



Community Update

From AG Letitia James

March 2023

Dear Friend,

It seems that there are always new frauds and scams to worry about. But in my office, we are relentless in identifying those bad actors that seek to prey on New Yorkers and holding them accountable.

In this community report, I will let you know about some of our recent activities and give you some tips for staying safe.

I thank you for entrusting me to serve as your Attorney General.

Letitia James



**New York State Attorney General
Letitia James**

Safe Streets

With her lawsuit against 10 ghost gun distributors pending, Attorney General James filed a motion for a preliminary injunction, demanding that these distributors immediately stop selling and shipping illegal unfinished and/or unserialized frames and receivers (ghost gun parts) to New Yorkers. These ghost gun parts are unregistered and untraceable, do not require background checks and are easily turned into working firearms used to commit crimes and harm New Yorkers. In addition to this legal action, Attorney General James is sponsoring gun buybacks throughout the State and vigorously defending New York's Concealed Carry Improvement Act, which strengthens requirements for concealed carry permits, prohibits guns in sensitive places, requires background checks on all ammunition purchases, and more.

Tech for Good, Not for Evil

Attorney General James stopped several stalkerware apps that allowed individuals to spy on others without their consent. The apps allowed users to secretly monitor activity on another device including text messages and social media. Attorney General James secured hundreds of thousands of dollars from the owner of multiple companies that sold these stalkerware products, and the apps will now be modified so that the owner of the device being monitored is notified and informed of the type of info being collected and made available for viewing. If you believe you are a victim of stalkerware and are not receiving proper notifications, call our hotline.

Mental Health – From Hearing to Action

Attorney General James held her second hearing on mental health last month – this one in Western New York following the one held in New York City last June. Testimony covered topics such as underfunding for community health groups, gaps in coordinated care, understaffing and stigma around mental health care. As we emerge from the pandemic, mental health services, already inadequate in many areas, are frequently not able to deal with the current need. Attorney General James aims to gather input directly from community members across the state to inform legislative solutions and enforcement actions. Over 100 individuals either testified in person or submitted written testimony for the hearing. Attorney General James is supporting a number of changes to address the issues raised, such as closing loopholes in insurance coverage of mental health services and increasing penalties for hospitals that take psychiatric beds offline without authorization.

Give Us Our Money Back

Attorney General James recovered over \$422,000 for hundreds of tenants who were illegally denied their security deposits. Fairfield Properties illegally withheld full or partial security deposits without providing tenants a written itemized list of deductions, inspected apartments without the tenant present, and did not allow tenants to make repairs before vacating properties. Fairfield must now return illegally-withheld security deposits, including interest, and also pay penalties.

Mail Theft

There has been a recent rise in mail theft. This can lead to identity theft and invasions of financial and personal privacy. To avoid mail theft:

- Always pick up your mail promptly when delivered, do not leave it in your mailbox overnight.
- If you did not receive an expected check or other valuable mail, contact the issuing agency immediately.
- If you change your address, immediately notify your respective post office and anyone with whom you do business via mail.
- Inform your post office if you will be away, so that they can hold your mail until you return.
- If you suspect your mail was stolen or see mail theft happening, contact police and then report it to Postal Inspectors by calling 877-876-2455.
- If you see glue, tape or any other sticky substances on a mailbox, report it to your post office, Postal Inspectors or the NY Division of the U.S. Postal Inspection Service: 212-330-2400.
- Consider signing up for USPS' Informed Delivery Service, which provides e-mail notifications for incoming mail and packages.

Curtailing Crypto

While many New Yorkers have invested heavily in cryptocurrency platforms, some companies have operated illegally and defrauded investors.

Attorney General James has sued the former CEO of the Celsius Cryptocurrency Platform for defrauding hundreds of thousands of investors. The lawsuit alleges that the Celsius CEO made false and misleading statements about Celsius' safety to encourage investors to deposit billions of dollars in digital assets onto the platform. As Celsius lost millions of dollars of assets in risky investments, the CEO misrepresented and concealed Celsius' deteriorating financial condition. The CEO also failed to register as a salesperson for Celsius and as a securities and commodities dealer. Attorney General James' lawsuit seeks to ban the CEO from doing business in New York and require him to pay damages, restitution, and disgorgement.

In addition, Attorney General James and a multistate coalition secured close to \$24 million from the Nexo cryptocurrency platform for operating illegally. Nexo engaged in the unregistered offer and sale of securities and commodities and lied to investors about their registration status. As a result of the agreement secured by Attorney General James, Nexo will be banned from the securities industry in New York for five years and must notify all its US investors (about 3,000 New Yorkers) to withdraw their assets from the platform.

CONSUMER ALERT: Protect Yourself from Fraud this Tax Season

Tips to avoid scams and file taxes safely:

- Be aware that legitimate government organizations never threaten arrest or deportation for failure to pay a debt and never insist that consumers pay a debt only via a prepaid credit card, gift card, or wire transfer
- Only use established companies for tax-preparation services and always review the entire tax return before signing it.
- Ensure that any offers you receive for "free" tax preparation services are actually legitimate and free of charge, such as the IRS' Free Filing program.
- Consider Volunteer Income Tax Assistance (VITA) sites where you can legitimately get tax returns prepared free of charge (partner@irs.gov or 800-906-9887).
- If using a tax preparer, check the person's qualifications and history through the Better Business Bureau. Ensure that they sign the tax form and include their Preparer Tax Identification Number (PTIN) upon completion. Also ensure that you are given a statement of the tax services provided and pay close attention to any extra fees. For more information, consult New York's Consumer Bill of Rights Regarding Tax Preparers.

Any New Yorker who suspects that they are a victim of a scam are encouraged to report it to the Office of the Attorney General (OAG) by submitting a complaint online or calling 800-771-7755. Tax scams should also be reported to the U.S. Treasury Inspector General for Tax Administration at 800-366-4484.