarean you are. Do you go to the beach, the ocean or the shore?

Kathleen McGuiness:

Oh, come on. [crosstalk 00:13:08] I was born and raised.

Dan Severson:

Okay.

Kathleen McGuiness:

But I just have to know, I am Delaware to and true. I have relatives in every piece of this State. My dad was born in Wilmington and family. His generation was the first to actually go to College. My mom's parents, my grandmother sold eggs. My grandfather, we were in Millsboro, a chicken farm. It's not very exciting, but always service rotary now, [inaudible 00:13:50] back then. I've done it all, but very Delawarean, Eastern Sussex County. That's where I am right now, still. I mean, I'm in Dover today in the office. It's not a bad drive, but very Delawarean and I could eat chicken every day. How about that?

Dan Severson:

Well, yeah. You can't say chicken's not exciting when you're in Delaware. Chicken's very exciting in Delaware. Before we waste any more of your time, is there any final thoughts that you would like to be put out there for our listeners?

Kathleen McGuiness:

Oh, I'd like to thank you for actually taking interest in an office like this and showing the people that there is someone there who is having an office that's working very hard on behalf of the Delawareans and trying to have things be as efficient and effective. Trying to make great recommendations and even out of things that maybe aren't so positive in a report, finding positive things to move forward because we will all benefit.

Kathleen McGuiness:

We all want to make sure that there are funds there for the things that we care about, especially now, these are going to be bad times. We're going to have economic issues. We have small businesses that are trying to open and get back to work. I had two small businesses myself. I'm a pharmacist as well, so I

used to own and operate a pharmacy. These are very critical times. I think now more than ever, we want to make sure that these monies are getting to the businesses. That these monies are spent as intended and also that we are working as efficiently and effectively as we can for all Delawareans. I appreciate you all thinking that this is a worthy office to be on your show.

Dan Severson:

Well, thank you. We're just starting out, but we want to do the best we can for everybody that's out there. You guys, what else you got take us home?

Blake Moore:

Yeah. No, I say thank you again. I can appreciate a Sussex County, born and raised person. I'm from Bridgeville-

Kathleen McGuinness:

You guys have the best [inaudible 00:15:52]

Blake Moore:

That's right. I miss them. I moved up the street to Milford. My wife's from Dover. She tried to get me to go to Kent County and I got her just inside the Sussex County line, so I'm still Sussex County resident.

Kathleen McGuinness:

Good.

Dan Severson:

Cool. This has been great. One of our best interviews we've had in a long time.

Kathleen McGuinness:

Oh, thank you. Well, you guys have made it very welcoming, very professional too.

Blake Moore:

You don't have to lie to us.

Dan Severson:

That's right.

Kathleen McGuinness:

I don't lie.

Dan Severson:

That's because you can't see us.

Kathleen McGuinness:

[inaudible 00:16:27] Thank you very much. Listen, any time we're really excited. We've done some amazing things. We put ourselves on the map. I've gotten on some National Committees, just formed a

Task Force in regards to COVID with Maryland, Pennsylvania and New Jersey. We talk once a week, we're sharing ideas and moving forward of accountability with bonds and just some good stuff. I'm sure you all heard of Michael Borowitz, the Inspector General. He did some things pretty publicly recently. We're on one of his Task Force as well for the United States Oversight Committee, oversight.gov.

Dan Severson:

Good. You're representing Delaware?

Kathleen McGuiness:

Absolutely.

Dan Severson:

Well, I guess without further ado, enjoy the rest of your day, ma'am.

Kathleen McGuiness:

Okay. Thank you so much.

Blake Moore:

Thank you.

Dan Severson:

Yes, ma'am.

Katie Young:

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Katie Young:

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