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Situational Awareness Bulletin

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Warning: Health Department Restaurant Inspection Scam

SUMMARY

Restaurants in multiple states, including Michigan, are reporting phone calls from individuals claiming to be from the Health Department. Throughout Michigan, the scammers are requesting to schedule an inspection at the food establishment, as well as sensitive information about the business. According to the Better Business Bureau, this was a widespread occurrence in Minnesota and North Dakota in 2010.

The individuals calling to schedule the inspections do not want physical access to the restaurant, instead they want to fraudulently advertise and sell merchandise on Craigslist, eBay or a similar web-based service. The scam allows the callers to bypass verification controls put in place to prevent spam and online scams by fraudulently using the restaurant's information.

HOW DOES THE SCAM WORK?

The restaurant receives a phone call from someone claiming to be from the Health Department who provides the restaurant with a five-digit confirmation number. Then, the caller informs the restaurant they will receive an automated call later that day where they will need to enter the five-digit confirmation number in order to schedule an inspection. If the restaurant enters the confirmation number on that subsequent phone call, the fraud is successful and the scammer has been able to open an account not tied to their own personal phone number. The process enables the scammer to satisfy the verification controls of Craigslist, eBay or a similar web-based service, and to advertise and sell merchandise under an account connected to the restaurant.

Legitimate restaurant and other food establishment inspections are usually unannounced. Inspections are not scheduled over the telephone, and confirmation numbers would never be requested to schedule an inspection.

Information received indicates that scammers have targeted ethnic restaurants, primarily Chinese, probably in an effort to take advantage of language barriers that the employees may have.

HOW TO AVOID THE SCAM

- Employees at food establishments should ask for identification if someone stops by or calls claiming to be from the local health department or Michigan Department of Agriculture and Rural Development (MDARD). State and local food inspectors are required to carry official identification.
- If the individual cannot provide proper identification, deny access to the facility. Immediately contact the local food regulatory agency and file a report regarding the incident.

MIOC MISSION STATEMENT

The Michigan Intelligence Operations Center shall collect, evaluate, collate, and analyze information and intelligence and then, as appropriate, disseminate this information and intelligence to the proper public safety agencies so that any threat of terrorism or criminal activity will be successfully identified and addressed

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Information may be exempt from public release under the Freedom of Information Act (5 U.S.C. 552).

- Do not provide sensitive or confidential information over the phone. State and local food inspectors would never ask for that type of information.
- Direct questions or concerns to the local food regulatory agency in the area, or MDARD at 1-800-292-3939.

MIOC STANDING INFORMATION NEEDS

This bulletin addresses the following MIOC Standing Information Needs:

HSEC-07-00000-ST-MI01-2010: Fraud: What are the characteristics, profiles and backgrounds of known individuals or suspected perpetrators who are committing the following types of fraud:

- Bridge Card fraud
- Tobacco tax fraud
- Identity theft
- Mortgage fraud
- Fraudulent Identities/documents

Any law enforcement agency with information that may help address the above question is asked to contact the MIOC at MIOC@michigan.gov.

SOURCES

"Michigan Department of Agriculture & Rural Development Warns Food Establishments of Phony Inspector Scam." Department of Agriculture & Rural Development. April 27 2011. <http://www.michigan.gov/mda/0,1607,7-125-1572_28248-255248--,00.html> (U)

"Scammers Target Metro Restaurants Again." Better Business Bureau. June 15, 2010. <<http://minnesota.bbb.org/article/scammers-target-metro-restaurants-again-20187>> (U)

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